

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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February 22, 2016
Start: 10:16 a.m.
Recess: 03:06 p.m.

HELD AT: Committee Room - City Hall

B E F O R E:

JUMAANE D. WILLIAMS
Chairperson

COUNCIL MEMBERS:

Rosie Mendez
Ydanis A. Rodriguez
Robert E. Cornegy, Jr.
Rafael L. Espinal, Jr.
Mark Levine
Antonio Reynoso
Helen K. Rosenthal
Ritchie J. Torres
Barry S. Grodenchik
Eric A. Ulrich
Brad S. Lander
Ben Kallos
Inez D. Barron
Public Advocate Letitia
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A P P E A R A N C E S (CONTINUED)

Patrick Wehle
Assistant Commissioner
External Affairs
New York City Department of Buildings

Jordan Dressler
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Office of Civil Justice
New York City Human Resources
Administration

Anne-Marie Hendrickson
Deputy Commissioner
Office of Asset and Property Management
New York City Housing Preservation and
Development

Vito Mustaciuolo
Deputy Commissioner
Office of Enforcement and Neighborhood
Services
New York City Housing Preservation and
Development

Adele Bartlett
Representative
Gale Brewer
Manhattan Borough President

Sarah Desmond
Executive Director
Housing Conservation Coordinators

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

Emily Goldstein
Senior Campaign Organizer
Association for Neighborhood and Housing
Development

Ezra Kautz
Supervising Housing Attorney
Make the Road New York

Harvey Epstein
Associate Director
Urban Justice Center
Director
Community Development Project

Efrain Felipe
Leader
UNO

Sarah Nisbul [sp?]
Translator for Efrain Felipe

Nick Petrie
Housing Organizer
Make the Road New York
Representing Tenant Sylvia Smith

Robert Altman
Queens and Bronx Building Association and
Building Industry Association of New York
City

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

Stephen Werner
Representing Self

Tom Anderson
Staff Analysts
Union Representative

Kim P. Jones
Tenant

Jennifer Berkley
Subsidized Housing Lead Organizer
New York State Tenants & Neighbors
Information Service
New York State Tenants & Neighbors
Coalition

Fred Newton
Retired City Employee

Dave Powell
Director of Organizing & Advocacy
Fifth Avenue Committee and
Neighbors Helping Neighbors

Thomas Honan
Staff Attorney
Legal Services of New York City

Natasia de Silva
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Legal Services of New York City

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

Mike Grinthal
Supervising Attorney
MFY Legal Services

Quinn
Displaced Harlem Tenant

Sandra Johnson
Tenant

Rochelle Thompson
Harlem Tenant

Nancy Sher
Tenant

Sam Chiera
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Preserving Affordable Housing Program
Brooklyn Legal Services Corporation A

Clentine Fenner
Brooklyn Tenant

David Hansel
President
Manhattanville Tenants Association

Maria Tavares
Vice President
Williamsburg Southside Tenants
Association

2 **TRANSCRIPTION NOTE:** Testimony of Efrain
3 Felipe in Spanish with the aid of a translator in
4 audio Job #002-01-517373 labeled Pt. 2 of 2,
5 beginning at time stamp **[00:56:50]**.

6 [gavel]

7 CHAIRPERSON WILLIAMS: Good morning
8 everyone, thank you for coming. My name is Jumaane
9 Williams; I chair the Council's Committee on Housing
10 and Buildings. I've been joined today by Public
11 Advocate Letitia James, Council Member Ben Kallos
12 from Manhattan; Council Member Brad Lander from
13 Brooklyn. We're here to conduct a hearing on four
14 bills.

15 Proposed Int. No. 0152-A, sponsored by
16 Council Member Lander at the request of the Manhattan
17 Borough President Gale Brewer, would bar the
18 Department of Buildings from approving any
19 construction document for alterations or demolitions
20 of residential buildings unless the applicant
21 provides either a certificate of no harassment from
22 the Department of Housing Preservation and
23 Development or a waiver of such certificate.

24 Int. No. 0543, sponsored by Council
25 Member Torres would make five or more violation s of

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2 the same or a substantially similar nature over a
3 course of five years prima facie evidence of an
4 underlying condition existing in a building and would
5 allow tenants to apply to the housing part of the
6 civil court for an order to correct such underlying
7 conditions.

8 Int. No. 1015, sponsored by Council
9 Member Kallos at the request of the Manhattan Borough
10 President Gale Brewer, would create an affordable
11 housing portal.

12 Finally, Int. No. 1044, sponsored by the
13 Public Advocate, would require the Department of
14 Buildings to deny a permit when a building of fewer
15 than 35 units has an average of at least three open,
16 immediately hazardous or hazardous housing
17 maintenance code violations or immediately hazardous
18 or major construction code violations per unit, or
19 when a building of 35 units or more has an average of
20 at least two open, immediately hazardous or major
21 construction code violations per unit.

22 I understand Council Members Lander,
23 Torres, Kallos and the Public Advocate would like to
24 each make a brief statement concerning their bills.
25 But first I wanna say the importance of these bills,

1
2 and talking about preservation is well-known to
3 everyone as we're going through this process of
4 zoning in the Mayor's plan to build and preserve
5 200,000 units; we do know that nothing is better than
6 preservation because we can't build our way out of
7 the problem, so preservation is critical; we have to
8 use every tool that we have and we also have to put
9 additional tools in the toolbox. If we don't succeed
10 in this, we will fail in the plan, so I'm very proud
11 that we're having these bills heard today and I'd
12 like to give some time to the Public Advocate; then
13 Council Member Lander; then Council Member Kallos to
14 have opening statements.

15 PUBLIC ADVOCATE JAMES: Good morning.

16 Before I begin, I wanna thank the Chair of this
17 committee and co-lead sponsor of Int. 1044, Council
18 Member Jumaane Williams for hosing this hearing today
19 and the other members who have sponsored this
20 legislation, including Council Member Lander, Kallos
21 and Torres, I wanna thank them as well. I also wanna
22 recognize two of the co-sponsors of Int. 1044 who
23 were concerned about this issue from an early point,
24 Council Member Vallone from Queens and Council Member
25 Helen Rosenthal from Manhattan. I'd also like to

1
2 thank the many tenant organizations who are here
3 today and who have done excellent work advancing many
4 of the housing issues in the City of New York,
5 particularly for those New Yorkers in need.

6 We are here today with the goal of
7 stopping landlords from using construction as a
8 pretext to harass rent-stabilized tenants. The
9 Office of Public Advocate has been involved, as most
10 of you know, in our annual worst landlords watch
11 list, a list that identifies the most unscrupulous
12 landlords in our city in an attempt to expose their
13 bad acts and shame them into doing the right thing.

14 After we issued our watch list last year,
15 a woman named Sandra Johnson contacted my office to
16 share her story. Is Miss Johnson here? Okay.
17 She'll be here shortly.

18 Miss Johnson resides in a rent-stabilized
19 apartment in Harlem with several of her children and
20 grandchildren. Her landlord landed on the Public
21 Advocates' worst landlords watch list repeatedly; she
22 contacted our office and we visited her office and
23 her landlord was literally trying to divide the
24 apartments in the building in three while the tenants
25 still lived in the building. Work crews had

1 demolished a significant amount of the interior of
2 the building and they demolished the ceiling of the
3 apartment below her living room, so there was a
4 massive hole in her floor 10 feet in diameter that
5 opened directly into the apartment upstairs. There
6 was dust and debris all over the place and some of
7 her grandchildren suffered from asthma and these
8 clearly were asthma triggers. After seeing these
9 deplorable conditions and done some research, we
10 discovered that in addition to allowing the
11 conditions bad enough to appear on the worst
12 landlords list, the landlord had filed a paper
13 claiming that the building was vacant so that he
14 could divide each apartment into two. We discovered
15 that the landlord had obtained the building from a
16 seller who bought the building from the City and who
17 had promised to bring the building up to code as a
18 condition of that purchase. Needless to say, the
19 building has never been brought up to code and today
20 the Office of Public Advocate; we're in litigation
21 with the owner of that building.

22
23 Int. 1044 would have helped Miss Johnson
24 and her neighbors by preventing this work from
25 happening in the first place. The logic is simple --

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2 if you own a building where there are significant
3 documented unsafe and unhealthy conditions you may
4 not obtain a building permit unless that permit is
5 for repairs to the unsafe and unhealthy conditions;
6 meaning, you cannot obtain a permit until such time
7 as you address the open violations in your building,
8 particularly those that are unhealthy and unsafe.

9 Before I conclude I would like to make a
10 brief point about our objective today. The goal of
11 the legislation is clear; to stop landlords from
12 ignoring unsafe conditions while engaging in
13 construction or renovations on another portion of the
14 building. If these revisions or amendments that help
15 us to achieve this goal, we are open to all of these
16 revisions, suggestions and amendments. But I think I
17 speak for all of the tenant organizers, as well as
18 the bill co-sponsors when I say that the era of using
19 construction to punish rent-regulated tenants must
20 end and I look forward to a constructive hearing, and
21 I once again wanna thank Council Member Williams for
22 holding this hearing. Thank you.

23 CHAIRPERSON WILLIAMS: Thank you.

24 Council Member Lander.

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2 COUNCIL MEMBER LANDER: Thank you,
3 Mr. Chair and the Public Advocate and everyone who's
4 here today. I think it's fitting that we're having
5 this hearing on strengthening our tools to prevent
6 harassment and displacement at the same time that the
7 new book *Evicted* is out and I urge people, if you
8 haven't had a chance to pick it up, to do so or to
9 read the review in today's *Times*. We're facing an
10 epidemic in this country of evictions and
11 displacement, exacerbating poverty, causing family
12 trauma and this is all over the country; this is not
13 just in New York City and actually of course in New
14 York we are fortunate to have strong rent regulations
15 that provide some protections to tenants from
16 displacement, but we know in so many of our
17 neighborhoods that despite that tenants continue to
18 face, especially in hot marketplaces, pervasive
19 harassment and displacement and that we've gotta do
20 more about it. We appreciate what the de Blasio
21 administration has done putting significant resources
22 on the table for tenant legal services and working
23 with this Council under the work of Chair Williams
24 and The Speaker, but anybody who's in the
25 neighborhoods that are experiencing displacement and

1 harassment around the city knows that we need to do
2 more; that's especially true where the city itself is
3 encouraging development, and let's be clear, I'm a
4 supporter of encouraging development to create more
5 affordable and mixed-income and even market rate
6 housing, but especially where we do that, where we
7 add density and allow people to build bigger
8 buildings we create actually an incentive for people
9 to harass out existing low-income tenants, demolish
10 those buildings and build bigger ones and it's not
11 only in rezoning neighborhoods, all you have to do is
12 walk around Crown Heights to watch tenants being
13 displaced by landlords seeking to turn over buildings
14 by harassing and evicting low-income tenants. There
15 are things we can do to stop that; the Public
16 Advocate spoke to some; there are other bills by
17 Council Members Kallos and Torres, but Int. 0152 will
18 require owners of buildings, before they obtain a
19 permit from Department of Buildings for demolition or
20 material alteration of their building, to get from
21 HPD a certificate of no harassment that says we have
22 not emptied this building through harassment and
23 other illegal tactics and we are not therefore gonna
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2 be able to profit from that activity, turn over a
3 building and increase the rents.

4 Now I anticipate and I even agree with
5 something that I suspect that we'll hear from the
6 administration and from building owners as well; most
7 landlords and owners in New York City do not engage
8 in harassment and we don't want a system that is
9 overbroad and burdens those folks who are working
10 hard to do the right thing, but I guess I would ask,
11 before you come up and testify that because of that
12 this system doesn't work; you know, I know, we all
13 know that there are unfortunately a meaningful number
14 of people whose business strategy is premised on
15 harassment and displacement, so don't just come up
16 here and say this is overbroad; come up here with a
17 strategy -- how do we focus on and target those
18 developer, owner landlords who have a strategy of
19 harassment and displacement and make sure we don't
20 give them permits to profit off those activities.

21 Thank you, Mr. Chair.

22 CHAIRPERSON WILLIAMS: Council Member
23 Kallos.

24 COUNCIL MEMBER KALLOS: Thank you to
25 Chair Jumaane Williams for hearing Int. 1015, as well

1
2 as being a co-sponsor, along with Manhattan Borough
3 President Gale Brewer and Council Member Rosie
4 Mendez.

5 This legislation would require owners of
6 affordable housing to register with the City, provide
7 for enforcement by the City or residents in court
8 with fines for the first time since 1993 and a single
9 place to apply, as well as monitor your status for
10 new and most importantly, over a million units of
11 existing affordable housing. Finding an affordable
12 home in New York City must be easier than literally
13 winning the lottery. Despite this city subsidizing
14 the construction of thousands of affordable units, so
15 many people are still in search of affordable
16 housing. Anecdotally we've all seen the reports and
17 heard the stories of rigged lotteries and waiting
18 list corruption, but we didn't really have proof of
19 what was causing much of the problem. Thanks to one
20 of our city's 350,000 employees, one of them being a
21 civil servant, an analyst, whistleblower at HPD, my
22 hero and our city's champion for affordable housing,
23 Stephen Werner, coupled with intrepid investigative
24 reporting by *ProPublica*, Cezary Podkul, we now know

1
2 that up to 200,000 units of affordable housing are
3 missing from DHCR's registry.

4 Also like to take a moment to thank our
5 brothers and sisters in organized labor at the
6 Organization of Staff Analysts for supporting their
7 member Stephen Werner and for joining us today. It
8 is the power of our workers organized together that
9 gives them the protection necessary to speak for all
10 New Yorkers.

11 If these unregistered units are being
12 offered above their legal affordable rents, then the
13 best thing Mayor de Blasio can do to achieve his goal
14 of building or preserving 200,000 units of affordable
15 housing over the next years is to support and sign
16 this legislation to potentially make this goal a
17 reality by the next year so he can start working on
18 the next 200,000 units.

19 This legislation seeks to solve the
20 following long-standing problems with affordable
21 housing -- non-registrations, owners fail to register
22 thousands of buildings with tens of thousands of
23 units; of course they receive hundreds of millions of
24 dollars in tax breaks each year; paper applications
25 that must be mailed and application requests, receive

1 the application by mail and return the application by
2 mail and wait, hoping nothing got lost in the mail;
3 lotteries and rejections; three-quarters of
4 applicants have been rejected in lotteries because
5 individuals apply for the wrong affordable housing
6 for their income; waiting list corruption because
7 investigations revealed dozens of instances of
8 corruption and bribery surrounding waiting lists for
9 affordable housing, and numerous individual places to
10 apply because we have multiple websites between DHCR,
11 HPD, HDC and nonprofits like Met Council, as well as
12 each and every individual affordable housing
13 building. The legislation would provide owner
14 registration, enforcement and fines by HPD with a
15 private right of action for individuals with
16 penalties that escalate from \$100 per unit per month
17 to \$2,000 per unit per month, making it illegal to
18 warehouse units, protecting tenants from illegal
19 rents, managing and putting up superintendent
20 information so that if you're one of those tenants
21 you can actually find your superintendent when
22 something is going wrong, and providing matching for
23 all residents with a single application based on
24 their income so you don't end up missing your
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2 opportunity after you wind the lottery and making
3 sure there's actually transparency around lotteries
4 and waiting lists and with all this transparency
5 there would also be protections for people's privacy,
6 we'd be protecting individual tenants, especially
7 those receiving financial assistance based on their
8 individual status, whether it's SCRIE, DRIE, HASA or
9 otherwise.

10 Just wanna thank Ed Atkin and Brad Reid
11 for assistance in drafting this massive legislation,
12 as well as housing advocates who helped us improve it
13 and Fourth Estate, our friends at *ProPublica* who
14 really helped us get our hands around the issue and
15 really improve this legislation and in fact the
16 report is what spurred our introduction. Thank you
17 and I look forward to a great hearing and just as
18 Brad had mentioned, we're looking for improvements;
19 we wanna fix this, make it better, so please come
20 with any ways we can improve this and our goal is to
21 just get 200,000 units or more back on the market so
22 that people can get into them. Thank you.

23 CHAIRPERSON WILLIAMS: Thank you for
24 providing additional background on each of your
25 bills. I would also like to thank Manhattan Borough

1
2 President Gale Brewer for her work on Int. No. 1015
3 and proposed Int. No. 0152-A.

4 I'd also like to thank my staff for the
5 work they did to assemble this hearing, including
6 Nick E. Smith, my Deputy Chief of Staff and my
7 Legislative Director; Galanna Mayer, my
8 Communications Director; Jen Wilcox and Megan Chin,
9 Counsel to the Committee; Guillermo Patino and Jose
10 Conde, Policy Analysts to the Committee, and Sarah
11 Gastelum, the Committee's Finance Analyst.

12 Lastly, as a reminder for those of you
13 who are testifying today, please be sure to fill out
14 a card with the sergeant. I wanna recognize Council
15 Member Cornegy has come.

16 But before I call up the next panel, I
17 just wanna underscore something my colleagues
18 mentioned; we are looking for improvements to the
19 bills, we are looking for additional tools to add to
20 the toolbox; it's clear to everything that whatever
21 we are doing now isn't working; as was mentioned, we
22 are in a crisis in this country, particularly in this
23 city, in particular markets; the country will look to
24 see where New York City goes to solve this problem,
25 so we must have every tool. So it would be great if

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2 this could be a dialogue of how to improve these
3 tools or a discussion about what tools you have that
4 you're improving, because what we're doing is not
5 working and we have to save these homes. We see
6 what's happening, we see the homeless crisis spiking,
7 we see a report this morning about overcrowding in
8 what units do exist, so doing nothing; saying it's
9 too difficult is not an answer or an appropriate
10 response, so hopefully we'll hear more than that when
11 the panel comes up.

12 We'd like to call the first panel --
13 Patrick Wehle [sp?] from DOB; Jordan Dressler, Civil
14 Justice Coordinator at HRA; Anne-Marie Hendrickson,
15 HPD; Vito Mustaciuolo, HPD, and Baaba Halm from HPD.

16 [pause]

17 Can you all please raise your right
18 hands? Do you affirm to tell the truth, the whole
19 truth and nothing but the truth in your testimony
20 before this committee and to respond honestly to
21 council member questions? And you can begin in the
22 order of your preference. Also we've been joined by
23 Council Member Helen Rosenthal.

24 PATRICK WEHLE: Good afternoon, Chair
25 Williams, Madame Public Advocate; members of the

Housing and Buildings Committee and the City Council.

I am Patrick Wehle, Assistant Commission of External Affairs at the New York City Department of Buildings.

I am pleased to be here to offer testimony on Int. No. 1044, which prohibits the issuance of building permits for multiple dwellings that have received a certain number of unaddressed hazardous violations. Specifically, Int. 1044 prohibits the issuance of building permits for multiple dwellings with less than 35 units that have three or more open hazardous or immediately hazardous housing maintenance code violations or immediately hazardous or major construction code violations per unit and for multiple dwellings with 35 or more units, two or more of the same type of open violations per unit. An exception is provided to allow permits to be issued for work to correct the conditions that resulted in the violations or where the work is necessary to protect the health and safety of the public.

The Department applauds efforts to protect the safety and rights of tenants in multiple dwellings and works to ensure that construction is not used as a means to evict tenants from their

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2 apartments. The Department was pleased to make
3 available to Public Advocate James' office
4 information to help shape its worst landlord watch
5 list, which serves as a valuable resource to help
6 hold scofflaw landlords accountable.

7 Int. 1044 seeks to take the watch list a
8 step further by making those owners subject to the
9 criteria used to determine eligibility for the watch
10 list to a prohibition from securing permits from the
11 Department. While the Department appreciates the
12 intent of this legislation, we would like to share
13 some concerns that makes implementation challenging
14 and cautions its effectiveness.

15 As written, Int. 1044 would require the
16 Department to ascertain from construction documents
17 whether planned work cures violating conditions or is
18 for work unrelated to the violating conditions. The
19 Department does not currently perform such an
20 examination and doing so presents operational
21 challenges that require additional thought.
22 Oftentimes the work to make alterations to dwelling
23 units encompasses the work performed to correct
24 violating conditions such that parsing the two out
25 based on the plan review is not possible.

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2 Additionally, having the ability to issue
3 permits in circumstances where the work is necessary
4 to protect the health and safety of the public is a
5 big standard that can capture most if not all the
6 violations we issue.

7 Another concern is that as drafted, Int.
8 1044 would prohibit owners from performing preventive
9 maintenance on their buildings if the violation
10 threshold was reached, such as replacing an elevator
11 or a boiler.

12 Additionally as drafted, Int. 1044 would
13 apply to co-ops and condos, which does not seem to be
14 the intent of the legislation. Owners of individual
15 units should not be prevented from making alterations
16 to their units. Also, there are buildings that
17 include a mixture of rentals and co-ops; under this
18 bill violations received by the owner of the rentals
19 would impact the owner of the co-op.

20 Finally, given the apparent disregard for
21 the safety of tenants and our laws demonstrated by
22 owners captured by Int. 1044, in the Department's
23 experience many of these bad actors who renovate
24 their buildings are not seeking permits in the first
25 place. Furthermore, a prohibition on issuing permits

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2 can have the intended consequence of further
3 incentivizing recalcitrant landlords to perform work
4 without permits. Absent the Department's critical
5 regulation and scrutiny, this work would further put
6 tenants and the public at risk.

7 The Department works closely with HPD to
8 identify instances of the use of the construction to
9 harass tenants and takes enforcement action where
10 appropriate. In addition to our own enforcement, the
11 Department performs weekly inspections with HPD and over
12 the past 18 months has issued over 1500 violations
13 and other associated penalties. As part of the
14 Tenant Harassment Task Force, the Department and its
15 partner agencies meet regularly with numerous tenant
16 associations to understand their concerns, receive
17 complaints and promptly inspect.

18 Administratively, the Department has
19 begun a process to thoroughly review construction
20 applications to verify occupancy and rent regulation
21 status. Additionally, we are now requiring that
22 tenant protections plans be submitted separately from
23 construction plans and they are now posted online.
24 The Department will not approve plans and issue
25

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2 permits unless a tenant protection plan is filed and
3 approved to the Department's satisfaction.

4 While we do have some concerns with this
5 legislation that can be discussed further with the
6 Committee and the Public Advocate's Office, the idea
7 of increased scrutiny of buildings identified on the
8 Public Advocate's worst landlord list is one worth
9 pursuing; whether it takes the form of something akin
10 to this legislation or some other form, we look
11 forward to discussing.

12 Thank you for your attention and the
13 opportunity to testify before you today and after the
14 rest of the panel I welcome any questions you may
15 have.

16 ANNE-MARIE HENDRICKSON: Good morning.
17 I'm testifying on Int. 1015 and for the record, I am
18 Anne-Marie Hendrickson, Deputy Commissioner for the
19 Office of Asset and Property Management.

20 Int. 1015 would require HPD to create a
21 centralized listing and application system for
22 available affordable units in New York City,
23 including units that HPD has no involvement with.
24 The search for affordable housing in New York City
25 can be difficult; to assist families seeking

1
2 affordable apartments, the Agency launched the New
3 York City Housing Connect online application system
4 in 2013. The system dramatically eases the process
5 of applying for affordable housing financed or
6 assisted by an HPD program.

7 Prior to Housing Connect, perspective
8 applicants had to search newspapers for
9 advertisements of open housing lotteries, request
10 paper applications from each development in which
11 they were interested, fill out the same income and
12 household information repeatedly to apply to multiple
13 developments and mail each of those forms to the
14 project sponsors; it was a tedious and sometimes
15 confusing process.

16 Housing Connect offers a one stop
17 application process to navigate all of those steps.
18 Applicants create an online profile; then with the
19 click of a button, can apply to any newly constructed
20 and recently rehabilitated units as they become
21 available and for wait lists for certain existing
22 apartments.

23 *InformationWeek*, a respected national
24 publication, recently recognized HPD as one of the
25 year's Elite 100, technology division, based on

1 innovations like Housing Connect. The system
2 currently boasts over 700,000 registered users. HPD
3 is proud of the system and will continue to invest in
4 upgrades and expansions of Housing Connect. In fact,
5 plans already in progress for Housing Connect, as
6 well as other complimentary technology systems,
7 include centralized access to a broader portfolio of
8 available affordable units and closer oversight of
9 the lease-up process.
10

11 For example, we have already planned to
12 integrate units that have become vacant and are being
13 re-rented into Housing Connect. Currently applicants
14 for those apartments must apply to individual
15 developers and projects to be placed on waiting lists
16 for vacancies. Just last December we added the first
17 set of re-rentals by incorporating Mitchell-Lama
18 developments into Housing Connect; that adds another
19 valuable affordable housing resource into the system.
20 HPD Mitchell-Lama portfolio consists of nearly 50,000
21 affordable units. As those developments refresh
22 their wait list, lotteries are now administered
23 through Housing Connect.

24 With the changes we have made or are
25 underway, applicants will have the ability to apply

1 not only to newly constructed or completely
2 rehabilitated apartments, but to units that become
3 vacant as apartments change tenancies over time,
4 which will vastly increase the number of units made
5 available through Housing Connect. Upon turnover of
6 apartments, developers will enter unit information
7 into the system; Housing Connect will randomly select
8 applicants whose eligibility criteria and preferences
9 match the unit specifications. The developer or its
10 marketing agent will then screen applicants for the
11 vacant unit.
12

13 To help us hone the vision for
14 incorporating vacant re-rental units in Housing
15 Connect, HPD engaged the Cornerstone Partnership, a
16 reputable consultant with extensive nationwide
17 experience and expertise on housing policy,
18 electronic data and process management and best
19 practices in stewardship of affordable housing
20 assets. We are confident that we've developed an
21 approach that rents up the affordable units quickly
22 while ensuring a fair and open marketing process.
23 Moreover, our plan changes will enable HPD to monitor
24 tenant selection for re-rental units in the same way
25 that lotteries for new units are monitored today.

1
2 Complimenting the upgrade and expansion
3 of Housing Connect, two other technology platforms
4 currently in development are transforming HPD's
5 monitoring capacity to ensure the ongoing
6 affordability and physical and financial health of
7 the housing developments we finance.

8 Last year HPD released an electronic rent
9 roll, e-rent roll system to enable developers to
10 submit rent roll information through an online
11 system. The system greatly enhanced HPD's oversight
12 and information on turnover in affordable units.
13 Currently the system accepts compliance information
14 for the Federal Home and Low-Income Housing Tax
15 Credit Programs; we will be expanding the system to
16 cover the rest of HPD's portfolio, which will allow
17 us to better monitor affordable re-rental units and
18 homeless set-aside units across all our programs.
19 Developers will submit rent rolls on a regular basis,
20 enabling HPD to ensure that building owners charge
21 tenants appropriate rent, check DHCR for the status
22 of rent-stabilized units, comply with affordability
23 and set-aside restrictions of their project's
24 regulatory agreement and market available re-rental
25

1 units through the New York City Housing Connect
2 system.
3

4 At the same time we are improving our
5 comprehensive asset management of affordable housing
6 projects by procuring a system to more efficiently
7 monitor various risk factors associated with the
8 financial and physical health of housing in order to
9 have real time performance assessments of our
10 portfolio; this will help HPD better ensure that the
11 buildings be financed, remain in good physical and
12 financial condition and protect the long-term
13 affordability and availability of the units.

14 In sum, HPD is already beginning to build
15 the technology tools and operational capacity to
16 enable online access to a broader portfolio of
17 affordable housing. We have an aggressive but
18 realistic plan already in place to complete this
19 work, rolling out pieces of these systems later this
20 year and continuing development and phased releases
21 through December 2018.

22 Because we have made and continue to make
23 significant progress in our affordable housing
24 technology, we view Int. 1015 as unnecessary and
25 therefore we do not support it. In order to comply

1
2 with Int. 1015, we would have to go back to the
3 drawing board to fulfill the parameters of this bill.
4 Restructuring our technology initiatives in this area
5 would result in significant delay in our timeline for
6 planned improvements and would be prohibitively
7 expensive.

8 We also have significant concerns about
9 how the bill would affect small building owners,
10 homeowners and community-based affordable housing
11 nonprofits. Most affordable housing is not in big
12 buildings or owned by the City's largest developers,
13 there are all sorts of housing types, but much of New
14 York City's affordable housing is in small buildings,
15 often developed and managed by nonprofits or small
16 MWBE firms with limited staff and cash flow; for
17 those buildings, any significant new costs will have
18 to come at the expense of the maintenance of the
19 building or tenant services; this bill would impose
20 significant new obligations upon those owners.

21 For example, owners who do not reply in a
22 timely manner indicating receipt of an application
23 may be sued or fined with substantial penalties. As
24 we have seen, the demand for housing in New York City
25 is great, even small housing developments receive

1 thousands of applications; small individual owners
2 would need to respond to as many as a thousand
3 individual applications for one unit and spend
4 considerably more funds and manpower to manage their
5 leasing process, which would take away funds from the
6 maintenance and operation of their units or require
7 the City to provide additional subsidies.

8
9 Int. 1015 also threatens and privacy of
10 the residents of certain affordable housing
11 developments by allowing the general public to deduce
12 the income levels or health conditions of building
13 residents. The bill would also impose new
14 enforcement burdens on HPD by requiring that the
15 agency monitor all owners' acknowledgements and
16 acceptances of applications, enforce penalties
17 flowing from private actions relating to the posting
18 of information and investigate all claims that owners
19 are stalling on reviewing applications or proceeding
20 with rental.

21 We also have significant concerns about
22 requiring the annual registration of rent-regulated
23 units in the city. The state already requires
24 registration and while there are certainly problems
25 in the state's administration of that system, those

1
2 problems are better addressed by working with the
3 state to improve its system rather than by requiring
4 the City to do duplicate that system. This
5 requirement also raises legal concerns about whether
6 it can be maintained or be enforced by the City in
7 any meaningful way. Duplicating the state's system
8 is a waste of taxpayers' resources.

9 Again, we share the Council's concern
10 that New Yorkers should be able to quickly and easily
11 apply for affordable homes across the city. We have
12 consistently improved and expanded Housing Connect in
13 the few years since we launched the system and have a
14 robust plan for additional improvements, but we have
15 to balance the goals of making the process for
16 applying for affordable housing as transparent and
17 easy to use as possible against privacy concerns and
18 concerns about burdening small and/or nonprofit
19 owners. We are happy to talk with any Council Member
20 or community group about their ideas for improving
21 the system. We are also happy to brief the Council
22 on progress periodically, as we have done in budget
23 hearings, for example, but legislating changes in the
24 detail Int. 1015 seeks to impose is micromanagement
25 and will impede rather than foster a better system.

1
2 Thank you and we would be happy to answer
3 any questions that you may have on these bills.

4 Thank you.

5 VITO MUSTACIUOLO: Good morning, Chair
6 Williams, members of the City Council; Madame Public
7 Advocate. My name is Vito Mustaciuolo and I am the
8 Deputy Commissioner for the Office of Enforcement and
9 Neighborhood Services and I will provide the Agency's
10 testimony today on Intros. 0152-A and 0543.

11 First let me address Int. No. 0152-A,
12 which would impose a citywide requirement that owners
13 seeking certain building permits first obtain a
14 certification of no harassment from HPD. Tenant
15 harassment can come in many forms; landlords attempt
16 to force out tenants by not only making life
17 difficult for them, but also by making living
18 conditions unbearable, from cuts in necessary
19 building services, locks changed without notice,
20 unrequested, prolonged and disruptive rehabilitation
21 projects and aggressive buyout offers to baseless
22 eviction actions in housing court, tenants experience
23 a range of pressure tactics by unscrupulous
24 landlords. Through its enforcement and preventative
25 and proactive measures, this administration takes

1 harassment seriously and uses a wide variety of tools
2 we have to combat it and punish actors aggressively.
3 While these actions are prevalent in our city, we
4 know that these activities represent a small segment
5 of all landlords, most of whom are responsible and
6 attentive owners.
7

8 We are well aware that some landlords
9 engage in harassment tactics and activities and we
10 wholeheartedly agree that we should take proactive
11 measures to prevent such behavior; indeed we have
12 spent the past several years developing effective
13 tools to combat harassment. Working with the
14 Council, we secured new laws precluding owners and
15 their agents from pressuring tenants to accept buy
16 out offers and allowing tenants to initiate housing
17 court actions against their landlord who engages in
18 harassment.

19 Almost one year ago HPD helped to launch
20 a multi-agency effort to focus all available
21 enforcement tools on landlords engaging in patterns
22 of harassment. This task force is a partnership
23 between HPD, DOB, the Attorney General's Office and
24 the State Division of Housing and Community Renewals.
25 The task force identifies a portfolio of buildings

1
2 where harassment may be occurring on a widespread
3 basis and each agency uses its individual enforcement
4 and other powers to issue violations and gather
5 information. Following the inspection and
6 information gathering, the task force meets to
7 determine the best course of action to address any
8 conditions found during the inspections and
9 investigations. The task force has inspected
10 buildings across the city and hopes to curtail
11 widespread harassment through its joint efforts.

12 Beyond those efforts we also work with
13 local elected officials and community groups on
14 specific neighborhood concerns; and example of this
15 work includes HPD's participation in the North
16 Brooklyn Housing Task Force; this task force brings
17 together HPD, DOB, DHCR, City Council, along with
18 community-based tenant advocates and legal services
19 providers to target some of the most distressed
20 buildings in the Williamsburg and Bushwick areas, as
21 identified by the task force's community-based
22 partners. This effort has allowed us to concentrate
23 the City's resources and tools to assist tenants that
24 may need our help.

1
2 The administration also employs an array
3 of programs to support tenants experiencing
4 harassment from their landlords. HRA administers and
5 free legal services program to income-eligible
6 tenants, with \$76 million in funding devoted to that
7 program, more than 10 times the amount budgeted in
8 prior administrations.

9 In partnership with Council Members and
10 community groups, HPD hosts tenant resource fairs in
11 communities that provide an opportunity for residents
12 to obtain information about their rights, to consult
13 with legal service providers and HPD's code
14 enforcement officials about problems they are facing
15 to report issues with particular buildings and
16 landlords and to submit applications for affordable
17 housing.

18 City Hall and HRA have created a Tenant
19 Support unit that engages directly with tenants to
20 help them report housing quality issues, refers them
21 to legal services organizations to get help against
22 harassment, and provides information on their rights
23 and affordable housing opportunities. HPD is
24 experimenting with a mobile van to make it easier for
25 people to report housing conditions and get help if

1
2 they fear they are being harassed, evicted or
3 threatened with service disruptions. In addition,
4 HRA provides a range of assistance to people who
5 might be rendered homeless through an eviction,
6 utility cutoff or other housing problems.

7 While HPD believes that the current
8 certification of no harassment requirements have been
9 useful tools in the City's effort to curtail
10 displacement and deter harassment of tenants in some
11 circumstances, HPD is concerned that requiring a
12 certification of no harassment as proposed in this
13 intro would be overly broad, poorly targeted; after
14 the fact approach to preventing harassment that will
15 impose considerable cost upon all development; will
16 therefore slow the production and rehabilitation of
17 housing just when we have a pressing need for more
18 housing to address the affordability crisis our
19 families face and to prevent rent increases that lead
20 to displacement.

21 For decades HPD has been accepting,
22 processing and issuing determinations on applications
23 for certifications of no harassment. Since the early
24 1980s the law has required owners to secure a
25 certification of no harassment before Department of

1 Buildings can issue a permit to alter or demolish a
2 single-room-occupancy multiple dwelling. The
3 requirements for a certification of no harassment for
4 SROs were enacted after widespread incidents of
5 extreme harassment in this building type. A similar
6 requirement was including in zoning text,
7 establishing special districts in the city. The
8 Special Clinton District provisions have included a
9 no harassment provision since the special district
10 was created in the early 1970s. When the Special
11 West Chelsea District, the Greenpoint-Williamsburg
12 anti-harassment area, the Special Hudson Yards
13 District and a portion of the Special Garment
14 District were established, the zoning text for those
15 districts also included provision of requiring
16 certifications of no harassment. Each of those
17 actions was enacted in response to concerns about
18 harassment in communities with large numbers of rent-
19 regulated apartments.
20

21 Int. 0152-A extends the requirement to
22 obtain a certification of no harassment before any
23 alteration or demolition permit can be issued by the
24 Department of Buildings to virtually every
25 residential building with three or more units in the

1 City of New York; this bill would apply to all
2 residential areas in the city, affecting
3 neighborhoods with housing stocks as different as
4 South Jamaica, Bay Ridge, Forest Hills, East New
5 York, Eltingville and Riverdale. Areas with high
6 numbers of rent-stabilized apartments require
7 different approaches than areas with predominantly
8 three-family homes. At the same time, areas with
9 large numbers of co-ops and condo buildings require
10 different strategies than areas where buildings are
11 primarily rentals. HPD believes that the bill would
12 cause a variety of administrative and other delays,
13 affecting the construction of all types of housing
14 across the city. The current targeted nature of the
15 certification of no harassment requirement is based
16 on specific concerns related to areas with high
17 number of buildings with rent-regulated housing. The
18 impact of requiring such a certification for all
19 buildings would be enormous for both owners and
20 residents of the affected buildings and would require
21 significant agency resources. Some areas in the city
22 contain few units that are rent-stabilized; if a unit
23 is unregulated a landlord does not need to harass the
24 tenant to move out; the landlord can simply raise the
25

1 rent at the end of the existing lease. The
2 landlord's decision to raise the rent beyond the
3 reach of the current tenant at the end of the
4 existing lease is neither harassment [sic] or
5 illegal. Some areas have a housing stock that is
6 already subject to a strong governmental oversight by
7 a government agency such as HPD, HUD or NYCHA.
8 Tenants of apartments that are regulated by
9 affordability programs are already protected against
10 harassment. The requirement for a certification of
11 no harassment before any alteration will be permitted
12 in any Class A building would mean that in order of a
13 small multiple dwelling or large apartment house or
14 even a co-op building who wants to add a kitchen or
15 bathroom to the unit, wants to combine dwelling units
16 or wants to make any other change in the
17 configuration of a residential unit or the public
18 areas serving those units must ensure that such a
19 certification has been applied for and issued within
20 three years of any alteration application. If after
21 a thorough investigation HPD finds reasonable cause
22 to believe harassment has occurred in the building, a
23 hearing must be held; these hearings are quite
24 lengthy, the process may raise the cost at times and
25

1
2 time associated with construction work in an area
3 where there is little history of harassment.

4 In sum, we agree that there are landlords
5 that engage in deplorable harassment tactics; these
6 landlords represent a small percentage of owners,
7 most of again who are responsible and good. To get
8 at bad actors we're deploring a large variety of
9 tools to prevent harassment than ever before. We are
10 always looking for more effective tools to identify
11 these actors and prevent them from denying a tenant
12 his or her rights. We are happy to work with the
13 Council to assess ideas for additional tools.

14 Effective tools must be targeted to the needs of
15 particular neighborhoods, market cycles and building
16 stock; the emphasis should be on preventing
17 harassment and protecting the rights of current
18 tenants and the tools should not impose costly delays
19 on development and rehab of the housing stock that we
20 so sorely need to reduce the pressures on rent that
21 incentivize harassment and lead to displacement.

22 I will now speak Int. 0543. All New
23 Yorkers have a right to live in a home environment
24 that is safe and otherwise in compliance with the
25 minimum housing quality standards, where essential

1
2 services are provided and the environment is free of
3 hazards. We assume that this bill seeks to ensure
4 that property owners address the root cause of a
5 housing code violation instead of repairing condition
6 in a superficial way; however, it is not clear the
7 types of conditions that this bill intended to
8 address.

9 Mold, leaks and pests are the most common
10 types of recurring conditions brought to the Agency's
11 attention; as drafted, however, this bill is not
12 clearly limited to those conditions. If it is meant
13 to cover other recurring conditions, we need to hear
14 more about what underlying conditions may be at
15 issue. If mold, leaks and pests are the Council's
16 concerns, we believe that HPD's current inspection
17 procedure and our underlying condition program
18 address the concerns. I will first describe our
19 program and then discuss the effect this bill would
20 have on our work.

21 In response to complaints, inspectors
22 write violations for all conditions they observe.
23 For example, if an observable roof leak or a ceiling
24 leak is causing a mold condition, violations will be
25 issued for both the leak and the mold. Each

1 violation has its own correction and certification
2 period based on the severity of the condition and
3 each condition carries with it its own civil penalty.
4

5 HPD also has a comprehensive program to
6 address underlying conditions, which requires more
7 resources than complaint inspections and therefore
8 involves more targeted approach for buildings that
9 warrant this attention.

10 Administrative Code Section 272091(c)
11 enacted in 2013 authorizes HPD to issue underlying
12 condition orders and provides the flexibility to
13 define what conditions can trigger this type of an
14 order. Our rules define an underlying condition as a
15 physical defect or failure of a building system that
16 is causing or has caused a violation, including but
17 not limited to a structural failure; a failure of a
18 heating, plumbing or other system. These rules are
19 intended to identify buildings with widespread water-
20 related issues. The program focuses on these
21 conditions because leaks are often related to other
22 types of poor conditions, including mold, pests,
23 broken plaster and peeling paint. Buildings are
24 selected based on the number of recent open mold and
25 leak violations and the percentage of units which

1 exhibit this type of condition. Once buildings are
2 identified, HPD conducts a full cellar to roof
3 inspection to accurately document current leak and
4 mold violations on which an order can be based.
5

6 Since 2013, HPD has issued 128 orders of
7 which 86 buildings have complied with the order by
8 providing documentation from architects or engineers
9 hired by the owner. The architects or engineers are
10 required to submit an affidavit indicating that they
11 have inspected the property and either determined the
12 building has no underlying systemic issues or that
13 the property did have such an issue and work has been
14 completed properly to remediate the condition. If
15 there were not system issues, the owner must still
16 correct all existing leaks or other water conditions
17 and mold conditions as a precondition for discharge.
18 The owner is given 4 months with a possible 2-month
19 extension in order to comply with the order.

20 HPD has initiated 12 litigation cases in
21 situations where the owner has failed to comply. We
22 believe that this program effectively focuses our
23 resources on buildings where a systemic condition
24 exists and creates a clear and separate penalty for
25 failing to address the systemic condition.

1 Our concerns with Int. 0543 are as
2
3 follows. Because HPD already cites casual conditions
4 when they are apparent, this bill seems to suggest
5 that the inspector should conduct a more thorough
6 inspection to determine the cause; it may be even
7 that the inspector conducts a full building-wide
8 inspection he or she would not be able to identify
9 the root cause of the condition. The bill would
10 require HPD to expend additional resources on every
11 inspection it conducts, investigating every source of
12 every condition, regardless of severity, even if one
13 is not evident and documented whether there is such a
14 condition.

15 Looking for a source of water causing
16 mold may mean a roof inspection, inspection of
17 additional apartments, an exterior inspection that
18 may or may not reveal the source, but would lengthen
19 the time the inspection is required. We believe that
20 such an extensive investigation is the responsibility
21 of the owner; adding an underlying condition to every
22 violation adds confusion to the straightforward
23 process we use of issuing separate violations for
24 underlying cause and outward manifestation of that
25 problem, providing separate timeframes for the

1
2 correction of an underlying condition separate from
3 the violation correction timeframes and changing
4 penalties based on this identifier would also add
5 confusion to the system.

6 Underlying conditions may also be
7 conditions for which the tenant is partly
8 responsible; in the case of pest conditions, tenants
9 with situations that require assistance from medical
10 professionals or tenants who do not understand the
11 role that they play in proper pest management may
12 complicate eradication of pest conditions.

13 Inspectors of either building engineers
14 or pest management professionals, it is the role of
15 the owner or agent to determine the cause of the
16 violation and secure it. Recognizing that this is
17 not always possible for the inspector to determine
18 the underlying cause of a violation, HPD chose to
19 address this in its underlying conditions program by
20 requiring a professional qualified to make such
21 systemic determinations to certify that the
22 violations do not result from an underlying systemic
23 problem. Water sources can include building façade
24 penetration, internal plumbing leaks, roof leaks, or
25 flooding in other units.

1
2 Other recent legislation, including the
3 Three Strike Law, passed by the City Council in 2015,
4 or Local Law 65, creates an incentive for owners to
5 correct violations at the source rather than have
6 them reoccur. That legislation imposes inspection
7 fees on property owners who received multiple
8 violations in the same apartment where those
9 violations are uncertified or falsely certified three
10 ore more time within a year.

11 Int. 0543 would also permit tenants to
12 apply to housing court for an order to correct an
13 underlying condition and authorizes the court to
14 reduce or extend time for compliance by the owner.
15 Tenants already have the ability to seek relief when
16 violations exist and the court already has the power
17 to order a property owner to correct a violation and
18 the condition causing that violation.

19 We believe that our current underlying
20 conditions program addresses many of the goals of
21 this bill and that this bill is unnecessary.

22 We are happy to talk with the Council
23 about how we can continue to improve the quality of
24 New York City's housing stock. Thank you.

1
2 JORDAN DRESSLER: Good morning, Chairman
3 Williams and members of the Committee. Thank you for
4 this opportunity to discuss the work of the City's
5 Human Resources Administration and our focus on
6 carrying out the Mayor's priority of fighting poverty
7 and income inequality and preventing homelessness.

8 My name is Jordan Dressler and I am the
9 newly appointed Civil Justice Coordinator for the
10 Office of Civil Justice at the New York City Human
11 Resources Administration.

12 With an annual budget of \$9.9 billion and
13 a staff of 14,000, HRA provides assistance and
14 services to 3 million low-income children and adults;
15 this includes economic support and social services
16 for families and individuals through the
17 administration of major benefit programs,
18 homelessness prevention assistance, educational,
19 vocational and employment services, assistance for
20 persons with disabilities, services for immigrants,
21 civil legal aid, which we'll discuss today and
22 disaster relief, and for the most vulnerable New
23 Yorkers, HIV/AIDS services, adult protective
24 services, homecare and programs for survivors of
25 domestic violence.

1
2 Today I'm here to discuss in general the
3 City's extraordinary investment in legal services to
4 level the playing field for low-income New Yorkers
5 who otherwise appear alone in court when other
6 parties like landlords are represented and
7 specifically about our efforts to provide quality
8 legal representation for low-income tenants who face
9 eviction actions and other pressure tactics by
10 landlords seeking to harass them out of their homes.

11 Affordable housing, a precious resource,
12 is permanently lost to the City when tenants are
13 evicted from rent-regulated and rent-controlled
14 apartments and rent is increased above affordable
15 levels. Protecting these affordable units through
16 the City for families and seniors and protecting
17 tenants in small buildings is critical.

18 It is important to note that even if we
19 are making these commitments to provide access to
20 justice, we recognize that the circumstances low-
21 income and vulnerable New Yorkers are facing have
22 built up over many years and will not be solved
23 overnight. But for every family that stays in their
24 home, it spares the City the expense of emergency
25 shelter services and more importantly, spares the

1 family the trauma of homelessness, including
2 disruption of education, employment and medical care.

3 HRA's legal services programs are aimed
4 at keeping these New Yorkers in their homes,
5 preventing displacement and preserving and protecting
6 the City's affordable housing stock. Our commitment
7 to expanding civil legal services to more New Yorkers
8 in need and making those services more effective can
9 be seen in the actions and investments of this
10 administration over the past two years, specifically
11 in the area of providing legal services to tenants
12 facing harassment and eviction.

13 The Mayor's first budget for FY14
14 provided an unprecedented level of funding for civil
15 legal services for low-income New Yorkers. During
16 the course of that year we allocated a total of \$13.5
17 million to protect tenants facing eviction and
18 harassment by unscrupulous landlords. And let me
19 pause here and echo what others have said; that the
20 vast majority of landlords do follow the law, treat
21 their tenants with respect; we are focused on the few
22 that do not and have sought to ensure that tenants in
23 those buildings have the quality legal representation
24

1
2 they need in the face of unfair and illegal actions
3 or unacceptable living conditions.

4 In FY15, the administration significantly
5 expanded the anti-eviction tenant protection program
6 and made a \$5 million down payment on the creation of
7 our new anti-harassment program for rezoning areas,
8 which next year will grow to \$36 million. This
9 program focuses on 14 zip codes throughout the five
10 boroughs and includes neighborhoods such as East New
11 York, East Harlem, Flushing, the Bay Street area, and
12 High Bridge. The initiative is focused on ensuring
13 that more than 13,000 of our city's low-income
14 residents can stay in the neighborhoods they built as
15 those grow denser and see considerable investment in
16 the coming years.

17 In the current FY16 budget, the City
18 again increased the commitment to fund tenant
19 protection legal services for low-income New Yorkers.
20 This year's budget already included over \$33 million
21 to help New Yorkers stay in their homes.

22 In September of last year the Mayor
23 announced that we are further deepening this
24 commitment by allocating an additional \$12.3 million
25 to the anti-eviction legal services program for

1 providers already hard at work so we can reach more
2 New Yorkers as quickly as possible. This brings the
3 total investment in tenant protection legal services
4 in the administration's current FY16 budget to nearly
5 \$46 million.
6

7 Our program is by far the largest
8 initiative of its kind in the nation, enough to
9 provide more than 113,000 New Yorkers each year with
10 legal services to protect against harassment and
11 unnecessary evictions, which of course also has the
12 benefit of protecting our affordable housing stock.

13 Tenant protection is the cornerstone of
14 our initiatives to provide access to justice for low-
15 income New Yorkers, but the City is working on many
16 additional funds to support legal services by
17 investing \$4.3 million for executive action legal
18 assistant programs for immigrants, operated by HRA in
19 conjunction with the Mayor's Office of Immigrant
20 Affairs and CUNY; \$3.2 million for comprehensive
21 immigration legal assistance that will begin to be
22 implemented for a new RFP process during FY16; \$2.1
23 million for civil legal services for seniors, and
24 \$2.6 million for legal services to secure federal
25 disability benefits.

1
2 When all of these programs are fully
3 implemented in FY17, New York City will be allocating
4 more than \$70 annually in our baseline budget to
5 provide access to justice for low-income New Yorkers.
6 A commitment to provide access to justice for low-
7 income tenants is complimented by other major
8 initiatives to prevent homelessness; among them is
9 HRA's Homelessness Prevention Administration, which
10 includes an early intervention outreach team that
11 seeks out families and individuals on the verge of
12 losing their homes and who can be helped by legal
13 assistance or emergency rental assistance.

14 By providing free legal representation to
15 low-income New Yorkers who would otherwise appear
16 alone in court when other parties like landlords are
17 represented, we give New Yorkers fair and equal
18 access to our civil justice system, while working to
19 fight poverty and inequality. These services help
20 low-income New Yorkers to keep a roof over their
21 heads, stabilize families, keep food in the kitchen,
22 keep students in school, and preserve neighborhoods.
23 We are working to help those who need it most to gain
24 and maintain the security and dignity they deserve.

1
2 Investing in access to justice is also
3 smart economics; former Chief Judge Jonathan
4 Lippman's task force found that for every dollar
5 invested in civil legal services taxpayers see a
6 return of more than \$6.00 in federal benefits, such
7 as federal disability benefits. These benefits not
8 only improve the living standards of the people who
9 receive them, but help lift up local communities as
10 more resources are put into neighborhoods economies.
11 Real neighborhood impacts include: declines in
12 evictions, reductions in the loss of subsidized and
13 rent-stabilized housing, improvements to the housing
14 stock, such as addressing buildings experiencing lack
15 of heat and hot water, and other essential services
16 in lack of repairs and the preservation of affordable
17 rents.

18 Further, the City sees tremendous savings
19 in averted shelter costs, providing civil suit legal
20 services also reduces the cost of litigation,
21 increases court efficiency, all of which benefit all
22 litigants, regardless of their income level.

23 We also want to recognize the deep
24 commitment of this legislative body and City Council
25 Speaker Melissa Mark-Viverito to expanding access to

1 justice. In FY16, HRA is overseeing \$19.1 million in
2 discretionary funding added by the City Council
3 during the budget process to support a diverse array
4 of civil legal services, including family
5 reunification, immigration defense, assistance for
6 domestic violence survivors and veterans and anti-
7 eviction and SRO legal services and more.

9 No other municipality allocates even a
10 small fraction of what New York City is committing to
11 providing access to justice. This is one of the best
12 investments we can make because it can so clearly
13 change lives for the better, as we are already seeing
14 across the city. We recognize that the challenges
15 low-income and vulnerable New Yorkers face are
16 complex and deep-rooted, but we know too that we have
17 powerful tools at hand to address these challenges
18 and lift up our neighbors who need it most and
19 together we become a stronger and more just city.

20 Thank you for the opportunity to testify today; we're
21 now happy to answer any questions the Committee may
22 have.

23 CHAIRPERSON WILLIAMS: Thank you very
24 much for all of the testimony. Just an update; I
25 know it's kind of warm in here; hopefully we'll be --

1 well I have Tourette syndrome, so I can't stop
2 moving, so I'm probably feeling it even a little bit
3 more than some of you are, but we're honored to have
4 Congress holding a hearing next door; we are hoping
5 that they'll be finished within 10 or 15 minutes and
6 switch over. So if you can bear with us for a little
7 while, we appreciate everyone coming out and the
8 interest here.

9
10 I'm gonna start with Int. 1015; I'll just
11 ask a few questions on a couple of the bills; then
12 ask the bill sponsors to ask some questions and then
13 I'll go to my colleagues.

14 [background comments]

15 So it seems that the primary opposition
16 is they already have a portal that you are beginning
17 to design; when did you start designing that portal?

18 ANNE-MARIE HENDRICKSON: I'm sorry; say
19 that again, sir.

20 CHAIRPERSON WILLIAMS: When did you start
21 designing the portal?

22 ANNE-MARIE HENDRICKSON: The portal... the
23 New York City Housing Connect portal went online in
24 2013.

1
2 CHAIRPERSON WILLIAMS: 2013. Now I am...
3 as my colleague, Council Member Kallos mentioned, I
4 was very concerned about the articles, *ProPublica*,
5 they did a very good job; I'm very proud that we have
6 people out there doing that, saying that we lost
7 about 200,000 units; hopefully we can reclaim them,
8 but why was the portal unable to capture or prevent
9 something like that from happening?

10 ANNE-MARIE HENDRICKSON: Well the housing
11 portal really is the online portal where people can
12 apply; okay and basically what you do is you create
13 your online profile and when any different housing
14 lottery comes up, you just press a button and you can
15 apply to it, so you don't have to keep doing your
16 application over and over again.

17 Now in terms of... that has nothing to do,
18 the housing portal, with rent registration and rent
19 stabilization; those are two separate systems.

20 CHAIRPERSON WILLIAMS: So my belief is --
21 and Councilman Kallos will speak for himself --
22 'cause we're trying to design something that can
23 capture units that have all kinds of programs
24 attached to it to help with enforcement and make sure
25 that the property owners are doing what they said

1
2 they are going to do, so as of now that doesn't
3 exist; it sounds like you're saying that you're gonna
4 expand the portal to include something like that?

5 ANNE-MARIE HENDRICKSON: Well we're going
6 to expand the portal to include -- right now it
7 captures new development and preservation when
8 there's re-rentals; what we're gonna do is expand the
9 portal where all re-rentals of any type are captured
10 through that portal. So any development that has a
11 new vacancy, okay, after new construction has
12 happened, they will put that unit online and anybody
13 can apply for it, based on certain criteria.

14 Now we have had discussions with other
15 agencies that finance affordable housing and those
16 conversations are ongoing, but the City, we can't
17 actually require every agency, you know such as HCR
18 and the Housing Authority, to include those units in
19 our system and there's also... you know, we think legal
20 issues, as well as security issues that would need to
21 be worked out very carefully before we expand our
22 housing portal to capture other information from
23 other agencies.

24 CHAIRPERSON WILLIAMS: Based on what you
25 said earlier, what we're suggesting is actually

1
2 different than what you have now, so if we pass this
3 law, why would you have to go back and undo what you
4 already did if it's different than what we're asking?

5 ANNE-MARIE HENDRICKSON: This law is
6 asking us to encompass other agencies, okay, and to
7 put small homeowners, you know, co-operative owners,
8 anybody that has any vacancy onto this housing
9 portal, okay; we think that would be burdensome; that
10 would hurt small homeowners... [interpose]

11 CHAIRPERSON WILLIAMS: Wait, before you
12 get to the burdensome part of the owners, I'm going
13 after the part where you said if we pass this law it
14 will be hard for you to go back and undo the work you
15 already did, but it sounds like the work you already
16 did is completely different than what we're asking.

17 ANNE-MARIE HENDRICKSON: The work that
18 we've done on the housing portal, again, is for new
19 lotteries, okay, and what we're doing is expanding it
20 from just new lotteries to also capture re-rental
21 units, okay. What you're asking is for every small
22 homeowner, any and everybody, okay, to put their unit
23 onto this portal, okay; you're also asking for other
24 agencies; that's not what we're doing, we're
25 capturing the units that HPD has financed and HDC has

1
2 financed over the years; those are the units that are
3 on the portal and what we're doing, again, is
4 expanding it to capture re-rental units that those
5 developments generate as well.

6 CHAIRPERSON WILLIAMS: I understand; I'm
7 just portioning out the arguments; it sounded like
8 one of the arguments is not really applicable here
9 because we're asking for something different, so it
10 doesn't sound like it would be that prohibitive for
11 you to go back and undo, because you haven't done it,
12 to begin with.

13 ANNE-MARIE HENDRICKSON: Well again, I
14 think it is prohibitive, because you're talking about
15 technology, okay, and I think while we totally agree
16 that technology should be used to harness where
17 people can look for affordable housing; we'd like to
18 build upon our portal, expand our portal, not start
19 afresh; we just recently added some Mitchell-Lama
20 portfolios to the housing portal, which we think was
21 a really significant addition, because that's another
22 50,000 units, you know of housing that's out there,
23 so we're adding different things, 'cause we wanna
24 build upon the technology and not kind of go back and
25 start from scratch.

1
2 CHAIRPERSON WILLIAMS: So if this bill
3 was written in a way so that it would build upon what
4 you already you have, would that satisfy the concern
5 you have?

6 ANNE-MARIE HENDRICKSON: Well I think
7 it's a discussion point, in terms of what we can all
8 talk about collaboratively to build upon the existing
9 system as opposed to, you know, building something
10 different or replicating what other agencies already
11 use as a system to track the units.

12 CHAIRPERSON WILLIAMS: Now was there
13 truth to the *ProPublica* article about the units that
14 were lost and why was the City unable to prevent that
15 from happening with the tools that already exist?

16 ANNE-MARIE HENDRICKSON: Well there is
17 definitely a truth, you know to that article that
18 there were units that were created through 421-a; I
19 think it was predominantly condominium and co-
20 operative owners, that had not registered those units
21 and I think once this administration became aware of
22 that problem we took very serious steps and we're
23 working with the state and the Attorney General's
24 Office to go after those owners and bring those units
25 back into rent regulation.

1
2 CHAIRPERSON WILLIAMS: And how did you
3 become aware of the problem?

4 ANNE-MARIE HENDRICKSON: Well again, my
5 understanding is this administration became aware of
6 it, okay; again, I don't know what happened in prior
7 administrations, but once this administration began
8 to be aware of it, we began to take serious steps and
9 began to evaluate and wanted to understand where
10 those units were lost and again, reach out to those
11 owners to give them an opportunity to put them into
12 rent stabilization and if they do not; we plan to
13 take serious steps to address that.

14 CHAIRPERSON WILLIAMS: My presumption is
15 that the administration found out when we did, with
16 the article that came out; if I'm wrong, you can
17 correct me..

18 ANNE-MARIE HENDRICKSON: To be truthful,
19 sir, I'm not quite sure, but I'm sure the article
20 gave some sort of inkling to it, okay, but I think we
21 were already looking at some of those things and you
22 know, again, decided to join up with the other
23 agencies that want to regulate that; to go after it.

24 CHAIRPERSON WILLIAMS: Sure. I just
25 meant to say that my belief, and the administration,

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2 you can correct me at a later date; that the gravity
3 of it was discovered when the article came out; not
4 because I don't think the administration or HPD
5 doesn't want to know about it or would have moved if
6 they did; I don't know that it has the tools
7 necessary right now to follow up on all of these
8 things; if it does, please let me know; if it
9 doesn't, I'd like to know what tools you're gonna put
10 in place to make sure it doesn't happen again and be
11 proactive as opposed to reactive. We believe this
12 bill will help put something in place to assist you
13 in doing that, so if not this bill; do you have
14 something else that you're saying will be put in
15 place to prevent something like that from happening
16 to that magnitude?

17 ANNE-MARIE HENDRICKSON: Well again, I
18 think that that is definitely a discussion moving
19 forward, you know, as we are actively investigating
20 what has gone on; we would need to conclude that and
21 then work with you to decide how we could prevent
22 that from happening moving forward.

23 CHAIRPERSON WILLIAMS: You mentioned HPD
24 engaged the Cornerstone Partnership; can you define
25 what you mean by engaged?

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2 ANNE-MARIE HENDRICKSON: I believe they
3 were brought in -- I'm pretty sure we actually had a
4 grant to kind of use them and bring them in to take a
5 look at our systems and help us design some new
6 technology.

7 COUNCIL MEMBER LANDER: You weren't
8 invited to the engagement party.

9 CHAIRPERSON WILLIAMS: I don't think so.
10 My follow-up question was; what other agencies did
11 you engage, any advocacy group, any Council Members
12 to discuss how this portal may be effective?

13 ANNE-MARIE HENDRICKSON: Again,
14 Cornerstone I know definitely was brought in as a
15 consultant, you know because they had that expertise
16 and you know, we've been talking with other advocates
17 and other not-for-profits and different advocates on
18 how we actually are able to capture incorporating re-
19 rental units; it hasn't happened yet; it is something
20 that's still ongoing, so we plan to reach out and
21 talk to other folks in terms of what kind of
22 suggestions they can make on how to hone in on those
23 re-rental units.

24 CHAIRPERSON WILLIAMS: One of the
25 pervasive problems I've seen in a number of areas is

1 that projects are started or projects are done or
2 plans are put forward without discussion of the
3 people who can make sure that those plans or programs
4 reach the needs of the people on the ground and if
5 that happens earlier there would be less confusion,
6 but then there is pushback when we put forward an
7 idea based on the on-the-ground [sic] understanding
8 that we have, and I think that's another thing that's
9 happening here. We are pushing for a portal to
10 respond to a need that we've seen and now we're being
11 told that a portal is already in place, but no
12 Council Members had discussions about the portal and
13 it doesn't sound like any advocacy groups on the
14 ground working on these things were in discussions of
15 the portal, so my recommendation is that going
16 forward with this project and with other projects as
17 such there are a plethora of organizations that will
18 provide a lot of good information so that when we get
19 to the point, like we are now, that will really be
20 involved, that were already there, conversation and
21 their interests [sic] would have already been taken
22 into account in the project so that we won't have a
23 tension here; we can be moving forward together.

24
25 ANNE-MARIE HENDRICKSON: Point taken.

CHAIRPERSON WILLIAMS: Now proposed

0152-A. Based on the testimony, seems like every so often there was an update to how the certificate of no harassment was done, from SROs; then in the 1970s it was expanded to special districts; why would you not believe that there's a need to expand it even further now?

VITO MUSTACIUOLO: Sir, my testimony was based on the current intro in front of us. So we certainly do wanna sit down with the Council and with advocates to talk about a best approach, but we believe that the intro as presented to us is overly broad and creates too much of a strain on resources for the City and it doesn't really capture I believe the intent of what the legislation was meant for.

CHAIRPERSON WILLIAMS: But if you believe that we can narrow it, there will be, you think, more room for discussion?

VITO MUSTACIUOLO: We certainly wanna sit with the Council and with advocates to talk more about and what the intent is and how we can get to a better place.

CHAIRPERSON WILLIAMS: Okay. It wasn't mentioned here, but one of the issues was -- I've

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2 heard that there hasn't been too many example or too
3 many times where it's been used by HPD, but my
4 understanding is that it's a very helpful tool to
5 organizers; because they have it, it forces them to
6 also come to the table whereas they might not have.
7 Do you have any response to that?

8 VITO MUSTACIUOLO: Well I do know that
9 part of our process, when we do receive a
10 certification of no harassment application, is we
11 proactively reach out to tenant advocates, to legal
12 services providers and we do take the information
13 that we get back from those organizations and groups
14 and that becomes part of our investigation. We also
15 put publications in the newspapers and we go out and
16 actively talk to both current as well as former
17 tenants. All of that information is helpful in
18 making a final determination.

19 CHAIRPERSON WILLIAMS: Thank you. Now to
20 1044 -- these are 1044 on pa... on one of the pages;
21 this is Page 2 -- Int. 1044 seeks to take the watch
22 list a step further by making those owners subject to
23 the criteria used to determine eligibility for the
24 watch list to a prohibition from securing permits
25 from the Department. It seems like the Department

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2 was saying you wouldn't mind taking this watch list
3 or some kind of things that exist of that and putting
4 them on a list that will prevent them from getting
5 permits; is that correct?

6 PATRICK WEHLE: What I was saying in my
7 testimony is that certainly the watch list serves as
8 a good barometer and I think it's worth discussing in
9 more detail with the Public Advocate's office and the
10 Council ways in which we can take that list a step
11 further, rather just being a tool to shame people;
12 perhaps use that as a tool to provide additional
13 enforcement and scrutiny on those bad actors. This
14 legislation specifically, while we do have some
15 flaws, we have some concerns with it, that this may
16 be a way to do it, but there certainly could be other
17 ways that are worth discussion as well.

18 CHAIRPERSON WILLIAMS: Is the problem the
19 amount of units per apartment, because it seems like
20 the watch list and this bill are kind of based off
21 the same thinking, so is it that we have the wrong
22 combination of numbers on 1044?

23 PATRICK WEHLE: No, I think we're not at
24 appoint yet to say whether or not the threshold that
25 exists is appropriate; I think our concerns are

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2 largely twofold. First, we think the way it's
3 defined it's too broad.. [interpose]

4 CHAIRPERSON WILLIAMS: Say that again;
5 sorry.

6 PATRICK WEHLE: We think the way it's
7 defined is too broad; it would prevent preventive
8 maintenance on a building, which I'm sure no one has
9 the intention of doing; it also captures types of
10 occupancies that we don't think is the intent of the
11 legislation.

12 Furthermore, from an operational
13 perspective, it would be quite challenging for the
14 Department to identify those specific violations that
15 would be subject to this law and also those specific
16 units within a building that would be subject to this
17 law. Oftentimes when we receive applications, the
18 application is broad in its scope and it includes the
19 work to cure these violations, along with additional
20 work to perform renovations on the building. So it
21 would certainly be a challenge for the Department to
22 sort off parse that out and decipher between what's
23 captured by the bill and what's not.

24 CHAIRPERSON WILLIAMS: You also mentioned
25 in the Department's experience, many of these bad

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2 actors who renovate their buildings are not seeking
3 permits in the first place; what are we doing to make
4 sure that's not happening?

5 PATRICK WEHLE: So on that issue -- you
6 know, I think a couple of things; first off, we issue
7 well over 5,000 work without a permit violations
8 annually and the fact of the matter is, in our
9 experience, they're probably not doing that work in
10 the first place.

11 In terms of what we're doing going
12 forward, I think we're doing a number of things.
13 First off, we're being more targeted in our
14 enforcement, we're being more proactive in our
15 enforcement and we're being more holistic in our
16 enforcement. As I mentioned in our testimony, we
17 now, this administration now treats this kind of work
18 as a priority and we get out there promptly;
19 oftentimes within 48 hours. We have a relationship
20 with HPD where we now perform weekly inspections on
21 top of our additional inspections; in the past 18
22 months through that partnership we've issued 1500
23 violations; a couple of hundred stop work orders.
24 Through the support of the Mayor and the Council,
25 we're in the process of hiring 100 additional

1 enforcement inspectors and certainly in part that
2 effort will go to address this issue.

3
4 Additionally, in terms of being more
5 proactive I think in our enforcement efforts, the
6 reality is; this Department sits on an enormous
7 wealth of data and we need to do a better job using
8 that data to drive our enforcement efforts. As you
9 know, Mr. Chair, we've recently hired a risk
10 management officer; we're in the process of hiring
11 data scientists, with the goal of using that data,
12 again, to drive our enforcement efforts; to
13 understand trends and activity; to better understand
14 who the bad actors are; with the ability getting out
15 there sooner rather than later. And the final piece
16 is to be more holistic in our enforcement efforts.
17 The idea being, just going beyond issuing violations
18 and what that means is; where appropriate, we are
19 gonna be more aggressive in stopping jobs, pulling
20 licenses or other privileges and again, where
21 appropriate, making referrals for criminal
22 prosecution.

23 So we have a lot on our plate and there's
24 a number of new initiatives that we're in the process
25

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2 of doing right now and with the support of the Mayor
3 and the Council we're making that happen.

4 CHAIRPERSON WILLIAMS: Thank you. And I
5 am appreciative of steps that DOB is taking in
6 general -- legal actions of folks and pulling
7 people's permits -- but I think we need to do
8 further, so whatever we can do and hopefully we can
9 work to figure out what the threshold actually is for
10 this type of bill.

11 Lastly, Int. No. 0543; I had a similar
12 question. Is it that the threshold as used to give
13 underlying conditions are too broad or you don't
14 agree with the concept of the bill?

15 JORDAN DRESSLER: So I believe that the
16 underlying condition of the program has already been
17 extremely effective; to date we have issued orders to
18 128 buildings of which 86 buildings have successfully
19 been discharged from the order. So I think that the
20 program has proven itself to be effective. There
21 isn't just one silver bullet and there isn't one
22 program; we have a variety of different tools that we
23 use. I believe that the language, again, is overly
24 broad and we'll welcome an opportunity to sit with
25 the sponsor and with the advocates to see how we can

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2 improve. You know this administration has really
3 focused on giving us new tools and improving on
4 existing tools; I think the Mayor's track record,
5 both on the Council, as Public Advocate and now as
6 Mayor has proven that and every day he turns to me
7 and tells me to do better, so I think this is more of
8 a case that we have an existing piece of legislation
9 that has proven to be effective and we certainly
10 would welcome the opportunity to talk about how it
11 could be even more effective.

12 CHAIRPERSON WILLIAMS: Thank you. And I
13 think, normally speaking, that might be correct; I
14 think in the speed of which we're moving forward in
15 certain other plans, like the rezonings and the
16 zoning proposals, we have to make sure that we have
17 every tool, because these things are moving fast and
18 the effects and the impact can happen very quickly.
19 I'm glad that the discussion we're having is how to
20 fine-tune some of these things as opposed to just
21 outright no; we may get to that at the end, but I
22 think it's worth having discussions of how to fine-
23 tune these tools to get to where we want, so I
24 appreciate that.

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2 Just a quick update; we were told that
3 our congressional friends need about 10 more minutes
4 to finish with their questioning, so we're just gonna
5 -- this is bonding, we're bonding, you know.

6 We were joined by Council Members
7 Rodriguez, Reynoso, Torres, Levine, Grodenchik,
8 Espinal, and Ulrich.

9 I'm gonna allow five minutes for each of
10 the bill sponsors and then three-minutes questioning
11 for colleagues after that and we'll start with
12 Council Member... I'm sorry, Public Advocate Tish
13 James. I apologize; did not mean to bring you back
14 down to Council Member level, Public Advocate.

15 PUBLIC ADVOCATE JAMES: I'm an ex officio
16 member of the City Council.

17 So first, thank you, Mr. Chair. The
18 exceptions to 1044 can basically be described based
19 on five categories. The first category is that it's
20 too onerous; the second category, the second
21 objection is that the standard that we identify in
22 the bill is too vague; specifically, that we would
23 like to make sure that conditions or violations that
24 protect the health and safety of tenants is
25 addressed. The third objection is that it would

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2 prevent landlords from performing preventive
3 maintenance. The fourth objection is that there's an
4 unintended consequence that we captured co-ops and
5 condos and the fifth objection is that it's really
6 speculative and that is is that it incentivizes
7 landlords... incentivizes bad behavior.

8 So let me address each of the objections,
9 beginning with the last objection, which is primarily
10 speculative in conjecture that we would be
11 incentivizing bad behavior, which I reject.

12 First of all, the current system that we
13 have in place serves as a perverse incentive to
14 landlords who basically seek to increase the market
15 value and by increasing the market value, they
16 recognize that by increasing the value of their
17 apartment it basically outweighs the paying off of
18 any violation and/or any fines, because the paying of
19 fines and violations is really the cost of doing
20 business in the City of New York and that simply to
21 pay off the fines and/or the violations and/or ignore
22 the violations that are on the books is just the cost
23 of doing business in the City of New York because
24 there are no penalties, there's no counterbalance of
25 government; it's just on the books and we're gonna

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2 continue to do things as they exist. So I reject the
3 fifth point, which is really speculative in nature.

4 Two, the first argument against the bill
5 is that it's onerous. And all I say to you is; what
6 would it take for an inspector to just check the HPD
7 website? How is that onerous? DOB inspector checks
8 HPD's website to see if there is any violations on
9 record and urge that the applicant correct it before
10 you get a permit; why is that onerous?

11 PATRICK WEHLE: I agree with you that
12 that is not particularly onerous; what I'm getting at
13 is, before the permits are pulled, when the
14 applications are actually filed with the Department
15 to do the work, those applications can very well
16 include work to correct the underlying conditions
17 that resulted in those violations, along with
18 additional work as well, and the only point I'm
19 trying to make is, currently the Department does not
20 perform the exercise to parse out what other
21 violating conditions for those units first, perhaps,
22 other violating conditions for other units or other
23 violating conditions that don't rise to the level
24 that the bill calls for in addition to the type of
25 alteration work that's being performed, whether it's

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2 in those units or outside of them; by no means, I am
3 not saying this is insurmountable, I'm just saying
4 that it's a challenge we have to thing through,
5 that's all.

6 PUBLIC ADVOCATE JAMES: That it is not
7 insurmountable and that's something that we can
8 achieve together and I also thank you for recognizing
9 that the watch list, which as you know, was created
10 by the current Mayor of the City of New York, serves
11 as an important tool in the City of New York and
12 hopefully -- I... you know, I am not in the business of
13 shaming landlords, I'm in the business of getting
14 things done and so if we could, if HPD could
15 communicate with DOB and if we could compile a list
16 that would assist not only this administration, but
17 all of the tenants who are here and all throughout
18 the City of New York, it would go a long way in,
19 again, addressing this abuse that we see in the city.

20 Let me also go on to say that I agree
21 with you, that it's only a few bad landlords which
22 are really making matters worse for all landlords in
23 the City of New York and I really wanna focus on this
24 bad behavior. But I have before me an application
25 and this is the application which is filed in DOB and

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2 there's a number of check boxes for all types of work
3 and all we have to do is update this application with
4 some additional boxes and it would go a long way in
5 addressing a number of the objections that you have
6 raised. So my suggestion is have an inspector or
7 whoever is reviewing the application to check on the
8 website of HPD and to include some check boxes.

9 [bell]

10 It also goes to your other objection, and
11 that is, whether or not we are preventing landlords
12 from engaging in preventive maintenance. There is a
13 box on this application for the maintenance that you
14 speak of, such as repairing a boiler, repairing a
15 roof or whatever; there is a box on this application
16 for that; the inspector only has to look. There's
17 also a box on here for co-ops and condos, which would
18 not apply; all you have to do is look. Your own
19 application, again, addresses a number of the
20 objections that you have raised; all we have to do is
21 look at what you currently use and it would go a long
22 way in meeting all of your objections. So I urge you
23 to look at PW1, which is I think your Planned Work
24 Application, which really speaks to your objections.

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2 Identifying -- let me go to your
3 objection number two. The standard is too vague;
4 that violations that protect the health and safety of
5 tenants, is just too vague and we really can't get at
6 that. There are a number of violations in the city,
7 as you know; some are more serious than others, and
8 some serious violations really go to health and
9 safety. So we are attempting to look at those
10 violations and if we could identify those violations;
11 again, by looking at HPD's website; by including it
12 on your application, that would go a long way in
13 meeting that objection.

14 Lastly, the preventive maintenance, I
15 mentioned; the unintended consequences I mentioned.
16 I think I pretty much addressed all of your
17 objections, which is why I would hope that we could
18 work with the administration to, again, amend the
19 bill to meet your objections and I think it would go
20 a long way in improving the lives of tenants and also
21 stopping the abuse of landlords who seek to evict
22 rent-stabilized tenants in the City of New York by
23 failing to address these serious violations, which is
24 a form of harassment.

Do you have a response to my comments...?

[crosstalk]

PATRICK WEHLE: Yes. Thank you. As it relates to the PW1 form, I am familiar with it; I was speaking in terms of the bill and how it's drafted; that's the reason why I was raising those objections. If I may, I would also like to address the first concern you raised... [crosstalk]

PUBLIC ADVOCATE JAMES: Sure.

PATRICK WEHLE: about the fifth point that I raised..

PUBLIC ADVOCATE JAMES: Yeah.

PATRICK WEHLE: concerning the fact that this can push work underground and I agree that my response is somewhat speculative, but the concern that we have as a department is; today, if a building has a large number of these violations, separate and apart from that, as you well know, they can come to the Department, file applications and for [sic] permits; if this bill were to become law, they would not have that opportunity any long, unless they went ahead and first corrected those violations, those significant violations..

PUBLIC ADVOCATE JAMES: Right.

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2 PATRICK WEHLE: and I think the concern
3 that we have as a department with those violations
4 is, we're talking about bad actors here and they can
5 take the responsible path and correct them first and
6 then go ahead and to the work, but I think chances
7 are very good in many instances that they won't, and
8 if they don't, they may choose, rather than to do no
9 work at all, to go ahead and do work and not secure
10 the permission from the Department and do work that
11 is not subject to our regulation and scrutiny and as
12 you know, that would put tenants and the public at
13 further risk. So that's the only kind of concern
14 that I'm raising, that's all... [crosstalk]

15 PUBLIC ADVOCATE JAMES: I understand
16 that. I understand and again, it's highly
17 speculative and you currently have landlords, based
18 upon the number of violations you just cited, who are
19 not filing for permits as of today..

20 PATRICK WEHLE: Correct.

21 PUBLIC ADVOCATE JAMES: so to do
22 absolutely nothing, to me is not an option.

23 PATRICK WEHLE: I agree and I'm not
24 saying we should do nothing... [crosstalk]

25 PUBLIC ADVOCATE JAMES: Right.

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2 PATRICK WEHLE: shortly I spoke at some
3 length of all the additional enforcement efforts
4 we're doing with the support of the Council and the
5 administration.

6 PUBLIC ADVOCATE JAMES: Do you ever
7 require landlords to take corrective action of
8 certain conditions in their buildings and if so, how
9 do you verify that that action has been taken?

10 PATRICK WEHLE: So for an immediately
11 hazardous violation, we require correction
12 immediately and we will send out inspectors promptly;
13 I think maybe 24 or 48 hours, I'm not quite sure; I
14 think it depends a bit on the type of violation, to
15 perform an inspection and make sure the violation has
16 been corrected.

17 PUBLIC ADVOCATE JAMES: And I am so --
18 obviously I support the administration in the budget
19 to increase the number of inspectors by a 100; it's
20 something that I have called for for some time and I
21 hope that, again, we would use those inspectors to
22 continue to keep an eye on those bad actors in the
23 City of New York, but at the same time I know that a
24 number of the objections that you have raised can be
25 overcome and that I would hope that we could work

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2 together, again, to make the worst landlord list not
3 just a document to shame landlords, but a document or
4 a law to correct conditions that currently exist in
5 the City of New York.

6 PATRICK WEHLE: Understood; we're happy
7 to do that.

8 PUBLIC ADVOCATE JAMES: Thank you,
9 M. Chair.

10 CHAIRPERSON WILLIAMS: Thank you. And so
11 we're gonna ask next Council Member Kallos, Lander
12 and Torres. We'll do a second round, so if you can,
13 try your best to get what you can in now in the five
14 minutes. Council Member Kallos.

15 COUNCIL MEMBER KALLOS: Thank you, Chair.

16 We've got a unique opportunity where the
17 Mayor and the Council are ideologically aligned and
18 everyone in this room wants to get more affordable
19 housing and I think all of us wanna collaborate
20 together; I think one of the frustrations is trying
21 to get that collaboration, and I know that we had the
22 opportunity to sit down with Commissioner Been
23 December 18th, and we've been trying to get a meeting
24 and now we are in February and so no meeting to try
25 to work together on this and that being said, it's

1
2 actually okay, because I actually prefer a public
3 discourse, which is where this should happen and
4 Anne-Marie Hendrickson, thank you for being here. So
5 I want to thank you for maintaining and expanding
6 upon Mayor Bloomberg's Housing Connect system, though
7 you were under no requirement to do so. The upgrade
8 to the system this past December is a great step
9 forward and you've laid out a plan to adopt much of
10 Int. 1015 into Housing Connect by December 2018. Do
11 you think there is value to protecting Mayor
12 Bloomberg and de Blasio's joint legacy from another
13 administration by codifying it into law?

14 ANNE-MARIE HENDRICKSON: I think that,
15 you know, what Mayor Bloomberg and Mayor de Blasio
16 have built is, we have built a robust system, okay,
17 that I cannot see with all the additional technology
18 advancement that we will continue to make; I can't
19 see anybody unwinding it; it already boasts 700,000
20 users, okay, and we are now... [crosstalk]

21 COUNCIL MEMBER KALLOS: Right, so just a
22 technicality; do you think the next mayor should be
23 able to dispose of a system that you're investing
24 your heart and soul into and millions...? [crosstalk]

25

1
2 ANNE-MARIE HENDRICKSON: I do not... I do
3 not think so; we have put tons of effort, we have put
4 tons of money; we are also expanding to get...

5 [crosstalk]

6 COUNCIL MEMBER KALLOS: So shouldn't we
7 protect it by law?

8 ANNE-MARIE HENDRICKSON: Excuse me?

9 COUNCIL MEMBER KALLOS: But we can
10 protect it by law; we can... [crosstalk]

11 ANNE-MARIE HENDRICKSON: Yeah, but this...

12 COUNCIL MEMBER KALLOS: make sure the
13 next mayor can't do this without getting through the
14 Council.

15 ANNE-MARIE HENDRICKSON: With all due
16 respect, sir I don't think this intro protects it by
17 law; I think what this intro does is duplicate other
18 systems, okay; HCR already has a rent-stabilization
19 system, okay; I think if you're now trying to combine
20 other systems is duplicative; I think that what we
21 are building, we're expanding... I run Asset Management
22 at HPD...

23 COUNCIL MEMBER KALLOS: Uhm-hm.

24 ANNE-MARIE HENDRICKSON: we're building
25 the e-rent roll, electronic rent roll for the first

1
2 time ever, which will mean that whenever somebody's a
3 rent roll to us, if those units need to be
4 registered, they have to indicate that they have been
5 registered, so I'm just saying to you that I think
6 with all the technology and advancements that we have
7 put together and continue to put together, I do not
8 believe that any administration would unwind it,
9 because I think it already shows how great...

10 [crosstalk]

11 COUNCIL MEMBER KALLOS: But...

12 ANNE-MARIE HENDRICKSON: that it's
13 working in terms of outreach... [crosstalk]

14 COUNCIL MEMBER KALLOS: But unless it's...
15 So in terms of -- yes, I'd like to touch on
16 everything you just brought up -- so in terms of how
17 great it's working, and I think it's a great first
18 step, but as Chair Williams noted, there's still
19 200,000 unregistered units, according to *ProPublica*,
20 so my first question is; have you reviewed materials
21 provided by HPD Analyst Stephen Werner over the past
22 two decades before the *ProPublica* story came out?

23 ANNE-MARIE HENDRICKSON: I have not.
24 Okay, again, we began working.. [interpose]

25

1
2 COUNCIL MEMBER KALLOS: Do you know if
3 anyone has...

4 ANNE-MARIE HENDRICKSON: Do I know if
5 anyone ha... Again... [crosstalk]

6 COUNCIL MEMBER KALLOS: at HPD?

7 ANNE-MARIE HENDRICKSON: I do not know
8 and I did not focus on that, okay, I know we started
9 working... [crosstalk]

10 COUNCIL MEMBER KALLOS: Would you be
11 willing to review his materials?

12 ANNE-MARIE HENDRICKSON: Excuse me?

13 COUNCIL MEMBER KALLOS: Would you be
14 willing to review the materials from HPD Analyst
15 Stephen Werner?

16 ANNE-MARIE HENDRICKSON: I believe so;
17 we'd be willing to review those materials...

18 [crosstalk]

19 COUNCIL MEMBER KALLOS: Perfect. And
20 then, do the numbers that *ProPublica* reported
21 represent the total number of unregistered units, as
22 verified by HPD or is it just the tip of the iceberg?

23 ANNE-MARIE HENDRICKSON: At this time I
24 do not know; we are working with the AG's Office and
25 the state, okay, to go after the units that have not

1
2 been registered, so I'm not quite sure if I can, you
3 know, can codify that number that they put out.

4 COUNCIL MEMBER KALLOS: With regard to
5 your objection -- and forgive me for moving along so
6 quickly; I'm just trying to do this within five
7 minutes... [crosstalk]

8 ANNE-MARIE HENDRICKSON: Uhm-hm, sure.
9 Sure.

10 COUNCIL MEMBER KALLOS: and again, big
11 fan of a lot of the work that you're doing. Your
12 objection regarding annual registration is because
13 it's "duplicating the state system and a waste of
14 taxpayer resources." How is e-rent roll system that
15 you've already launched different than the state
16 system and couldn't e-rent roll handle these
17 registrations?

18 ANNE-MARIE HENDRICKSON: E-rent roll is a
19 system that we are designing to collect information
20 from the developers that we work with; we launched it
21 and currently we are collecting the information as
22 relates to tax credit and home compliance; we plan to
23 build upon that and collect information related to
24 homeless families; we plan to building upon that and
25

1 collect all information about re-rentals and other
2 activities.

3
4 COUNCIL MEMBER KALLOS: So it sounds like
5 e-rent roll can actually handle everything and you
6 don't have to build new technology.

7 ANNE-MARIE HENDRICKSON: Well again,
8 e-rent roll, again, it started last year, in 2015,
9 okay, and it started as a pilot to capture a certain
10 segment of units, okay; we plan to continue to expand
11 that to collect information related to HPD [bell]
12 financed projects and that's what the focus of e-rent
13 roll is going to be.

14 COUNCIL MEMBER KALLOS: If I may follow
15 this line of questioning, Chairman. With regard to
16 your legal concern about this duplication, are you
17 familiar with the Real Property Tax Law Section
18 421-a?

19 ANNE-MARIE HENDRICKSON: Yes.

20 COUNCIL MEMBER KALLOS: Okay; I'm gonna
21 ask the sergeant at arms to just come and grab some
22 copies of it... [interpose]

23 CHAIRPERSON WILLIAMS: Wait, let's... We
24 need to save some of that for the second round; I
25

1 thought you just had one question, you know...

2 [crosstalk]

3
4 COUNCIL MEMBER KALLOS: It is; it's just
5 the one question, which is just, a reader for
6 *ProPublica* who prefers to actually go unnamed, noted
7 that Subsection 10-a, I-I(4) actually mandates that
8 HPD is supposed to have built the very system that
9 this legislation requires in fact -- it says, and I
10 quote, "the owner of a unit that is subject to
11 provisions of this section shall file a copy of the
12 rent registration for each unit with the local
13 housing agency," which I think is you.

14 ANNE-MARIE HENDRICKSON: Again sir, to my
15 -- again, we can't -- I don't wanna speak about any
16 legal issues; if you want to speak about that at a
17 later date, more than happy to do so, but I believe
18 this refers to them registering the unit with the New
19 York State Housing and Community Renewal Agency; not
20 HPD.

21 COUNCIL MEMBER KALLOS: Do you have a
22 list of the 200,000 units of affordable housing that
23 are not registered?

24 ANNE-MARIE HENDRICKSON: I'm not sure;
25 I'd have to check to see if we have a list that we

1 would make available, as there is an active
2 investigation ongoing; I am not sure; would need to
3 check with my legal counsel on that.
4

5 COUNCIL MEMBER KALLOS: I guess I'm just
6 concerned and I think this system would actually help
7 you solve this problem and I'm overly concerned
8 because this problem is decades old and it's been in
9 the public eye since *ProPublica* really covered it and
10 I was hoping there would be more answers. I'll have
11 more questions on second round.

12 CHAIRPERSON WILLIAMS: 'Kay... [interpose]

13 ANNE-MARIE HENDRICKSON: We don't
14 disagree that it is a complexing, you know issue, but
15 we believe that this task force that we have put
16 together with the Attorney General and the state will
17 get at some of those issues; we've already started to
18 bring some people back into compliance and we
19 continue to work on that effort.

20 CHAIRPERSON WILLIAMS: Thank you, Council
21 Member. I do have to just say I'm a little concerned
22 about the response to the *ProPublica* article and
23 particularly it seems like you haven't read much of
24 the things that were used; it sounded like the
25 analyst had some documents that could be helpful. I

1 don't know what HPD has done since that article; it
2 doesn't sound like it's much, so that actually
3 concerns me as well; hopefully it's more than what it
4 seems to be you're testifying to today, so we'll
5 follow up with that, I guess and my hope is that
6 there is a lot being done to make sure it doesn't
7 happen again; we believe this portal will definitely
8 help with that, so...

10 ANNE-MARIE HENDRICKSON: Well I would
11 like to just respond and say... [crosstalk]

12 CHAIRPERSON WILLIAMS: Sure.

13 ANNE-MARIE HENDRICKSON: I think that,
14 you know we are doing a lot and we've already
15 collected about \$8 million, okay, from certain
16 landlords who did not register properly that will go
17 into an affordable housing fund and we continue to
18 marshal our efforts to collect even more.

19 CHAIRPERSON WILLIAMS: And have we put
20 those units back into rent-regulation?

21 ANNE-MARIE HENDRICKSON: Yes we have.

22 CHAIRPERSON WILLIAMS: Alright. I think
23 that's just a drop in the bucket, just based on what
24 *ProPublica* put forward; not to mention what else may
25 be out there. So I'm just concerned with what seems

1
2 to be the lack of depth that has gone into thinking
3 about this since the article came out; hopefully I'm
4 misunderstanding what you're saying, but it doesn't
5 sound like there is much. We're gonna go to Council
6 Member Torres -- hold one second. [background
7 comments][pause] Another 5 or 10 minutes before we
8 can switch over. The first 10 minutes has turned
9 into about 50 minutes now. But we'll go to Council
10 Member Torres. Thankfully it does seem to be cooling
11 down a little bit.

12 COUNCIL MEMBER TORRES: Thank you,
13 Mr. Chairman. My questions are directed to
14 Commissioner Mustaciuolo, and even though I
15 fundamentally disagree with your position on
16 underlying conditions, I wanna echo that I consider
17 you one of the greatest public servants in city
18 government, so never take your opinions lightly. I
19 know you have concerns about the scarce resources of
20 code enforcement, but do you object to the notion of
21 allowing tenants the ability to go to court and seek
22 an underlying conditions order, seeking redress
23 independently of HPD?

24 VITO MUSTACIUOLO: Currently tenants have
25 the right to petition in court to seek relief of any

1
2 condition or violation, so I'm not opposed to that
3 language; I'm not quite sure what else it means in
4 the context of this introduction. So a tenant can
5 already and they already do; in effect, we're a named
6 respondent to every one of those cases. So I do have
7 attorneys that represent HPD's interest in those
8 cases; I'm not quite sure, again, how it fits into
9 the rest of the language in the introduction; we'd be
10 more than glad to sit down with you and talk about
11 that.

12 COUNCIL MEMBER TORRES: And we'll have
13 conversations. My understanding is that a...
14 [crosstalk]

15 VITO MUSTACIUOLO: I'm sure we will.

16 COUNCIL MEMBER TORRES: a tenant can go
17 to court and seek a correction of visible conditions,
18 but when it comes to underlying conditions there's no
19 ability to secure a remedy in court; that your only
20 option is the underlying conditions posed then [sic]
21 by HPD.

22 VITO MUSTACIUOLO: No, I would disagree
23 with that statement; I believe that a judge can order
24 an owner to take additional corrective actions that
25 go beyond just the violation that was documented. So

1
2 if a judge feels as if the owner hasn't adequately
3 addressed the condition, a judge can order the owner
4 to perform and look for the underlying cause.

5 COUNCIL MEMBER TORRES: So if standard
6 code enforcement and HPD action are sufficient to
7 address the root causes of maintenance problems, then
8 why did we have an underlying conditions program in
9 the first place?

10 VITO MUSTACIUOLO: Because again, the
11 underlying condition program really is to address
12 systemic problems that are more building-wide, right
13 and I think it's been extremely successful; it's
14 more, not just addressing the 128 buildings, but
15 everything that we've done with the Council -- the
16 alternative enforcement program, underlying
17 conditions, the three strikes and you're out law --
18 it is also about changing behavior, right, it's about
19 making sure that owners not only address the
20 problems, address the underlying problem, but also
21 that they don't repeat themselves, right, so it's
22 about changing the behavior of owners and I think
23 we're addressing that... [interpose]

24

25

1
2 COUNCIL MEMBER TORRES: And your position
3 is that you could address the systemic problems in a
4 building through an HP action?

5 VITO MUSTACIUOLO: I think we have been
6 successful there; again, it's not the only...

7 [crosstalk]

8 COUNCIL MEMBER TORRES: No, but outside
9 the context of your program; a tenant, independently
10 of HPD could go to court and have a judge correct a
11 systemic problem within a building; that that is
12 possible within the current system?

13 VITO MUSTACIUOLO: Yes it is.

14 COUNCIL MEMBER TORRES: Okay, 'cause my
15 understanding is that it's not, but...

16 VITO MUSTACIUOLO: Okay, well...

17 COUNCIL MEMBER TORRES: Okay. But... Okay.

18 VITO MUSTACIUOLO: Yeah, we'd love to
19 hear more about that, yeah.

20 COUNCIL MEMBER TORRES: Yeah. The
21 underlying conditions program; how many buildings are
22 subject to the program every year?

23 VITO MUSTACIUOLO: How many buildings? I
24 believe that per rules [sic] we had said that we

1
2 would do 50 buildings a year, alright, and to date we
3 have done 128, we have issued 128 orders.

4 COUNCIL MEMBER TORRES: It just strikes
5 me as a restrictive use of underlying conditions,
6 'cause I suspect there are far more buildings than 50
7 that have cases of underlying conditions and so...
8 [crosstalk]

9 VITO MUSTACIUOLO: Well also, let's
10 couple that with the 250 buildings that go into the
11 alternative enforcement program each year; let's
12 couple that with the number of buildings that we've
13 performed through the proactive preservation
14 initiative, so we look at thousands of buildings
15 through the proactive preservation initiative. As
16 Patrick indicated in his testimony and on Q&A, the
17 task force initiatives, you know, I think some of the
18 numbers are pretty impressive. The task force that's
19 comprised of City agencies, we have inspected over
20 350 buildings to date; most of the referrals have
21 come from community-based organizations; from elected
22 officials; we look at data and we've looked at the
23 Public Advocate's watch list to formulate the list of
24 buildings that we look at. In addition to the 1500
25 ECB violations that Patrick mentioned, we've issued

1
2 over 10,000 BNC [sic] violations and within that
3 portfolio, 353 buildings, we currently have 72 active
4 litigation cases, and if you look at the task force
5 that... [interpose]

6 COUNCIL MEMBER TORRES: I just wanna
7 quickly, 'cause my time is expiring. My concern is
8 that there is a difference between complying with the
9 housing code and addressing an underlying condition;
10 it seems to me that under the current system a
11 landlord could technically be code compliant without
12 actually addressing the root cause of a maintenance
13 problem; you could spray over the mold, you can paint
14 over the mold, but not actually repairing the pipe
15 causing the mold growth. I mean I'm not clear that
16 the current system of code enforcement is effective
17 at addressing those root causes in -- not only in the
18 most egregious cases in AEP, but just in everyday
19 cases.

20 VITO MUSTACIUOLO: Yeah and my answer to
21 that would be what the Mayor [bell] constantly
22 challenges me with is to do better and I'm not
23 suggesting that the system is perfect and that we
24 can't improve on it; I would also suggest, and
25 unfortunately she's not here, but there is another

1
2 member of the Committee that we've been working with
3 on some language that I think will also help address
4 the concerns, so I would love an opportunity to sit
5 down with the Council and with the advocates to talk
6 more broadly about some of the ideas that we have.

7 COUNCIL MEMBER TORRES: Always eager to
8 have a conversation with you. Thank you,
9 Commissioner for everything you do.

10 CHAIRPERSON WILLIAMS: Thank you, Council
11 Member. Council Member Lander.

12 COUNCIL MEMBER LANDER: Thank you,
13 Mr. Chair and thanks to the panel, especially to you,
14 Deputy Commissioner; I share Council Member Torres'
15 point that, when they send you here to raise concerns
16 with our bills, it's especially difficult for us,
17 knowing your deep history of working with us and I
18 will just say, I'm actually encouraged by your
19 testimony about Int. 0152.

20 I will just start by flagging that your
21 catalog of the different forms tenant harassment can
22 take is strong and profound and I'm sorry that it
23 comes from so much personal experience seeing it, but
24 the clarity this administration has that while it is
25 a minority of landlords, that we really do face some

1
2 severe and pervasive harassment as a strategy, not
3 just because they're sort of rotten human beings, but
4 as a strategy for turning buildings over and making
5 money is an important recognition and that we've got
6 a comprehensive effort to do something about it and
7 we wanna keep doing more.

8 So I guess I wanna ask -- I think this
9 may be the most recent building where the certificate
10 of no harassment strategy was used, or at least that
11 I could find records for, are you familiar with 240
12 West 73rd Street, the Aimco building on the Upper
13 West Side? [background comments] It's okay if
14 you're not; I mean, this wasn't -- But just, you
15 know, I guess I'll ask these questions of HPD more
16 generally; you can get back to me, but you know, just
17 last year, 2015, according to the *Daily News* and some
18 additional records, HPD denied a certificate of no
19 harassment to Aimco, an owner at 240 West 73rd
20 Street; they were seeking to convert 69 affordable
21 units to market rate and they were denied their
22 certificate because HPD found, and there was an
23 administrative tribunal, a history of some of the
24 exact things that you cite in your testimony --
25 ignoring requests for maintenance, inventing false

1 claims and taking tenants to housing court -- and
2 that after a hearing HPD determined that harassment
3 had taken place and denied Aimco their certificate of
4 no harassment. So it seems to me that that's a
5 building where all of the underlying issues already
6 existed and yet despite that we weren't able to
7 prevent them from engaging in that activity, but it
8 made a difference and we saved or are in the process
9 of saving I think 70 units of affordable housing. So
10 it sounds like that matches with your testimony, that
11 under some conditions a certificate of no harassment
12 can help us protect affordable housing from a
13 strategy of harassment.
14

15 VITO MUSTACIUOLO: I apologize; I don't
16 know the particulars of that case, but I agree with
17 you, that when used correctly, expending this
18 repetition of no harassment can be used to prevent
19 harassment from going forward; it has been an
20 effective tool... [interpose]

21 COUNCIL MEMBER LANDER: Now I agree with
22 you that as the current piece of legislation that's
23 up there is overly broad and that we wanna focus on
24 smart ways of narrowing it to capture a universe of
25 buildings where we have good reason to be concerned

1 that harassment is taking place. In your testimony I
2 think you sort of hint at thinking about it by
3 neighborhood; I know later today some of the
4 advocates will present a different approach of
5 maintaining essentially a database of buildings that
6 present red flags, using existing available data of
7 the kind we've been discussing in this hearing all
8 morning that you'll have from some of the things
9 you're already doing; other levels of government --
10 DOB, DHCR -- we can bring those things together in a
11 database that is just capturing rent-stabilized
12 multi-family buildings where there's meaningful
13 reason to believe that harassment might have
14 occurred; we work together with tenant groups on the
15 ground, and then those are the buildings that would
16 have to go through the process that we're talking
17 about; I just wonder, in concept, if you think
18 something like that where we would narrow the
19 universe, we'd keep it citywide, but we focus on the
20 kinds of buildings where we're concerned this may be
21 taking place.

22
23 VITO MUSTACIUOLO: So without seeing any
24 specific language, it's really hard to speculate; we
25 do agree that any approach needs to be much more

1 surgical; whether it should be defined by geography
2 or by conditions, I think we're open to having those
3 discussions with the Council, so it's difficult to
4 speculate at this point... [crosstalk]

5
6 COUNCIL MEMBER LANDER: But no, no;
7 that's very helpful, you know, I think some of this
8 is on me; I might have done the work ahead of this
9 hearing to amend the bill and reflect and we had a
10 bill... this is actually a bill that Manhattan Borough
11 President Gale Brewer had introduced in the prior
12 term and that as we were thinking more about these
13 issues broadly in the context of harassment and
14 preservation; also specifically in the context of
15 Mandatory Inclusionary Housing, since this has been
16 mapped along with inclusionary at some point in the
17 future; we came back to it. We're gonna hear from
18 advocates who are gonna present some pretty specific
19 language and we would then love to follow up with you
20 afterwards to really drill down and figure out how to
21 make this... [interpose]

22 VITO MUSTACIUOLO: We look forward to
23 that. Thank you.

24 COUNCIL MEMBER LANDER: Thank you,
25 Mr. Chair.

1
2 CHAIRPERSON WILLIAMS: Okay, the good
3 news is, 10 minutes actually means an hour, but we
4 are ready to go to the next room; the slightly bad
5 news; you might [bell] complain that it's chilly in
6 there, so we're gonna take a couple minutes...

7 [crosstalk]

8 COUNCIL MEMBER LANDER: This is a... this
9 is an experiential hearing we're having by
10 experiencing the problems of tenants... [interpose]

11 CHAIRPERSON WILLIAMS: Now, we're
12 **[inaudible]** as we go in.

13 [laughter, background comments]

14 [pause]

15 [background comments, microphone check]

16 [pause]

17 CHAIRPERSON WILLIAMS: Thank you, we're
18 back. You're welcome, until you complain about the
19 cold and then we'll try something else.

20 Next we have Council Member Rosenthal,
21 Reynoso and Levine; we'll have three minutes each on
22 this round; then we'll go back again and start on the
23 second round where we'll have Council Member Kallos.

24 COUNCIL MEMBER ROSENTHAL: Thank you so
25 much, Chair Williams. I'd like to keep talking about

1 the certificate of no harassment bill and your
2 thoughts on this one and I'm thinking particularly
3 about buildings where over time tenants get harassed
4 out and apartments get warehoused, you know, we have
5 the illegal hotel situation; in those cases, a lot of
6 times the people who were calling 311 and lodging
7 harassment complaints are gone after a period of time
8 and I'm wondering what you think about the bill in
9 the context of over a period of time it might show no
10 harassment, but the reason is because they've already
11 harassed everyone out.

13 VITO MUSTACIUOLO: So we do, as I
14 mentioned earlier, send investigators out; not only
15 to interview current tenants, but we also attempt to
16 reach former tenants, and we do that in a number of
17 ways; we use data that we have in our system from
18 previous complaints, we put publications in the
19 newspapers; I think more importantly though is the
20 outreach to the community-based organizations, to the
21 legal services providers; oftentimes they're still
22 contact with former tenants, alright, and that
23 interaction and that information is invaluable. So I
24 think; can we do better? We're always looking to
25 make improvements. Is there a way for us to do

1
2 better outreach to former tenants? I would be
3 welcome to hear any recommendations that you would
4 have or that the advocates would have.

5 COUNCIL MEMBER ROSENTHAL: Uhm-hm. My
6 concern is that of the hearings that happen, only
7 10%, you know, in only 10% of the cases do you have a
8 real hearing and really, you know, deny the
9 certificate of no harassment, but in 90% of the cases
10 there's no opportunity for tenants who are long gone
11 to make a case, so already we know that under the
12 current system a lot of buildings are slipping
13 through, a lot of landlords are getting away with
14 harassing out the tenants and then eventually
15 converting their buildings. There's a building in
16 particular that I'm working with Department of
17 Buildings on right now and because of the attention,
18 I think, that we're giving to the building and you
19 know, Deputy Commissioner, you've been amazing on
20 this; the harassment has been -- you know, is very
21 clearly there, but that's not the case in probably,
22 you know, many more cases than just 10%.

23 VITO MUSTACIUOLO: So actually, my
24 numbers are slightly different than yours; I actually
25 show only 2.2% of cases, and it depends on what

1 period of time that we're looking at, that we
2 actually denied a certificate of no harassment. I
3 mean one challenge that we also have too, and again,
4 I would love to have some, you know, to continue the
5 dialogue with you and some of the advocates on this;
6 you know, we have a case where there was a finding of
7 harassment at a hearing, but it was much more
8 profitable for the owners to make a huge settlement
9 offer to the tenants that they accepted and you know,
10 rightfully so, I mean it was in their best interest,
11 but part of that settlement offer then was that they
12 would not testify at a hearing against the
13 certification of the denial. So there are some real
14 challenges out there and again, I would welcome to
15 have conversations with you as to how we can be more
16 proactive and how we can do better outreach in
17 advance. You know, I think part of the task force
18 initiatives that we talk about, we hope to accomplish
19 that; I mean we are out there -- Council Member
20 sitting next to you... [interpose]

22 COUNCIL MEMBER ROSENTHAL: Yeah.

23 VITO MUSTACIUOLO: has been absolutely
24 fantastic in getting us referrals where it's early
25 intervention; when we're going into a building that

1 is substantially occupied or fully occupied as
2 opposed to... [crosstalk]

3
4 COUNCIL MEMBER ROSENTHAL: Yeah, don't
5 bring it up; I'm only envious of that; I'm trying to
6 get that to happen in my district.

7 VITO MUSTACIUOLO: Yeah well, you know,
8 we're... [interpose]

9 COUNCIL MEMBER ROSENTHAL: Sorry [sic].

10 VITO MUSTACIUOLO: more than glad to work
11 with you on that and the task force with the Attorney
12 General's Office in the State Tenant Protection Unit...
13 [crosstalk]

14 COUNCIL MEMBER ROSENTHAL: Although I
15 would argue it shouldn't take an excellent Council
16 Member to make that happen; I mean yes, he's all over
17 it and yes, you know, I'm working very closely with
18 DOB; hadn't happened in the past -- well I shouldn't
19 say that; maybe it did, but there are... of course it
20 did; it was Gale Brewer, but you know... [crosstalk]

21 VITO MUSTACIUOLO: But if I... if I can
22 just...

23 COUNCIL MEMBER ROSENTHAL: there are
24 districts that I think are underrepresented that we
25 can all imagine where it's happening, so I don't

1
2 quite understand why it would have to be driven by
3 [bell] a particularly conscientious Council Member.

4 VITO MUSTACIUOLO: No and I'm sorry; I
5 was only using that as one example; that doesn't mean
6 that the task force is not looking at data or going
7 out to buildings that have not been referred by
8 Council Members; I was just using that as one example
9 of where we're working collaboratively with the
10 Council Member and with the community-based
11 organizations. We look at data; we look at recent
12 acquisitions; we look at recent Department of
13 Buildings applications for permits; we're looking at
14 complaints. The Attorney General's Office receive
15 complaints for harassment; we look at that as well;
16 with that task force we have gone out on over 116
17 buildings to date; has resulted in an arrest of one
18 owner in Brooklyn...

19 COUNCIL MEMBER ROSENTHAL: Since when?

20 VITO MUSTACIUOLO: Since just... it was
21 actually just a year ago like this month.

22 COUNCIL MEMBER ROSENTHAL: Lastly, would
23 you be willing, in the same way that you talked to
24 Council Member Lander, in showing a willingness to
25 think about a smaller universe of buildings; would

1
2 you consider a universe that defines harassment a
3 little bit better and maybe thought about extending
4 the years that you're looking at; how long the look
5 back goes, much as happens in some of the special
6 districts?

7 VITO MUSTACIUOLO: Again, we are open to
8 any and all dialogue with respect to the
9 certification of no harassment process.

10 CHAIRPERSON WILLIAMS: Thank you.
11 Council Member Reynoso and Levine; so far for second
12 round we only have Council Member Kallos.

13 COUNCIL MEMBER REYNOSO: Thank you,
14 Chair. Thank you guys for being here; you're folks
15 that I work with very closely and I do wanna say that
16 I think the housing task force is amazing; it's
17 working very well; things are actually getting done;
18 we're not over -- the goal here for the housing task
19 force was to make sure we didn't send you 100
20 buildings in one day and tell you fix it all and then
21 what would also happen is that DOB would go into one
22 building, HPD would go into another building; CPU
23 might go into a third building; no one's talking, it
24 just wasn't working when we were all scattered; now
25 we're sending one building a week; maybe two

1
2 buildings a week in cases and we have all agencies
3 working together going inside the building and it's
4 been remarkable. I do wanna say I do think it's a
5 model that works.

6 Now I'm gonna be a little selfish here
7 and say my concern here is that if you do expand this
8 type of model locally in other communities, do you
9 have the resources to be able to get that done,
10 'cause a lot of Council Members are gonna ask about
11 this task force and that it's working and what I
12 don't want is you guys to stop working in my district
13 'cause you have to go into someone else's district;
14 is there a criteria by which a community falls into a
15 housing task force, probably priority? I think
16 Council Member Levine might speak to this as the
17 housing task force here in the City Council; he's the
18 chair and maybe he could speak to it, but there are
19 certain communities that are in high need and maybe
20 those are the ones we target, but don't do this like
21 citywide. Can we have a conversation about resources
22 and whether it works and then whether or not the
23 Chair should be looking to help you guys during the
24 annual budget hearings?

1
2 VITO MUSTACIUOLO: And first of all,
3 again, Council Member, thank you very much for your
4 support and more importantly, for the referrals that
5 you've made, just recently last week.

6 COUNCIL MEMBER REYNOSO: Yeah, I'm gonna
7 speak about that in the next question.

8 VITO MUSTACIUOLO: So we do have multiple
9 task force initiatives and you know, just this past
10 summer, the Mayor -- and I didn't even ask for it --
11 gave me additional heads for proactive preservation
12 initiatives, which include the task force. The
13 larger task force, with the Attorney General's Office
14 and the State Tenant Protection Unit, is somewhat
15 more limited because I can't speak for the AG's
16 Office or HCR as to what resources they have
17 available; you know, as has been mentioned in the
18 previous testimony, we're out there a week and with a
19 larger task force we're really kind of focused more
20 on owner portfolios and oftentimes they span over
21 multiple boroughs and in multiple neighborhoods,
22 right. So I think yes, we're certainly.. we would
23 love to sit down with the Council to talk more about
24 how we can be more effective.

1
2 COUNCIL MEMBER REYNOSO: So now you have
3 resources; did the task force idea get resources so
4 that DOB also has the matching resources or is it
5 just HPD that got more heads? I wanna make sure that
6 the love is spread out evenly here in City agencies
7 so that everyone... [crosstalk]

8 VITO MUSTACIUOLO: The love is spread
9 out, but I'll let Patrick answer to that.

10 COUNCIL MEMBER REYNOSO: Yeah.

11 PATRICK WEHLE: I'll start -- I'd be
12 remised if I didn't thank you as well for
13 prioritizing complaints and sending them our way;
14 it's certainly very valuable in our enforcement
15 efforts and we appreciate that.

16 Certainly yes, with the support of the
17 Mayor and the Council, the Buildings Department has
18 been allocated additional resources for this very
19 type of activity and as part of our efforts, we try
20 to zero in on those parts of the city where these
21 types of issues are more prevalent.

22 COUNCIL MEMBER REYNOSO: Awesome, so
23 that's great. So I guess my next question is; we do
24 have this one property in my district that I referred
25 to the group about a week ago that is falling into

1 disrepair and HUD is threatening to pull Section 8
2 support because the apartments are not up to code;
3 the landlord is attempting to evict the Section 8
4 tenants through neglect and the tenants' inability to
5 pay the difference left over from the loss of the
6 Section 8 subsidy, so what he's doing is; HUD comes
7 to inspect the apartments, sees that they're not up
8 to snuff, says, we're gonna remove the Section 8
9 Voucher from this apartment or we're gonna take it
10 away from you and then the tenant can no longer live
11 there and then they get evicted; it's like another
12 system by which they systematically displace tenants.
13 But this landlord was on your list; he was on some
14 list that you guys are working on; one of the task
15 forces; my thing is -- but this building wasn't,
16 alright, so it doesn't seem like the entire portfolio
17 of this landlord was in the list and this no
18 harassment legislation maybe would've given us the
19 opportunity to get in there, I'm thinking can be
20 applied in this one case where this landlord would've
21 been looked at more thoroughly and I'm scared because
22 there's more than 35 units in this building; he's
23 already started construction, he has a permit from
24 the Department of Buildings; while he repairs those
25

1
2 apartments that are empty to get in new tenants that
3 are gonna pay a lot of rent, he neglects the ones
4 that are currently in the apartments in order to
5 force them out to have them lose their Section 8; his
6 fault in all this. So I just wanna make sure that we
7 talk about -- and you guys are investigating this
8 guy, but not that building, [bell] so I guess -- I'm
9 sorry that I ran over, just... [crosstalk]

10 PATRICK WEHLE: Yeah, I can...

11 COUNCIL MEMBER REYNOSO: how do we
12 prevent from having these buildings -- we should look
13 at his whole portfolio and hold him accountable
14 across the board and we didn't do that.

15 VITO MUSTACIUOLO: Well so Council
16 Member, so with that particular owner and that
17 building, so we -- the larger task force with the
18 Attorney General's Office and the State Tenant
19 Protection Unit, HPD and DOB had already been out to
20 a number of the buildings that that owner has. The
21 building that you brought to our attention on
22 Wednesday and was inspected by the task force on
23 Thursday; was only acquired by that owner two months
24 ago...

25 COUNCIL MEMBER REYNOSO: Oh.

1
2 VITO MUSTACIUOLO: alright, so we looked
3 at... we do look at acquisitions; we look at recent
4 acquisitions... [crosstalk]

5 COUNCIL MEMBER REYNOSO: Right.

6 VITO MUSTACIUOLO: we refresh that data,
7 but we don't do it everyday...

8 COUNCIL MEMBER REYNOSO: Right.

9 VITO MUSTACIUOLO: so what you brought to
10 our attention was a building that they just acquired
11 just a few months ago.

12 COUNCIL MEMBER REYNOSO: so that's the
13 system working in some ways... [crosstalk]

14 VITO MUSTACIUOLO: That's the system
15 working very well.

16 COUNCIL MEMBER REYNOSO: You got me
17 there. Good job. So that's very good; I'm glad...
18 [crosstalk]

19 VITO MUSTACIUOLO: Thank... Thank you.

20 COUNCIL MEMBER REYNOSO: My organizers
21 are working in the streets as well, which is very
22 important; we're on the ground, going through these
23 buildings one at a time and when we find someone is
24 concerned, we jump on it, so... [crosstalk]

1
2 VITO MUSTACIUOLO: Right and you had
3 mentioned that Catholic Migration represents the
4 candidate [sic]... [crosstalk]

5 COUNCIL MEMBER REYNOSO: Yes.

6 VITO MUSTACIUOLO: so we look forward to
7 working with them...

8 COUNCIL MEMBER REYNOSO: Yeah.

9 VITO MUSTACIUOLO: we've worked with them
10 in the past, they're a great organization.

11 COUNCIL MEMBER REYNOSO: Okay. So thank
12 you and I would just... a second round as well,
13 Councilman. Thank you.

14 CHAIRPERSON WILLIAMS: Sure. Council
15 Member Levine and then the second round, which is
16 Kallos and Reynoso.

17 COUNCIL MEMBER LEVINE: Thank you, Chair
18 Williams. Wonderful to see all of you. I wanna
19 particularly thank Commissioners Hendrickson and
20 Mustaciuolo for being incredible partners for my
21 office; I feel like we bother one of you almost every
22 day; thank you for always being there for us.

23 I'm just thrilled that you're here with
24 us, Mr. Dressler; this is actually an historic
25 moment; I think this is your first time testifying;

1 since the City Council and the Mayor created the
2 Office of Civil Justice we've never had such an
3 entity here in New York City and I think it reflects
4 the profound commitment that the Council and the
5 Mayor have to leveling the playing field in places
6 like housing court. And you enumerated the list of
7 investments that we're making in that arena by
8 providing attorneys for tenants and the numbers you
9 total show we are increasing by ten- or eleven-fold
10 the funding for tenants and getting attorneys in
11 housing court; really it's an epic investment and
12 it's already yielding results, we got the eviction
13 numbers in for 2015; it showed a drop in evictions in
14 New York City of about 5.5%. To see that kind of
15 impact from government action, you don't get that
16 often; it's really impressive.

18 Lest we spend too much time patting
19 ourselves on the back, I'll note that there were
20 still about 22,000 families who lost their homes as a
21 result of eviction last year and clearly reflecting
22 the terrible human toll on the city. Can you
23 estimate, Mr. Dressler, at this point, net of the new
24 investment that the City is making, just what portion
25

1
2 of tenants in housing court are still facing
3 evictions without the benefit of attorney?

4 JORDAN DRESSLER: First let me thank you,
5 Councilman Levine and the rest of the Council here
6 for the support, for the creation of the Office of
7 Civil Justice and for our civil legal services
8 initiatives; it is a great thing for me to be leading
9 an office where we can get our arms around the
10 provision of these services, understand the impact
11 that it's having, map out the results and dialogue
12 with the Council about how best to use our resources.

13 That being said, it is too soon to say
14 what the impact is in terms of the level of
15 representation; we know that it's higher than what
16 has traditionally been reported; the last stat that
17 typically goes around, which is, you know, 9 tenants
18 out of 10 do not have representation is probably
19 inaccurate because it does not reflect the
20 significant amount of resources that our legal
21 services providers are delivering to the housing
22 court; we're in the process of developing our
23 strategy for getting real hard answers to this
24 question and when we have something substantial to
25 report to the Council, we will do so.

1
2 COUNCIL MEMBER LEVINE: We are anxious to
3 get those numbers. Would you say it's fair to
4 estimate that a significant majority of tenants still
5 do not have attorneys in housing court?

6 JORDAN DRESSLER: I couldn't even go that
7 far at this early stage in terms of our research; we
8 know that we'll be able to arrive at this answer with
9 some degree of certainty and when we do, we'll be
10 able to discuss it and understand what implications
11 that has, but for present... [crosstalk]

12 COUNCIL MEMBER LEVINE: I understand that
13 hard data is elusive, but I'll just note that
14 advocates I've talked to who are in the courts every
15 day still put the number at close to 80% of tenants
16 without attorneys; granted, that might not be exactly
17 accurate, but I think it gives us a sense of the
18 scale of the problem.

19 Now most of the cases in which our city
20 is providing for legal services are those in which a
21 tenant is facing an eviction; obviously that's a
22 clear priority, but then there's cases when a
23 tenant's facing harassment; it's not exactly the same
24 and in that case many of the City programs are really
25 not tailored to serve the tenant; really, until

1
2 they're facing an eviction, often that kind of legal
3 assistance is not triggered; is that an accurate
4 statement?

5 JORDAN DRESSLER: I'm not sure that it is
6 fully accurate; we have sort of two main lanes of
7 representation we're gonna portfolio, one is our
8 Homelessness Prevent Law Project; the other being our
9 Anti-Tenant Harassment Project and there have a
10 significant amount of resources devoted to that that
11 not only captures eviction cases and other more
12 defensive cases for tenants that might be occurring
13 in the selected zip codes where there's been
14 rezoning, but we also encourage and are contracting
15 with our legal services providers to be more
16 proactive in their work to coordinate with the tenant
17 support unit that's supported by HRA, which I'm sure
18 you know about, to be seeking out those situations
19 where there is harassment that may not rise to the
20 level of eviction that's found its way into housing
21 court -- conduct, failure to repair those conditions
22 that do function as squeeze tactics on tenants who
23 have every right to remain in their homes
24 unencumbered. So that is developing; [bell] we're
25 getting a better understanding about how that's

1
2 working; one of the wonderful things that we're
3 seeing already is a good hand in glove coordination
4 between our legal services providers at that and we,
5 now that we are formally an Office of Civil Justice,
6 are looking for ways that we can better assist those
7 legal service providers who are on the ground, taking
8 those cases, developing those large-scale, even
9 building-scale cases and being helpful in getting
10 them to resolution.

11 COUNCIL MEMBER LEVINE: Okay. Thank you
12 very much.

13 CHAIRPERSON WILLIAMS: Thank you. So we
14 have one other person that's for second round, so
15 Council Member Kallos, you will have five minutes.

16 COUNCIL MEMBER KALLOS: Thank you very
17 much, Chair Williams and thank you for moving us to a
18 much more hospitable location; it is an extreme point
19 of personal privilege.

20 I think I just wanted to start with just
21 a little bit of disappointment. So we all get
22 elected in this term January 2014; I actually put in
23 the LS request on Int. 1015 February 10th, 40 days
24 in; Cesar from *ProPublica* reached out to my office
25 August 24th, 2015; same around for HPD, which is

1 about 600 days into this administration and since
2 he's been doing the investigation we've had about 200
3 or so days to get... 180 days to get this done, about
4 six months and his article came out on November 5th,
5 which puts us at about three months, so I guess one
6 of the concerns is, I've been asking a lot of
7 questions around are these numbers accurate and I
8 guess the question is; in the past 782 days since
9 we've been in office and we only have 678 days left,
10 do we have any more information than we did on
11 January 1st, 2014, given this administration's
12 commitment to affordable housing?
13

14 ANNE-MARIE HENDRICKSON: Okay. So it's
15 my understanding that HPD and the Attorney General's
16 Office in the state were looking at these issues well
17 before the article was written, alright, we knew that
18 there was a problem, okay, and we were... [interpose]

19 COUNCIL MEMBER KALLOS: So how big is the
20 problem since you've been looking at it; is it
21 200,000 units or is it bigger...? [crosstalk]

22 ANNE-MARIE HENDRICKSON: The... Sir, again...
23 Sir, again, we know about every unit that we produced
24 from 421-a, okay; we have already taken steps to
25 bring 50,000 of those units back into rent

1 regulation, okay; I cannot give you the precise
2 number; what I can tell you is... [crosstalk]

3
4 COUNCIL MEMBER KALLOS: Will we be taking
5 out...

6 ANNE-MARIE HENDRICKSON: Excuse me?

7 COUNCIL MEMBER KALLOS: Will we be
8 exercising our power under the law to force the
9 landlords to give us back the tax abatements that
10 they should not have received and we're empowered
11 under the law to take back... [crosstalk]

12 ANNE-MARIE HENDRICKSON: We will be
13 taking... We...

14 COUNCIL MEMBER KALLOS: will we get that
15 \$100 million back...? [crosstalk]

16 ANNE-MARIE HENDRICKSON: We will be
17 taking every step that we have under the law to take
18 back and get those units back into rent registration,
19 okay. As I said before, there have already been
20 landlords who have paid restitution in the amount of
21 \$80 million, okay, for not having those units in rent
22 regulation, so whatever we have the power to compel
23 an owner to do, A., we wanna make sure the units get
24 back into rent regulation and any penalties, any
25 fines that we can levy, we will take an active, okay,

1
2 measure to do so. Okay, we do not -- I mean again, I
3 wanna go on the record that we take this very
4 seriously; if it's 200,000 units, per the article,
5 then it's 200,000 units; I'm saying to you, we know
6 about every unit that was developed, okay and we are
7 researching; it is not an easy thing to research
8 because there are multiple records, okay and you have
9 to reconcile data, but we're actively continuing to
10 work on those efforts to make sure that any unit that
11 were supposed to have been registered will be
12 registered.

13 COUNCIL MEMBER KALLOS: Will you make
14 those records and that research public so that we on
15 the Council and the folks here in this room and
16 watching on TV and the 8.4 million people who live
17 here and want affordable housing can look at it too
18 who maybe help [sic]...? [crosstalk]

19 ANNE-MARIE HENDRICKSON: I am sure that
20 when the investigation is finished, okay, you
21 typically do not release information when an active
22 investigation is ongoing.

23 COUNCIL MEMBER KALLOS: When will the
24 investigation be... [crosstalk]

1
2 ANNE-MARIE HENDRICKSON: I do not know,
3 okay; again, we got 50,000 units and we're gonna get
4 every other unit that we need to back, but I cannot
5 put a timeframe on an active investigation.

6 COUNCIL MEMBER KALLOS: In the interest
7 of collaboration, will you agree to meet monthly with
8 my office, the Housing Chair and his committee and
9 any other members until we've looked at all 200,000
10 units that were identified, make sure they're
11 identified, registered and back on the market and
12 work with us monthly for the remainder of this term
13 and if we get another till then, until all of them
14 are out there...? [crosstalk]

15 ANNE-MARIE HENDRICKSON: Well again, as
16 it... as it just... it doesn't just involve the
17 administration; it involves other agencies, okay,
18 being the state and the Attorney General's Office, so
19 I don't think I'm prepared to make that commitment; I
20 think it involves getting other agencies to agree to
21 that, and again, we want... [crosstalk]

22 COUNCIL MEMBER KALLOS: I just need HPD
23 to sit with us to collaborate... [crosstalk]

24 ANNE-MARIE HENDRICKSON: Well again, I'm
25 not gonna agree to that sitting here, okay; when

1
2 we're doing an active investigation, you typically
3 aren't going to meet with people and give out
4 information; it may compromise what you're doing, so
5 I'm not gonna make that commitment here, but I am
6 gonna, again, go on the record to say we're taking it
7 very seriously, okay and I think the Chair...

8 [crosstalk]

9 COUNCIL MEMBER KALLOS: I'm...

10 ANNE-MARIE HENDRICKSON: pointed out to
11 me before that he didn't think we were doing enough;
12 we have gotten 50,000 units and we continue to plan
13 to get every unit that was lost back into rent
14 registration.

15 COUNCIL MEMBER KALLOS: I guess it's just
16 disappointing because we wanna collaborate and the
17 administration says collaboration, but we sat down in
18 December and haven't had a meeting since and there is
19 no transparency; you're willing to give us the
20 answers once the investigation is concluded, but in
21 the meantime we have to wait, wait and wait and we're
22 already more than halfway through this
23 administration; we don't know what's left, so it's
24 just... it's disappointing and I would like to hear
25 back and I would like a meeting and it's troubling

1
2 that we can't even get a meeting and we have to have
3 public hearings and all this again should be
4 happening in public.

5 With regard to the legislation itself,
6 you indicated privacy concerns; did you review
7 Int. 1015 Sections 26-1203, Subsection a-6(d) and
8 a-6(i)(2), which provides exceptions where the
9 Department determines [bell] in accordance with
10 Public Officers Law that disclosures of such
11 information would constitute an unwarranted invasion
12 of personal privacy and do you believe HPD is
13 unequipped to make rules in accordance with these
14 provisions to protect privacy under this provision
15 and the state law?

16 ANNE-MARIE HENDRICKSON: I think issues
17 as relate to privacy, okay and any sort of legal
18 issues need to be discussed offline; right now my law
19 department is still looking at the bill and all of
20 the provisions, so I can't tell you that they've
21 looked at every term and have determined that what
22 you've put in there as relates to privacy covers
23 everything; it is still being actively reviewed and
24 again, once we... [crosstalk]

1
2 COUNCIL MEMBER KALLOS: You testified in
3 opposition on something you haven't fully reviewed
4 yet?

5 ANNE-MARIE HENDRICKSON: I said... Sir, I
6 said the legal issues were something that we should
7 speak offline about, okay, at a separate opportunity,
8 okay and I think the legal issues also cover anything
9 related to privacy concerns.

10 COUNCIL MEMBER KALLOS: In your testimony
11 you mentioned, "even small housing developments
12 receive thousands of applications" and would be
13 burdened by responding to individual applications; do
14 law or rules currently mandate a response and if not,
15 why not?

16 ANNE-MARIE HENDRICKSON: I'm sorry, say
17 that one more... as your last question; I'm sorry.

18 COUNCIL MEMBER KALLOS: In your testimony
19 you said, "even small housing developments receive
20 thousands of applications." You went on to indicate
21 that they would be burdened by responding to
22 applications, so my question is; do law or rules
23 currently mandate a response and if not, why not?

24 ANNE-MARIE HENDRICKSON: To my knowledge
25 there are not laws that require that you respond to

1
2 every application that you receive right now and we
3 believe that would be burdensome; if someone's gonna
4 get 10,000 applications for one apartment and having
5 to respond to each and every one of them, we believe
6 that that would cripple them, stop them from really
7 focusing on maintaining their property and building.

8 COUNCIL MEMBER KALLOS: So just the
9 experience... [crosstalk]

10 CHAIRPERSON WILLIAMS: Council Member,
11 I'm gonna have to ask you to wrap up.

12 COUNCIL MEMBER KALLOS: Yes, please. So
13 my concern about that is just -- one of my favorite
14 things about using technology is the boundless
15 opportunity for efficiency through automation, so if
16 all these applications are coming in through Housing
17 Connect, wouldn't that actually allow small housing
18 developments to automate their responses to
19 applications, relieving them of the additional burden
20 and allowing them to focus on maintenance and
21 operation of affordable housing units? So like once
22 it's in the computer, the computer gets to do
23 everything for you and it actually makes your life
24 even easier; you don't have to deal with those

1
2 thousands and thousands of applications, since the
3 computer is doing it for you.

4 ANNE-MARIE HENDRICKSON: Again, you're
5 making I think an assumption that everyone is, you
6 know, technology savvy and be able to use a computer
7 in that way; I mean right now most of our larger
8 developers are on Housing Connect, so I think you're
9 making an assumption that technology will then able
10 people to respond to thousands of applications and I
11 don't believe that may be true.

12 COUNCIL MEMBER KALLOS: Technology allows
13 me to respond to thousands of constituents and we
14 have much smaller team than most developers do.

15 CHAIRPERSON WILLIAMS: Thank you, Council
16 Member... [crosstalk]

17 ANNE-MARIE HENDRICKSON: Sir, right now
18 sometimes we still get paper applications from
19 applicants who are not so technology savvy.

20 COUNCIL MEMBER KALLOS: Us too.

21 CHAIRPERSON WILLIAMS: Thank you, Council
22 Member. Just a couple more questions; thank you for
23 answering our questions; just have a couple more; one
24 on 1015. What is your communication with HCR; do
25 they give you the information that you ask for?

1
2 ANNE-MARIE HENDRICKSON: With HCR, in
3 terms of information, there is some information
4 sharing that we have with HCR in terms of rent
5 registration and you know, properties that are
6 registered, so they have been, you know, an active
7 participant in this process with us.

8 CHAIRPERSON WILLIAMS: Do you feel you
9 have a sufficient communication with HCR to get the
10 information you need, particularly on rent-regulated
11 units?

12 ANNE-MARIE HENDRICKSON: I think we have,
13 you know, good communication; I think it is a complex
14 system though, okay, that is not so easily navigated,
15 so I think that, you know, working with HCR, they
16 have been able to kind of give us more information
17 about how to look at the system and read the system
18 properly. So again, I don't believe there's any sort
19 of communication issues with them at this point.

20 CHAIRPERSON WILLIAMS: In terms of the
21 legality; you think it is not legal to acquire
22 another system that gets information that HCR gets;
23 is that what it is?

24 ANNE-MARIE HENDRICKSON: I don't think
25 I'm questioning the legal pieces of that; I think

1
2 it's just duplicative, okay; I think that when you
3 have an agency, the state is responsible for rent
4 registration and for rent stabilization and once we
5 put a unit that we develop into that system, it is
6 really under their purview to administer the system;
7 that is in their legal purview to do and not the
8 City.

9 CHAIRPERSON WILLIAMS: So do you have
10 access to their system?

11 ANNE-MARIE HENDRICKSON: We share some
12 information, okay; again, for my asset management
13 portfolio, for example, we do get information about
14 units that are registered and the legal rent, so I
15 think it's limited and you know, I think we are
16 probably looking to expand that, but again, it's a
17 complex system, so it's not easily, again, navigated;
18 we need to talk about what we should and should not
19 share and how to interpret it better.

20 CHAIRPERSON WILLIAMS: So just so I'm
21 clear, you're not necessarily saying that it's
22 illegal; you're just saying it might be duplicative?

23 ANNE-MARIE HENDRICKSON: Yeah, I think
24 that's my focus, I mean the legal issues, again, I
25 don't wanna touch upon, you know I think that my

1
2 counsel is better at talking about that and we can
3 talk about that at a different time, but I just think
4 from an effic... [crosstalk]

5 CHAIRPERSON WILLIAMS: If the counsel
6 wants to come up, they can address it.

7 ANNE-MARIE HENDRICKSON: No, no, my cou...
8 no; counsel is not here...

9 CHAIRPERSON WILLIAMS: Okay.

10 ANNE-MARIE HENDRICKSON: okay and again,
11 I think we could do something at a separate date to
12 talk about the legal issues about you know the
13 concerns we have on the bill, but I think from my
14 standpoint and again, I am a housing practitioner; I
15 think it would be duplicative to have information
16 about units being registered in more than one
17 location.

18 CHAIRPERSON WILLIAMS: And I understand
19 that; I would say the use of duplicative here might
20 not mean the same thing, particularly if you don't
21 have immediate access to that information and so just
22 from my experience and being in the housing world, I
23 know that the -- I hear what you're saying, but I
24 know the communication is probably not as fluid as we
25 would like, so I think it would be duplicative if we

1 had access to that information as quickly as we would
2 want to and since we don't, I think it behooves us to
3 try to set up a system that we do have immediate
4 access and not have to go through channels of
5 communication for a state agency. I know we may not
6 agree on that today; I just wanna make sure I put
7 that on record and see if the concern was more
8 duplicative or legality to try to figure it out. My
9 colleague did point out where it says that this kind
10 of system might need to be there; of course the real
11 argument of who the local authority is -- [background
12 comments] but either way, I don't think this is
13 actually duplicative; I think it'll give us
14 information; just having been a tenant organizer
15 myself and trying to get this information, I
16 understand the difficulties of trying to get it.

18 ANNE-MARIE HENDRICKSON: Yeah. And
19 again, I think, you know for me in asset management,
20 we get the information; I think sometimes, though it
21 is somewhat, you know, difficult sometimes to
22 interpret, so I definitely think there could be some
23 improvements in that aspect.

24 CHAIRPERSON WILLIAMS: Thank you. Just
25 two more questions; one for 0152-A. How many

1 certificate of no harassment did HPD deny in 2014 and
2 2015?

3
4 VITO MUSTACIUOLO: I don't have the
5 breakdown by year, but I do have a total from... that
6 spans... just bear with me; I have a lot of [background
7 comment] so between the... between 2009 and 2015 we
8 received 742 applications, 16 of those were denied,
9 so that represents 2.2% of the total number.

10 CHAIRPERSON WILLIAMS: Thank you. For
11 Int. 0543; have you heard complaints about the
12 current underlying conditions program?

13 VITO MUSTACIUOLO: Any complaints?

14 CHAIRPERSON WILLIAMS: Yeah.

15 VITO MUSTACIUOLO: No, sir, not yet.

16 CHAIRPERSON WILLIAMS: Okay. Thank you
17 very much; I really appreciate your time and bearing
18 with the temperature shifts. We look forward to
19 continuing the conversation on these bills. Thank
20 you.

21 ANNE-MARIE HENDRICKSON: Thank you.

22 CHAIRPERSON WILLIAMS: Next we'll have
23 Adele Bartlett on behalf of Public Advocate Brewer's
24 Office -- sorry, Manhattan... [laughter] it's the
25 temperature shift that's freaking me out here --n

1
2 behalf of the Borough President of Manhattan, Gale
3 Brewer's Office; my deepest, sincerest apologies.

4 [background comments] After that we'll have Sarah
5 Desmond from HCC, Housing Conservation; Ezra Kautz
6 from Make the Road; Emily Goldstein from ANHD; Harvey
7 Epstein from Urban Justice Center; Nick Petrie from
8 Make the Road, and Efrain Felipe from UNO, St. Nicks.

9 ADELE BARTLETT: Hi.

10 CHAIRPERSON WILLIAMS: Hold on one
11 second. [background comments] Can you please raise
12 your right hand? Do you affirm to tell the truth,
13 the whole truth and nothing but the truth in your
14 testimony before this committee and to respond
15 honestly to council member questions?

16 ADELE BARTLETT: I do.

17 CHAIRPERSON WILLIAMS: You may begin.

18 ADELE BARTLETT: Thank you. My name is
19 Adele Bartlett; I'm here on behalf of Gale Brewer,
20 the Manhattan Borough President. And first I'd like
21 to thank you, Chair Williams and all the members of
22 the Committee on Housing and Buildings for the
23 opportunity to testify.

24 We believe that all four of the bills
25 you're considering here today would benefit tenants

1 who are right now struggling to obtain necessary
2 repairs and maintenance and that all four deserve to
3 be enacted, but I'm here specifically to support the
4 two that Gale is associated with; that's Int. 0152 of
5 2014 and 1015 of 2015, which we're proud to have
6 co-sponsored with Council Members Lander and Kallos
7 respectively.
8

9 Int. 0152, the certificate of no
10 harassment bill, it would amend the Administrative
11 Code to add the requirement of such a certificate
12 before a permit for alterations can be issued by the
13 Department of Buildings in all Class A apartments.

14 Right now the law requires that when an
15 owner wishes to make substantial alterations to any
16 part of a single-room-occupancy hotel, rooming house
17 or lodging house and submits the appropriate plans
18 for such alterations to the Department of Buildings,
19 they must first apply for and obtain an affirmative
20 finding from HPD that during the 36-month period
21 prior to the permit application no harassment has
22 occurred in the building.

23 Put plainly, in order to take advantage
24 of the opportunity to make alterations or upgrades in
25 vacant units or entire buildings, an owner must

1
2 assure the City that those vacancies were not
3 obtained by harassing the tenant out. This system
4 represents a rational effort to discourage harassing
5 behavior by owners who seek greater profits, since we
6 all can recognize that right now in New York City
7 it's quite rare for tenants to voluntarily leave
8 safe, properly maintained, regulated housing units.

9 The requirement for the certificate of no
10 harassment will help deter landlords from using
11 harassment to create vacancies unlawfully; it's a
12 problem that's rampant in buildings with affordable
13 Class A units. We all know that harassment is driven
14 by a surging demand for apartments and rising real
15 estate values. We believe this law will help address
16 the growing problem of harassment through
17 construction that we hear about from our constituents
18 daily, and I'm sure that members of the Committee do
19 as well.

20 Typically an owner obtains or creates one
21 or two vacancies in a building and then commences
22 major alterations in those units, the course of which
23 work is done that severely and negatively impacts all
24 the other apartments and their residents with
25 continuous noise, filth in the building's hallways,

1 stairwells, lobbies, front door; security issues are
2 raised, elevators, emergency exits can be blocked,
3 lighting is turned off at times and it also has --
4 we've heard of stories where the heat and hot water
5 supply are severely interfered with.

6
7 In these cases, frequently the owners
8 have failed to file the required plans to protect the
9 life, health and safety of the tenants remaining and
10 their work imposes intolerable conditions; often for
11 many years, until the residents give up their
12 apartments and this often is, if not the actual, then
13 the secondary motive for the so-called renovations.

14 Under the provisions of Int. 0152, owners
15 who have engaged in this type of illegal conduct
16 would be prevented from obtaining alteration permits
17 in the future.

18 Having worked over the years with many
19 SRO tenants and tenant advocates, I understand that
20 the system has its limitations; often in smaller SRO
21 buildings an owner would not apply for the permit and
22 the certificate until the building had been
23 completely vacated and in such cases, almost
24 impossible unless there was prior contact with
25 organizers or attorneys to find tenants to explain

1
2 how the building became vacant. But it has resulted
3 over the years in the preservation of many SRO units
4 and I believe it would be even more effective in
5 larger Class A buildings where owners have a great
6 incentive to alter and upgrade individual apartments
7 as they become vacant, with the rest of the tenants
8 still in place to witness and report any harassment
9 and frankly, where the tenant population may be less
10 vulnerable to being forced out and especially at this
11 time where so many tenants are facing real pressures
12 from gentrification and they really risk losing their
13 affordable homes and where we all worry about
14 potential unintended consequences of proposed zoning
15 changes.

16 I urge the Council to put in place every
17 reasonable measure it can to protect tenants from
18 harassment, displacement and homelessness.

19 We also support Council Member Kallos'
20 Int. 1015 to create a housing portal and make it
21 required by law. We believe it would build on the
22 efficiency of the Housing Connect portal as it
23 exists; it would provide truly randomized objective
24 management of applications, from submission to the
25 initial interview; it would enable tracking of the

1 housing application process post initial rent-up by
2 careful management of waiting lists for each
3 affordable housing project, and it would provide
4 heightened transparency, both during the initial
5 rent-up and in years to come, when vacancies occur in
6 these developments.
7

8 Over the years, hundreds of constituents
9 have sought help from our office to learn about and
10 apply for housing opportunities and they frequently
11 have expressed frustration at having to visit
12 multiple city and state offices or websites to find
13 out about new availabilities, the date of the next
14 lottery and so forth. By centralizing all affordable
15 housing opportunities with an online application
16 process in one portal, as proposed here, it will not
17 only aid applications; it will also enable agencies,
18 housing groups and elected officials to track the
19 status of applications online and answer questions
20 and catch problems for constituents in a timely way
21 so that we can aid more applicants and reduce costs.

22 I'm well aware that the lack of home
23 computer and internet service can be another barrier
24 for applicants, but for those with minimal computer
25 skills, the public library is a critical resource

1
2 where not only access, but also technical assistance
3 can be available. Here again, a centralized portal
4 will help potential applicants, as the usage of
5 library computers is time limited, so one-stop
6 shopping for people using that resource is essential.

7 Also, many local community-based
8 organizations may be able to provide the service of
9 allowing and assisting people to use the portal and
10 we look forward to any additional programs that would
11 facilitate that.

12 The potential of a unified portal to
13 assist those in need of affordable housing would be
14 immensely helpful, not only to identify and apply,
15 but also to track applications.

16 And finally, the provisions of 1015 will
17 enable the city and state agencies, housing
18 assistance organizations and applicants to monitor
19 the status of affordable housing units during the
20 initial leasing period and help to ensure that the
21 process is fair and open by requiring that all
22 vacancies, both initial and newly created vacancies
23 when a tenant leaves; by that requirement, landlords
24 will be prevented from keeping available units hidden
25 from potential applicants and make the process of

1
2 filling those vacancies from the waiting list fair
3 and transparent. Thank you again.

4 CHAIRPERSON WILLIAMS: Thank you very
5 much for your testimony; appreciate it. Please pass
6 our regards to... you have a question?

7 COUNCIL MEMBER KALLOS: Sure.

8 CHAIRPERSON WILLIAMS: Sorry, have a
9 question. [sic]

10 COUNCIL MEMBER KALLOS: I just wanted to
11 thank the Borough President for her leadership on
12 technology issues, having gone from being Technology
13 Chair to Borough President; I'll be honest, the
14 inspiration for this and really looking into it came
15 from a Manhattan Borough board meeting where she
16 asked all the community board chairs what resource
17 they wanted and every single one of them to a fault
18 said we need to know where our affordable housing is,
19 so...

20 ADELE BARTLETT: Right.

21 COUNCIL MEMBER KALLOS: I guess just to
22 frame that as a question so I don't get in trouble;
23 is that accurate with regard to community boards;
24 would the affordable housing portal and the
25 registration list and having a concrete count on how

2 many are being offered at rent-regulated rates or
3 affordable rates be useful to borough presidents on
4 the community boards?

5 ADELE BARTLETT: It certainly would, yes.

6 COUNCIL MEMBER KALLOS: Thank you.

7 ADELE BARTLETT: Thank you.

8 CHAIRPERSON WILLIAMS: Thank you. Please
9 send our regards to the Borough President and also
10 thank her for her leadership.. [crosstalk]

11 ADELE BARTLETT: Thank you.

12 CHAIRPERSON WILLIAMS: Thank you. Now
13 we'll set the clock for two minutes each, but we'll
14 be loose with it so we can have a conversation.

15 Sarah Desmond, Housing Conservation
16 Coordinators; Ezra Kautz, Make the Road New York;
17 Emily Goldstein, ANHD; Harvey Epstein, Urban Justice
18 Center; Nick Petrie, Make the Road, and Efrain
19 Felipe, UNO St. Nicks. Everybody will have a fairly
20 loose two minutes to give their testimony and...
21 [background comments] next after this will be Robert
22 Altman from Building Industry Association of New York
23 City.

24 [background comments]

25

1
2 Can you please raise your right hand? Do
3 you affirm to tell the truth, the whole truth and
4 nothing but the truth in your testimony before this
5 committee and to respond honestly to council member
6 questions?

7 SARAH DESMOND: Yes.

8 CHAIRPERSON WILLIAMS: And you can begin
9 in the order of your preference.

10 SARAH DESMOND: Good afternoon, Chair
11 Williams and members of the Committee, thank you for
12 the opportunity to testify this morning or this
13 afternoon in support of Int. 0152-A.

14 My name is Sarah Desmond; I'm the
15 Executive Director of Housing Conservation
16 Coordinators, a tenant advocacy organization based in
17 Hell's Kitchen/Clinton neighborhood.

18 The Hell's Kitchen neighborhood was the
19 first community to adopt anti-harassment for tenant
20 protections and dating back to 1972, the so-called
21 Special Clinton District that requires first that an
22 owner obtain a certificate of no harassment before a
23 permit for material alteration can be issued. If the
24 owner cannot obtain the CONH, then the owner must
25 cure the harassment by deeding 28% of the square

1
2 footage of that building to permanent affordable
3 housing.

4 We have a long history of harassment in
5 our community, dating back to all the cycles of
6 gentrification, speculation and disinvestment; our
7 records actually from the community board -- we kind
8 of sat down and counted our Cure units and we came up
9 with that there is actually about 100 units that have
10 been created or facilitated because of the Special
11 Clinton District, but the impact of it is actually
12 much larger than those 100 units.

13 By way of an example, the first building
14 to take the Cure was 500-506 West 42nd Street; it's a
15 large site, it had four occupied buildings that were
16 only about half occupied by the mid 1990s because of
17 severe harassment; it had vacant buildings that also
18 dotted the site; it wrapped around to 41st Street.
19 The new owner purchased the building at an FDIC
20 auction; the building actually had a formal finding of
21 harassment from the state, from DHCR. So when the
22 new owner took the buildings, they attempted to
23 demolish the vacant buildings to clear the way for an
24 80/20 on the site; because the finding of harassment
25 was on that site, was on the same zoning lot, we were

1
2 able to get stop work permits issued for that and
3 then the owner realized that in order to actually
4 proceed with his luxury development he had to
5 actually deal with the harassment. So... [bell] but it
6 engaged a long... there was a long discussion; as a
7 result of that discussion, those four buildings were
8 saved, they were deeded to a not-for-profit in
9 partnership with the tenant association; there were
10 25 Cure units on the eastern side of the site and
11 there were an additional 67 SRO units and apartments
12 for existing tenants, formerly homeless and community
13 referrals. So each of those buildings that we have
14 identified actually have gone on to be developed by
15 not-for-profits; have become larger affordable
16 housing sites and there's no question that without
17 the Special Clinton District regulations that nothing
18 ever would've happened here; we would've lost those
19 units through harassment, through attrition, but the
20 district allowed us to actually save them and give a
21 community benefit in a very bad situation. There is
22 more in my testimony that's longer and I'm willing to
23 answer questions on it as well.

24 CHAIRPERSON WILLIAMS: Thank you very
25 much.

1
2 EMILY GOLDSTEIN: Good afternoon. My
3 name's Emily Goldstein; I'm the Senior Campaign
4 Organizer for the Association for Neighborhood and
5 Housing Development (ANHD), we're a membership
6 organization with about 100 members that are all
7 neighborhood-based organizations throughout New York
8 City. I'm really excited to be here today, you know,
9 testifying at this committee and at your renewed
10 attention on preservation and on the prevention of
11 displacement and harassment of tenants who are
12 already living in desperately needed affordable
13 housing in communities throughout the city.

14 As well all know, as has been talked
15 about earlier, tenants are facing increased pressure
16 as market rents skyrocket in more and more
17 neighborhoods, sometimes exacerbated by rezonings
18 that are intended to spur new market rate development
19 and we do need more tools to keep low-income tenants
20 and moderate-income tenants in their homes.

21 We're particularly excited to see
22 Int. 0152-A, which would create a citywide
23 certificate of no harassment program develop and move
24 forward. We believe that creating a strong new
25 requirement that landlords get certificate of no

1 harassment before accessing permits from the
2 Department of Buildings would be an effective
3 proactive way to discourage harassment of low- and
4 moderate-income tenants, particularly in rent-
5 stabilized housing. This legislation could create
6 new leverage for the City to break the cycle of
7 harassment, displacement and deregulation and prevent
8 bad actors from profiting off of harassment.
9

10 Loopholes in the rent laws currently
11 provide a perverse incentive for landlords to
12 drastically increase their profits by getting long-
13 term, lower-paying tenants out; landlords are then
14 able to use individual apartment or building-wide
15 renovations to drive up rents, deregulate apartments
16 and attract higher-paying tenants. The proposed
17 legislation could create new leverage to intervene in
18 this cycle, flipping the existing incentive structure
19 so that harassment is discouraged rather than
20 rewarded.

21 Based on lessons learned from the Clinton
22 Special District and in order to adapt the program to
23 work properly at the citywide level, we recommend
24 putting in place a two-tier system, [bell] casting a
25 wide net in terms of the types of permits that the

1
2 system would apply to, but narrowing focus based on
3 available data to put only those buildings and
4 landlords where there are indicators of previous
5 harassment through a more rigorous process, similar
6 to that that exists in the Clinton Special District.

7 CHAIRPERSON WILLIAMS: Thank you.

8 EZRA KAUTZ: Good afternoon... [crosstalk]

9 CHAIRPERSON WILLIAMS: Afternoon.

10 EZRA KAUTZ: my name is Ezra Kautz; I'm a
11 Supervising Housing Attorney at Make the Road New
12 York. Make the Road is a nonprofit community
13 organization based in Bushwick, Jackson Heights; Port
14 Richmond, Staten Island and Brentwood, Long Island
15 with 18,000 members, primarily low-income immigrants.

16 Make the Road supports Int. 0543, which
17 is a commonsense extension of Local Law 6 of 2013.
18 Local Law 6 gave HPD an important tool, but HPD
19 currently limits underlying conditions orders to
20 approximately 50 buildings per year; this bill puts
21 this tool into tenants' hands by allowing tenants to
22 take their landlords to housing court for underlying
23 conditions.

24 For example, Jose Rodriguez has suffered
25 for years from conditions including severe mold and

1
2 active water leaks; after the City issued violations;
3 after the tenant filed an HP and obtained an order to
4 correct the mold, the landlord simply painted over
5 it; five months later, unsurprisingly, the mold came
6 back. Int. 0543 will help tenants like Jose get the
7 relief they need from housing court.

8 However, we urge the Council to
9 strengthen this bill, which currently allows tenants
10 to prove the existence of underlying conditions by
11 showing five repeated violations over five years.
12 That is simply too long for tenants to wait;
13 remember, that's just the requirement to get into
14 court and to prove their case; the landlord still has
15 plenty of opportunity to either disprove it or
16 correct the violation before facing any kind of
17 penalty; I think three violations is a more
18 reasonable trigger.

19 Make the Road also supports 0152-A, to
20 created the citywide certificate of no harassment.
21 As the Council Member stated, harassment is an
22 unwritten part of the business plan in neighborhoods
23 like Bushwick; laws like the Tenant Protection Act
24 provide some limited tools to an existing tenant to
25 fight harassment, but once that tenant is gone,

1 they're gone for good and the landlord is free to
2 renovate or redevelopment the apartment with no risk
3 that their actions will come back to haunt them.

4 This bill recognizes the length between harassment
5 and redevelopment by preventing harassers from
6 obtaining the construction permits they need to
7 capitalize on their bad deeds. [bell] If I may
8 continue for a little bit.

9
10 Tenant harassment doesn't happen in a
11 vacuum; these unlawful efforts to drive one family
12 out of their home are almost always connected to
13 economic forces, driving redevelopment and
14 gentrification across a neighborhood; therefore, it's
15 vitally important that the remedy take into account
16 the harm that harassment has on the community as a
17 whole; that's why Make the Road strongly supports the
18 proposed amendments to Int. 0152 that would create a
19 Cure requirement. If an owner who has committed
20 illegal acts of harassment wants to get a permit to
21 redevelop, he should have to set aside a small
22 portion of units that will be affordable to the
23 community that is being displaced by his actions.

24 Thank you.

25 CHAIRPERSON WILLIAMS: Thank you.

1
2 HARVEY EPSTEIN: Good afternoon. My name
3 is Harvey Epstein; I'm the Associate Director at the
4 Urban Justice Center, as well as the Director of the
5 Community Development Project and really our goal is
6 to strengthen the impact of grassroots organizations
7 throughout New York City.

8 And so we're here in support of the
9 package of four bills before us today. First, if I
10 can just focus on Int. 1015, establishing the housing
11 portal Councilman Kallos introduced.

12 Clearly this is an important step in the
13 right direction to make available all of the
14 affordable housing to low-income New Yorkers; that
15 there's no central source of information available to
16 people to say what's available; how can they have
17 access to it is really problematic. There are some
18 concerns around the bill about re-rentals, ensuring
19 that, especially nonprofits and low-income co-ops,
20 are afforded sufficient support in the bill to ensure
21 they're not overburdened by a system like this, but
22 the under penning of the bill, making this
23 information available is critical for New Yorkers.

24 Second, Int. 0152-A, attached to my
25 testimony is a draft piece of legislation that we

1
2 have been working with Councilman Lander over; we
3 encourage the Council to look at the A version of the
4 bill. The goal, as what Make the Road and Ezra just
5 said, is really to look more of an expansive citywide
6 program that doesn't focus on the harassment, but
7 focuses on the punishment and the cure and the hope
8 is collectively that we can work with the
9 administration and talk about harassment, recognize
10 that it's a citywide problem and recognize they don't
11 have the resources and approach [sic] a tenant and
12 legal services don't have the resources alone to be
13 able to get to every situation of harassment; that we
14 need a widespread, citywide policy to address this
15 serious problem.

16 And then Int. 0543, around underlying
17 conditions, as well as 1044, around denying DOB
18 permits for excessive violations, both by Councilman
19 Torres and the Public Advocate; we support both
20 pieces of legislation. Thinking about long-term
21 issues of displacement -- first of all, dealing with
22 underlying conditions fundamentally changes the
23 conversation and we know that even 80% of proceed
24 [sic] tenants going to housing court will never get
25 to the issues of underlying conditions and the issue

1 of the DOB violations [bell] -- of course -- is
2 something that we see; the Stanford Tenant Safety
3 Coalition, that we've been part of for the last year,
4 really focusing on the problems around reforming
5 Department of Buildings; this is a first step and
6 hopefully over the next few months we'll be having
7 hearings on the rest of the Stanford Tenant Safety
8 bills.
9

10 Finally, it's really important that HPD
11 seems open to a conversation; however, that they say
12 we don't need the legislation to deal with this
13 problem I think is extremely problematic. They know
14 they don't have resources to deal with these issues;
15 they know that we don't have resources to deal with
16 these issues, and unless we have legislation to deal
17 with the underlying problems that we're talking about
18 today, we don't know this administration, the next
19 administration we're never gonna have structures in
20 place to deal with wholesale problems around
21 affordability in this city unless we work on
22 legislation like we're introducing today. So thank
23 you for your time.

24 CHAIRPERSON WILLIAMS: Thank you.

25 EFRAIN FELIPE: **[Spanish - 00:56:50]**

1 SARAH NISBUL: Hi, my name is Sarah
2 Nisbul [sp?]; I'm going to translate.

3 So Efrain just said, "Hello, good
4 afternoon. My name is Efrain Felipe; I live in 119
5 Guernsey Street and I am a leader of the group UNO,
6 an organization of united tenants fighting for
7 affordable housing and against displacement in
8 Williamsburg and Greenpoint."
9

10 EFRAIN FELIPE: **[Spanish - 00:57:37]**

11 SARAH NISBUL: So he says, "Now I am back
12 in my home, but for a year-and-a-half my family and
13 my neighbors and I were displaced because our
14 landlord used destructive and dangerous construction
15 as a form of harassment."

16 EFRAIN FELIPE: **[Spanish - 00:58:15]**

17 [bell] [background comments]

18 SARAH NISBUL: Okay. "So my landlord
19 used many different types of harassment against us,
20 the tenants; he did illegal construction in a vacant
21 apartment to my building, making our occupied
22 apartments dangerous, dirty and unlivable. A
23 contractor took the roof off of my building because
24 the owner told him that nobody was living inside;
25 that day it rained and there was a lot of water in my

1 apartment. When I went to take my things out of the
2 apartment, I found out the landlord had changed the
3 lock and I had to ask the police for help so I could
4 get into the building. We know that our situation in
5 119 Guernsey Street is not unique and the City must
6 protect our rights to a safe and affordable home;
7 it's not enough to construct new affordable housing;
8 we must preserve the housing that we already have."

9 [bell]

10 EFRAIN FELIPE: **[Spanish - 01:01:20]**

11 [bell]

12 SARAH NISBUL: Okay. "So my comrades
13 from UNO and I support Int. 0152-A, certificates of
14 no harassment; this law could prevent landlords that
15 already have a history of harassment from continuing
16 to put even more tenants in danger; it would also
17 disincentivize landlords from harassing any of their
18 tenants in the first place."

19 EFRAIN FELIPE: **[Spanish - 01:02:21]**

20 SARAH NISBUL: "The process to apply for
21 these certificates of no harassment must be very
22 accessible to local tenants and community
23 organizations, also this law must have more
24
25

1
2 contributions from tenants; we need amendments
3 written by tenants with experience with harassment."

4 EFRAIN FELIPE: **[Spanish - 01:03:04]**

5 SARAH NISBUL: "So additionally, the City
6 Council must pass all of STS Stand for Safety Tenant
7 bills; it is not enough only to have new laws;
8 tenants also need better enforcement and regulations
9 from the Department of Buildings. We at 119 Guernsey
10 had to organize with the help of lawyers and housing
11 counselors because the Department of Buildings
12 neither helped us nor protected us from these
13 dangerous practices. Please pass certificates of no
14 harassment and begin the hearings for the STS bills
15 this session; help us please. Thank you."

16 CHAIRPERSON WILLIAMS: Muchas gracias.
17 Thank you very much.

18 NICK PETRIE: Good afternoon. My name is
19 Nick Petrie; I'm a housing organizer with Make the
20 Road New York. I'm here today to share testimony
21 from one of our tenants who sadly this morning got
22 sick and is not able to join us.

23 "First off I would like to thank
24 Chairman, Council Member Williams as well as Council
25

1
2 Members Lander, Kallos and Torres for their
3 leadership, as well as Public Advocate Letitia James.

4 My name is Sylvia Smith and I'm here
5 today to share with you all why I believe passing
6 Int. 0152-A and Int. 0543 are so crucial. I believe
7 these intros would work together to fix an egregious
8 loophole in our city's protection of tenants.

9 As a senior and a low-income tenant, I
10 know what it means to face an unscrupulous landlord.
11 In June of 2014 I found my apartment flooded with raw
12 sewage; my landlord was creating an illegal apartment
13 below mine and was trying to connect the water and
14 sewer pipes; this reckless and hazardous act led my
15 building management to rupture the sewage lines below
16 my apartment; my kitchen sink overflowed with sewage,
17 seeping into my countertops and cabinets; the sewage
18 flowed for so long and so forcefully that my entire
19 apartment was flooded.

20 After pleading with the landlord, he
21 fixed the immediate issue and stopped the flooding,
22 but, as so many tenants across New York have faced,
23 he did not fix the underlying leak. For a year I
24 asked for my cabinets to be replaced so I could
25 simply store food in my apartment; for a year sewage

1
2 leaked into my kitchen, growing mold; unsurprisingly,
3 I became very sick; I developed asthma that I had
4 never had before and I was hospitalized for 10 days
5 for with a respiratory infection; I was given a
6 nebulizer to allow me to breathe. My doctor told me
7 my sickness was caused by persistent mold and that I
8 needed to fix my apartment to get better.

9 After being hospitalized, I returned to
10 my landlord to demand action; again, the building
11 management dragged their feet, offering nothing but
12 weak short-term fixes. I returned repeatedly to get
13 them to act, but nothing would force them to fix the
14 leak." [bell] So I'll be brief.

15 "Finally, I was fed up and I joined my
16 neighbors in a group HP demanding changes; my
17 landlord finally replaced the cabinets and fixed the
18 underlying leak a full two years after my apartment
19 was first flooded and I am one of the lucky ones; my
20 neighbors are still facing persistent leaks that
21 cause mold to grow back every time it's painted over.

22 I'm here today to share my story because
23 no tenant should have to wait two years to have a
24 simple leak fixed. I'm here today because no tenant
25 should be poisoned by their own apartment. I believe

1
2 it's crucial that we pass both Int. 0543, empowering
3 tenants to bring underlying conditions claims and
4 Int. 0152-A, requiring a certificate of no
5 harassment. I also share my story to tell you that
6 if the underlying conditions intro being discussed
7 today had been in effect two years ago, I would've
8 had the power to force my landlord to fix this
9 problem once and for all, I wouldn't have gotten sick
10 and I wouldn't have been hospitalized. Secondly, I
11 share my story to demonstrate how destructive
12 unregulated construction can be and how connected
13 construction is with consistent harassment. If my
14 landlord had needed to get a certificate of no
15 harassment before starting his ill-advised
16 construction, I'm confident his long history of
17 mistreating tenants would have come to light and his
18 actions would've been watched with the scrutiny they
19 deserved. But without this protection, unscrupulous
20 landlords use every trick in the book to cut corners
21 and push tenants out. Thank you all for supporting
22 tenants like me."

23 CHAIRPERSON WILLIAMS: Thank you very
24 much, particularly, thank you, Mr. Felipe and thank
25 you for sharing the tenant's story, I think it's

1
2 important that people see the folks that are affected
3 by this and that we're not just making stuff up;
4 there are some horror stories out there.

5 I have some questions, but I know my
6 colleague very much has to leave and asked to say a
7 couple of things before he left.

8 COUNCIL MEMBER LANDER: Thank you,
9 Mr. Chairman. Yes, I apologize that I have to run; I
10 do promise for everyone who testifies we'll follow up
11 and look in detail at all your testimony, the Chair
12 will be here and I'm gonna take a look at it
13 personally as well. But I wanna say a thank you to
14 the advocates and the tenant organizers and the
15 tenant leaders that have really pioneered certificate
16 of no harassment, obviously, especially in Hell's
17 Kitchen and the Special Clinton District, building up
18 an experience with this and then ANHD, Make the Road
19 and Urban Justice Center for moving forward to help
20 us think about it around the city. I would urge
21 people to look at, in the UJC testimony, actually, a
22 proposed comprehensive amendment to the bill that UJC
23 and ANHD and Make the Road and UNO and others have
24 been working on, a good short description of how it
25 would work and just point out that I really think it

1
2 gets at some of what we were in some ways invited by
3 the administration to look at, narrowing the universe
4 of buildings to find those buildings that identify
5 red flags but then lengthening the look-back period
6 and closing the loopholes on different creative kinds
7 of harassment and maltreatment of tenants that
8 involve pushing people out. So we have a lot of work
9 to do, but we have a really good team and a lot of
10 experience, so thank you; you know, obviously we're
11 sorry for the individual experiences of really just
12 super mean, destructive and strategic harassment, but
13 we're working hard together to close those loopholes.
14 So thank you all very much. Thank you, Mr. Chair.

15 [clapping]

16 CHAIRPERSON WILLIAMS: Thank you. So we
17 don't clap, so we do this, if you'd like to express
18 your approval. Thank you, Council Member.

19 Before my question; just in case he
20 happens to watch this one late night, we got for the
21 record another tenant, Orlando, I believe Cato [sp?];
22 just wanna let him know that we received your
23 testimony; we're gonna put you in touch with your
24 Council Member; hopefully you can get some immediate
25

1 assistance; we apologize for what you're dealing with
2 right now.

3
4 Just on the certificate of no harassment,
5 you might've heard the administration testify; I
6 think they -- about 2% have been denied; one of the
7 claims is it's just overly burdened for that kind of
8 low percentage return rate; just wanted to know if
9 you had any response to that.

10 SARAH DESMOND: So the process, as far as
11 I understand it, is that when an owner applies for an
12 Alt 1 permit or a material alteration, they notify
13 HPD and then HPD sends out notices. So my office
14 receives the notices as they're sent out in the
15 Special Clinton District and any SROs within our
16 district as well and we'll go through our process of
17 vetting and then we'll respond; I think there's a
18 marginal process that HPD does, but to my
19 understanding it's not particularly cumbersome and
20 that it's largely when it's brought to their
21 attention that there's a building that has been
22 identified or for other reasons gets a red flag by
23 them, that they then do the in depth process. So I
24 think it catches the really bad actors that are out
25 there and I think, you know one of the tools and the

1
2 benefits of having it applied citywide is that
3 there's a lot of awareness about it and then it's
4 also a very effective prevention tool as well.

5 EMILY GOLDSTEIN: I would add that the
6 real goal here is to prevent the harassment from
7 happening in the first place and so ultimately what
8 we would want is, you know, as few as possible
9 certificates of no harassment being denied, because
10 in fact as many landlords as possible should be able
11 to prove that they have not been harassing tenants
12 and so I think in particular over time, you know in
13 the Clinton Special District this has been in place
14 for quite a while; we would hope that most buildings
15 sail through because the goal here is really to
16 prevent harassment in the first place and to
17 disincentivize it.

18 CHAIRPERSON WILLIAMS: Thank you...

19 [crosstalk]

20 HARVEY EPSTEIN: Can I add one last
21 thing? The reality on top of it is; even if it is
22 2%, the reality is that they can't capture it, these
23 are buildings that they have no history of, they have
24 no knowledge of; they don't know that harassment's
25 going on, 'cause they have limited resources.

1 Without something like this citywide, we're gonna see
2 in every district as we see today, this ongoing
3 harassment of mostly rent-stabilized tenants and this
4 is... they don't have another suggestion of a tool to
5 punish landlords who do this and this the best tool
6 we have that we know of; unless they come up with
7 something different, this is the punishment we're
8 looking at.
9

10 CHAIRPERSON WILLIAMS: Thank you. And
11 with 0543, just some of the testimony could sound
12 persuasive. It was just a discussion -- okay, this...
13 this bill will require HPD to expend additional
14 resources on every inspection it conducts
15 investigating the source of every condition,
16 regardless of the severity, even if one is not
17 evident and document whether there is not such a
18 condition. It was basically discussing how difficult
19 it may be to find underlying conditions if someone is
20 doing an inspection, the difficulty of finding where
21 the leak is, the difficulty of finding what exactly
22 is causing the mold; multiply that by the amount of
23 inspections, it could be seen as persuasive the way
24 the bill is written. I just wanted to know if you
25 had any response to it.

1
2 EZRA KAUTZ: It will require more work,
3 but I think it's work that the landlord will have to
4 do and not HPD; I'm not sure why HPD would be the one
5 to do the floor to ceiling inspection if it's the
6 tenant bringing the landlord to court; the tenant has
7 the burden of proving that there is an underlying
8 condition and this bill provides for some way of
9 doing that, you know, given the repeated violations
10 of the same type over several years. But then, you
11 know, if the landlord wants to disprove that it
12 actually exists or if there's some challenge in
13 fixing it, that's really the landlord that's gonna
14 have to come forward.

15 HARVEY EPSTEIN: And another thing I
16 would add; I think this is saving of resources. The
17 reality for all of us is that we deal with these
18 tenants where there's inspection after inspection and
19 inspection, water, water, water and there's not a
20 cure; what we're talking about here is a holistic
21 response to a problem that'll save HPD resources in
22 the long run. So we understand it's more intensive,
23 but the reality is, you can't expect the tenants in
24 and of themselves to figure out what the underlying
25

1
2 conditions are; HPD may not think they don't have the
3 expertise, but we know that pro se tenants don't.

4 CHAIRPERSON WILLIAMS: So I just heard
5 two different things; I heard that, you're saying
6 that the burden should be shifted to the owner to
7 figure it out, but you're saying that it should be
8 the inspector that has the burden of figuring it out.

9 HARVEY EPSTEIN: No, I think what Ezra's
10 saying; it is the burden of the owner, but the
11 reality is when HPD is coming back out to inspect,
12 after the tenant's complained about, an inspector is
13 at that point supposed to look for the underlying
14 condition; traditionally, the owner's supposed to
15 figure out what the underlying condition is, but on a
16 violation, of a repeated HP on the same condition, it
17 is HPD's job to figure out where the source of the
18 water is and they are much more -- I mean the owner
19 or HPD are in a better place to figure that out than
20 the pro se tenant ever is.

21 CHAIRPERSON WILLIAMS: Thank you.
22 Council Member Kallos has some questions.

23 COUNCIL MEMBER KALLOS: First I just
24 wanted to echo our Chairperson Jumaane Williams in
25 just welcoming Efrain Felipe. Thank you for coming

1
2 and thank you for taking time from work and earning
3 income to be a voice for the people and thank you for
4 having a translator who could help so that we could
5 speak with one another and I think it's our goal to
6 make sure that the Council is more approachable and
7 accessible so folks can come whenever it's easy for
8 them to come and please let them know that if you
9 have anyone who wants to submit similar testimony,
10 you can just send it in when you want. Thank you.

11 I also wanted to thank this panel for
12 your support and with regard to the item brought up
13 by Urban Justice Center, I think that in my
14 contemplation of the legislation it is meant so that
15 any housing developer, be they a large multinational
16 conglomerate or a small nonprofit in the community
17 would be able to just put things up on the Housing
18 Connect portal and then let the Housing Connect
19 portal do all the work for them and to the extent
20 that that is not in the 15 pages of legislation, I
21 would be open to making such an amendment, so I guess
22 the only question is; would Urban Justice Center be
23 willing to provide draft language to modify for such
24 an exemption, as well as to provide for things like a
25

1
2 50% local preference for this and on the portal or
3 others as well?

4 HARVEY EPSTEIN: The answer's of course.
5 And just on that point, I think we're supportive of
6 the legislation, we're just concerned about the
7 impact and I think together with groups like ANHD and
8 Make the Road we can all figure this out together,
9 but I think we want the information to be publically
10 available, we just have to be concerned about the
11 nonprofit affordable housing developers.

12 COUNCIL MEMBER KALLOS: And to the extent
13 we have a panel of experts, seems that we were unable
14 to get a clear answer from HPD on almost anything,
15 which was slightly disappointing; is it your
16 assessment that the 200,000 units, do you believe
17 that that is an accurate number or is that the tip of
18 the iceberg or who knows?

19 HARVEY EPSTEIN: If I can speak again, I
20 think... we have no idea and that's the problem. The
21 reality is, we have these units, honestly, whether
22 they're rent-stabilized units or 421-a units or J51
23 units, I mean traditional rent-stabilized that are
24 coming through 421-a or J51, they're all these units
25 that no one's looking at and we have a system that's

1
2 tenant-driven complaints; there's no agency in this
3 city who's responsible and HCR takes the stance of,
4 well we respond to tenants' complaints and the
5 reality is we had some system in place that said we
6 know at this point in time these are the units;
7 making that information publically available would
8 take us in the right direction.

9 And finally, if I can make the point
10 about whether HPD has an obligation to do it already;
11 I think you raise a really good point, that HPD may
12 have an obligation to make this information
13 available, at least on 421-a and maybe they're
14 failing to comply with their statutory obligation.

15 COUNCIL MEMBER KALLOS: With regards to
16 that, we heard testimony from HPD that says in 421-a
17 -- and I'll just read a section. So this is
18 Subsection I(i)(2). The local housing agency, in
19 cooperation with the Division of the Housing and
20 Community Renewal, shall monitor and enforce
21 compliance with the following requirements of this
22 section. So in HPD's reading, DHCR would be both the
23 local housing agency and the specifically-named
24 Division of Housing and Community Renewal. Does this

1 panel believe that HPD is a local housing agency as
2 contemplated under the Real Property Tax Law?

3 SARAH DESMOND: Yes.

4 COUNCIL MEMBER KALLOS: So that being
5 said, another question that I believe the Chair asked
6 is; who is responsible for the enforcement of this
7 registration with DHCR?
8

9 [background comments]

10 SARAH DESMOND: I mean it looks...
11 according to the statute, it looks like it's HPD that
12 would be responsible.

13 COUNCIL MEMBER KALLOS: And then further
14 in this section they actually require a public report
15 on their enforcement actions; have any of you ever
16 had access to any of this public report required
17 under the law? I need verbal answers, please.

18 [laughter]

19 HARVEY EPSTEIN: And the reality here is
20 -- well we said... I think I said earlier -- you know,
21 HPD may have the best intentions, but their follow-
22 through is... you know, it's something we need to work
23 on here and without legislative authority requiring
24 them to do it, they may not take the steps necessary
25 to post all of the affordable housing units. Clearly

1 we think... I think, based on the 421-a statute alone,
2 they may have an obligation, but I think they have an
3 obligation citywide to tell us all when the units
4 become available, so as advocates and as people
5 looking for affordable housing opportunities they
6 will know. Just having tenants apply for an
7 apartment that may not be on the Housing Connect
8 system doesn't get at the problem. So if someone
9 doesn't put their apartment in the system, it never
10 becomes available; a structure that knows that the
11 apartment's available and that there's a system in
12 place is really what we're looking for.

14 COUNCIL MEMBER KALLOS: Thank you.

15 CHAIRPERSON WILLIAMS: Thank you very
16 much for all the work that you do. I do have to say
17 one small criticism and I'm gonna say this with very
18 much love, but I do hold everyone accountable that
19 comes up, from the unions to administration; the
20 diversity of the folks who are testifying here don't
21 necessarily reflect the people that you're testifying
22 on behalf, so it would be great if the organizations
23 themselves can have people in the positions that are
24 able to testify on their own behalf, so thank you for

1
2 that. But I appreciate the work that you're doing
3 and looking forward to continuing to work with you.

4 [pause]

5 Robert Altman from the Building Industry
6 Association of New York City. Can you please raise
7 your right hand? Do you affirm to tell the truth,
8 the whole truth and nothing but the truth in your
9 testimony before this committee and to respond
10 honestly to council member questions? [background
11 comments] You may begin; you have two minutes to
12 present your testimony.

13 ROBERT ALTMAN: Testing. Okay. Good
14 morning, my name is Robert Altman; I'm here
15 representing the Queens and Bronx Building
16 Association and the Building Industry Association of
17 New York City.

18 I'm here to testify in opposition to all
19 the four bills, which while well-intentioned, all
20 suffer from the same malady; they are either
21 overbroad or disproportionate. I appreciate Council
22 Member Torres and Council Member Lander both stating
23 that; I also appreciate Council Member Lander saying
24 don't just say that it's overbroad; however, I can
25 only testify on what's in front of me, so I can only

1
2 state the bill is overbroad and I'm glad he realizes
3 the bill is overbroad.

4 I wanna just deal with some testimony
5 that came up here today, to talk a little bit about.
6 One is; I get a feeling that there was a discussion
7 on 421-a, which was not necessarily the most accurate
8 discussion. First of all, 421-a units or rentals go
9 into rent registration; however, that does not
10 automatically mean that they are affordable. Rents
11 of 421-a are set pursuant to a formula; that formula
12 usually can bring a rent, for example which was in a
13 borough rent, I had one instance where the landlord
14 could've charged \$4100 a month in rent under 421-a,
15 now this was in a project that was ultimately brought
16 into rent stabilization and the Attorney General,
17 when he was discussing with -- I would up
18 representing the entity, was convinced that he could
19 be charging too much; we showed him the formula, we
20 showed him the amounts; the rents were between \$1600
21 and \$2200, well below what was the allowable rent.
22 However, let's assume that the rent was \$4100, okay;
23 that rent would be in rent stabilization, even though
24 it's above the -- I think it's \$2700 amount right now
25 -- even though it's above the \$2700 amount, it must

1
2 go through stabilization during the time of that
3 period, so it would be subject to a 2% increase or a
4 3% increase, whatever the Rent Guidelines Board does.
5 So it's realized that simply because -- I grant you,
6 those units must go into rent stabilization, [bell]
7 but don't assume that they're affordable.

8 Additionally, one more point; actually
9 all the units do get registered with HPD; what that
10 provision is talking about with respect to the
11 registration is the multiple dwelling registration
12 statement; HPD has been enforcing that.

13 CHAIRPERSON WILLIAMS: Thank you very
14 much for the testimony. Just one thing with rent
15 stabilization; it's often cited as just for its
16 affordability, which is I think important, but it
17 also provides protections.. [crosstalk]

18 ROBERT ALTMAN: Protections, yeah.

19 CHAIRPERSON WILLIAMS: against... and so we
20 wanna make sure we always mention that when we
21 mention the program.

22 Is your objections to the theory behind
23 the bills or more the scope, which we discussed that
24 we wanna...

1
2 ROBERT ALTMAN: Well let's take Council
3 Member Lander's bill for a point; it just has too
4 large a universe; you should be trying -- the
5 concepts that I was hearing during the hearing hit me
6 as, you know, legitimate concepts to try to figure
7 out how to narrow things and that's legitimate, I
8 mean nobody should be harassing their tenants,
9 period, I mean it's wrong. So I don't think anybody
10 can object to that; I don't think you wanna put in
11 motion a bureaucracy that picks up everybody. I'd
12 also note that the SROs were a limited number of
13 buildings; I mean I was around working on those
14 issues at the time and so you had a bureaucracy,
15 Mayor's Office of SRO Housing in conjunction with HPD
16 was working on that; you extend that to probably, you
17 know, hundreds of thousands of buildings; it's a much
18 more difficult enforcement mechanism, so you have to
19 figure out some way to narrow it. I think trying to
20 target it is a wonderful idea; you could even have a
21 situation where the Council Member from each district
22 picks 20 buildings in his district that he wants them
23 to monitor, fine by me too, as long as you figure out
24 a way to narrow it; it's just too broad.

1
2 CHAIRPERSON WILLIAMS: Thank you very
3 much. I know Council Member Kallos has some
4 questions.

5 COUNCIL MEMBER KALLOS: Thank you,
6 Mr. Altman for coming out today and joining us for
7 this hearing and thank you for providing some
8 constructive feedback for ways to improve Int. 1015.

9 How large is your membership organization
10 would you say?

11 ROBERT ALTMAN: Well the Queens and Bronx
12 Building Association, that's basically their comment
13 and we have about 250 members, but really about 55
14 builder members; a good chunk of them do affordable
15 housing.

16 COUNCIL MEMBER KALLOS: And how many of
17 them do you think are the folks we're looking for
18 that aren't registering with DHCR right now or are
19 all... [interpose]

20 ROBERT ALTMAN: Oh I think most of your
21 people do in fact register with DHCR; what probably
22 happened was especially during the recession; people
23 went about -- you have small building owners who --
24 and you did have some large building owners too, but
25 mostly they were people who were building in the,

1 let's say 15 to 25, 35-unit buildings and they were
2 planning on doing it as condos; what ultimately
3 happened is, HPD and the law has a regulation that
4 says, if you fail to have your condominium plan
5 approved within a certain amount of time, you must
6 then go register your buildings with DHCR and do it
7 as a rental; you don't have forever to try to get
8 your building condominiumized. What was happening,
9 and I think that, you know, whether it was with tacit
10 acknowledgement that maybe it's happening or not was
11 that people who were trying during the recession to
12 get their building condominiumized could not get it
13 condominiumized because nobody was buying their units
14 and the 15 months passed and then you had an
15 explosion of units who, frankly, had to go over and
16 get registered and that should have been done.

18 COUNCIL MEMBER KALLOS: And I think that...

19 [interpose]

20 ROBERT ALTMAN: Now very few of my Queens
21 builders who do affordable housing were in that unit.
22 [sic]

23 COUNCIL MEMBER KALLOS: And I think
24 what's contemplated by this legislation is a one-
25 stop-shop system where we're not burdening developers

1
2 or builders or nonprofits or for-profits, just a
3 system where that same registration they currently
4 have to do with DHCR could be done with the City as
5 well and in fact the City's supposed be getting a
6 copy of the registration anyway and then once it's
7 there, the system takes care of everything for you,
8 so you just put it up there, people apply and it..
9 [crosstalk]

10 ROBERT ALTMAN: We already do that with..
11 we already do that. What happens is the following..
12 [crosstalk]

13 COUNCIL MEMBER KALLOS: Yep.

14 ROBERT ALTMAN: the process is the
15 following. We register -- when 421-a is approving
16 your final certificate it goes and it checks on its
17 units to make sure you made that multiple dwelling
18 registration statement. So HPD already has that
19 knowledge of what the units are. It's not something
20 where it's not there; they have that, because by
21 virtue of them checking before they issue that final
22 certificate and I've done some 421-a filings and I've
23 had clients who have forgotten to do it and before we
24 get that final certificate, they go, they make sure
25

1
2 we're registered. So it is known to the agency which
3 units are receiving 421-a.

4 COUNCIL MEMBER KALLOS: Have you ever
5 gotten a copy of their list of units that are
6 receiving 421-a?

7 ROBERT ALTMAN: No, I have not gotten a
8 copy -- well frankly, the list of the units that's
9 available is available I think through the Department
10 of Finance website.

11 COUNCIL MEMBER KALLOS: Okay. And so I
12 could look up and see whether or not building 1520
13 Apartment 21-E is...

14 ROBERT ALTMAN: Yes you can; it's on the
15 Department of Finance website... [crosstalk]

16 COUNCIL MEMBER KALLOS: by... by... by... So we
17 can look at a specific unit and see whether or not
18 it's rent-stabilized, whether it's 421... [interpose]

19 ROBERT ALTMAN: If it's condominium, you
20 can determine the unit; if it's not condominium; it's
21 a rental, it's usually the entire building and that's
22 on the website... [crosstalk]

23 COUNCIL MEMBER KALLOS: Right, right
24 **[inaudible]** So the issue just being, when you have a
25 building with 400 units and 20% of them -- so you've

1
2 got 40 of them are there, it's really difficult to
3 try to figure out which units are... [interpose]

4 ROBERT ALTMAN: 421-a, unless it's the
5 limited number of units that exist out there... Well
6 let me rephrase that. Department of Finance lists
7 every building that receives 421-a...

8 COUNCIL MEMBER KALLOS: Yep.

9 ROBERT ALTMAN: okay; with respect to
10 what's the affordable units, I think they have to get
11 designated. I don't have a list of those units, but
12 there's -- remember, there was a very limited program
13 under the Bloomberg administration, so your list of
14 units that exist out there is not a large universe;
15 it's only a couple thousand from my... my **[inaudible]**
16 [crosstalk]

17 COUNCIL MEMBER KALLOS: Well as a
18 **[inaudible]**, what I can tell you is we can't actually
19 find that list; when we're talking about the rentals,
20 which is a large portion of these rent-regulated and
21 affordable units, so that's what we're trying to get
22 at.

23 ROBERT ALTMAN: Well then I would take
24 first a look at the -- you know what happens is, the
25 Department of Finance does list, and I haven't gone

1
2 looking for it, but it does give you a list of the
3 units, it does give you... of every unit receiving
4 that's a condominium unit; it does give you a list
5 of the buildings, so you can at least get it from
6 there, so if you have a building that's 20% of the
7 affordable units, that's the issue that you're gonna
8 have... [crosstalk]

9 COUNCIL MEMBER KALLOS: Right, I think
10 our one issue is so if a building has 200 units, how
11 do we determine which ones within those are supposed
12 to be affordable and making sure that those people
13 are getting the right rents.

14 ROBERT ALTMAN: I don't know the
15 methodology with which the Bloomberg administration
16 set that up; now I would say that... [crosstalk]

17 COUNCIL MEMBER KALLOS: **[inaudible]**

18 ROBERT ALTMAN: I would say that...

19 COUNCIL MEMBER KALLOS: get at.

20 ROBERT ALTMAN: it should still be, those
21 buildings should still be on the 421-a piece, it
22 might be on the Department of Finance website; it
23 might not... [crosstalk]

24 COUNCIL MEMBER KALLOS: It sounds like we
25 agree.

1 ROBERT ALTMAN: What?

2 COUNCIL MEMBER KALLOS: I said it sounds
3 like we agree about that.
4

5 ROBERT ALTMAN: Okay. No, I'm saying it
6 might be there; I haven't gone checked.

7 COUNCIL MEMBER KALLOS: What I'm telling
8 you is that I have and this legislation would
9 actually make what you and I think should be there to
10 be there.

11 ROBERT ALTMAN: It might already be
12 there.

13 COUNCIL MEMBER KALLOS: Perfect. Thank
14 you.

15 ROBERT ALTMAN: 'Kay.

16 CHAIRPERSON WILLIAMS: Thank you. Thank
17 you very much for your testimony. Next we have
18 Stephen M. Werner, Tom Anderson, Jennifer Berkley and
19 Kim Jones.

20 [background comments]

21 Again, we have Stephen Werner, Tom
22 Anderson, Jennifer Berkley and Kim Jones. They will
23 be followed after this by Dave Powell, Matthew
24 Chushare [sp?], John Frederick Newton, James
25 Rodriguez, Michael Grinthal and Natasia de Silva.

1
2 So Stephen Werner; is it... who's... who's
3 Stephen? Tom Anderson, Jennifer Berkley and Kim
4 Jones.

5 COUNCIL MEMBER KALLOS: And I believe Tom
6 Anderson is here as a representative of the
7 organization Staff Analysts, as Mr. Werner's union
8 representative. Mr. Werner is here on his day off in
9 his personal capacity, but his union is here to
10 protect this whistleblower and free speech rights.

11 CHAIRPERSON WILLIAMS: Thank you very
12 much. Can you please raise your right hand? Can you
13 raise your right hand? Do you affirm to tell the
14 truth, the whole truth and nothing but the truth in
15 your testimony before this committee and to respond
16 honestly to council member questions?

17 [collective affirmations]

18 Thank you. You'll each have two minutes
19 in order of your preference.

20 [background comments]

21 COUNCIL MEMBER KALLOS: Press the red
22 button.

23 [background comments]

24
25

1 STEPHEN WERNER: My name is Stephen
2
3 Werner; I am here to present my personal comments,
4 observations, recommendations regarding the bill
5 being considered by the Council; nothing I am going
6 to say represents the position or comments of my
7 employer, the City of New York, Department of Housing
8 Preservation and Development, where I have worked for
9 the last 23 years. Thank you for letting me speak.

10 Having a place to live is a necessity,
11 not a luxury item; political economist Joseph
12 Stiglitz, in his recent book on inequality, explains
13 that some people use political influence and
14 asymmetric information for their personal gain; he
15 uses the example of insider trading; controlling and
16 manipulating information regarding government-
17 sponsored housing is another area where we see both
18 these techniques in play.

19 At this point I'm going to skip some of
20 my prepared material. In what follows I will discuss
21 however three issues regarding the proposed bill
22 where I see my experiences in computer systems and
23 application development, as well as knowledge of the
24 way the City works to talk about the bill. First I'm
25 going to discuss the matter of tax exemptions; then

1
2 program names that HPD uses and lastly, provide some
3 recommendations for improvements in data collection
4 and dissemination of information.

5 Regarding exemptions, Section 26-1201
6 identifies the definition used in the chapter. In
7 both the definition of affordable unit and rent-
8 regulated unit, there is reference to exemption
9 reason; in this case, occupancy by the
10 superintendent. The allowable reasons for exempting
11 an apartment from rent regulation in the case of J-51
12 and 421-a, includes such a reason providing for a
13 building superintendent. An allowable reason is also
14 made in those cases for owner-occupied; there is no
15 exemption reason however in the case of apartments
16 and buildings with J-51 tax exemptions for the rent
17 level to be a reason. The state has only recently
18 started looking at apartment-level data in terms of
19 exemption reasons; they have only accepted as is the
20 data entered by owners; they have found thousands of
21 cases where invalid reasons were given, such as high
22 rent in buildings receiving J-51 or 421-a exemptions.
23 My own estimate of the scope of this problem, as
24 explained on the about page of my website, is that
25 the number of apartments not registered may be

1
2 100,000; that in addition to buildings where the
3 building [bell] and all of the apartments are
4 unregistered.

5 So I suggest before the bill proceeds you
6 vet the property of 421-a buildings that may have
7 invalidly exempt apartments before including them in
8 the HPD bill.

9 The other point I wanna make -- program
10 names. In your interest, I have looked at the New
11 York City Public Law 44 public portal; I have looked
12 at the HPD data sets, I have looked at files and
13 tables in there where they use the word program
14 names; there are only 35 programs and only 50,000
15 units in those programs. I suggest this means that
16 HPD may not be transmitting to the portal all of the
17 data it's supposed to have in that regard.

18 Regarding reports and evaluations...

19 CHAIRPERSON WILLIAMS: Gonna have to ask
20 you to wrap up.

21 STEPHEN WERNER: Okay. I think you
22 should also be able, for example, to look at how many
23 buildings are lost from the stock because of
24 exemption termination of the property taxes, they
25 time out at 15 years or 24 years; you should be

1
2 looking at where are those people winding up; are
3 they winding up paying twice as much in rent or are
4 they going into shelters? Thank you.

5 CHAIRPERSON WILLIAMS: Thank you. Do you
6 have written testimony?

7 STEPHEN WERNER: Excuse me?

8 [background comments]

9 CHAIRPERSON WILLIAMS: Oh we have it.
10 Whoever would like to go next.

11 TOM ANDERSON: The only comment I would
12 like to add is that the Organization of Staff
13 Analysts represents a group of people who study data
14 very carefully and we're very proud that Mr. Werner
15 has looked at the data in his agency and tried to do
16 the best by it.

17 CHAIRPERSON WILLIAMS: Thank you very
18 much.

19 KIM P. JONES: Good afternoon, Chair
20 Williams and the Committee on Housing and Buildings.
21 I Kim P. Jones am writing this testimony as a tenant
22 of 109 West 105th Street, Apt. 3B, New York, New York
23 10025 since November 1992 because I feel strongly
24 that Int. No. 1015 pertaining to the creation of a
25 housing portal mandating owners to list apartments

1 with J-51 tax breaks has very important purpose. I
2 am also representing the following tenants that also
3 have long tenure at 109 West 105th Street -- Jose L.
4 Lopez, Apt. 5A, a tenant since May 1995; Daniel C.
5 Williams, Apt. 4C, a tenant since June 1997, and
6 Michael Floy [sp?], Apt. 3A, a tenant since March
7 1996.
8

9 The City needs the database to keep
10 residents protected as well as to hold landlords
11 accountable. We live in a building now owned by the
12 Orbach Group, operating as COSO Management; today we
13 are facing the DHCR application for the
14 destabilization of our rent-stabilized apartments on
15 the basis that a mass rehabilitation of the building
16 took place back in the early 80s. Prior to their
17 application, the Orbach Group took it upon themselves
18 to entice their tenants into giving up our rent-
19 stabilized apartments for low buyout offers; we are
20 part of the few that did not accept the buyouts and
21 are now fighting the application. During and after
22 this construction took place, the building owners
23 benefitted from a J-51 tax break; however, none of us
24 were ever informed of the J-51 by any of the
25 building's previous owners.

1
2 Now the Orbach Group is claiming that
3 every rent-stabilized lease issued since the mass
4 rehab was in error and our apartments should have
5 seized being rent-stabilized once the J-51 tax break
6 ended. There are... [bell] There are four other
7 management companies and at least as many owners
8 prior to this group; the end of the J-51 abatement
9 was never disclosed to any of us, since we were never
10 informed that it was the J-51 tax abatement that kept
11 our apartments affordable and not the existence of
12 rent stabilization; we all assumed our affordable
13 rents were protected as long as our rents never hit
14 the threshold for destabilization. Had we known, we
15 all could have sought other living options in our
16 neighborhood if necessary, but we were never informed
17 until we were revealed the mass rehab that our
18 apartments were all allegedly renovated and are
19 exempt from rent stabilization since the J-51
20 expired. This bill will allow tenants to access a
21 database to verify whether their legal rent is
22 correct for their particular unit, research and rent
23 history of an apartment and access manager and
24 superintendent information filed under the Housing
25 Maintenance Code.

1 The portal will also offer a single
2
3 online application for residents to apply for all
4 open affordable housing units based on their
5 financial and household information and permit
6 tracking of the lottery process and wait list for
7 affordable units. We think it is obvious that all
8 the destabilized tenants living in the building would
9 have benefited from a database like this and it would
10 have held the management company responsible for
11 informing the tenants and providing the correct
12 documentation regarding the J-51 tax benefit and rent
13 stabilization units and I'll stop there, since my two
14 minutes is up.

15 COUNCIL MEMBER KALLOS: Thank you.

16 Jennifer, nice to see you.

17 JENNIFER BERKLEY: Thanks. Good
18 afternoon. Thank you to Chair Williams and to the
19 Housing and Buildings Committee members for the
20 opportunity to testify today.

21 My name is Jennifer Berkley and I am the
22 Subsidized Housing Lead Organizer for New York State
23 Tenants and Neighbors Information Service and New
24 York State Tenants and Neighbors Coalition, two
25 affiliate organizations that share a common mission,

1
2 to build a powerful and unified statewide
3 organization that empowers and educates tenants,
4 preserves affordable housing, livable neighborhoods
5 and diverse communities and strengthens tenant
6 protections.

7 We are testifying today in support of the
8 four bills in front of the Committee; we must do
9 whatever it takes to preserve all the affordable
10 housing units we have today because our city loses
11 tens of thousands of precious rent-regulated units
12 every year. To make matters worse for tenants, it
13 was recently revealed in a series of investigative
14 reports in *ProPublica* that landlords currently
15 receiving over \$100 billion in tax breaks failed to
16 register as many as 200,000 apartments with the State
17 Division of Housing and Community Renewal. These are
18 developers who receive lucrative 421-a and J-51 tax
19 abatements; we believe the primary reason for this
20 overwhelming omission is a serious lack of
21 enforcement of the provisions of the 421-a tax
22 abatement that requires developers to reserve a
23 percentage of the units built under the program at
24 rent-stabilized rents. We have seen this alarming
25 trend in buildings that have received J-51 tax

1 credits as well. To date there has been little to no
2 oversight of this regulation and the result has been
3 thousands of hardworking tenants living in apartments
4 that should be rent-regulated but are not. Tenants
5 whose rights should be protected under rent
6 stabilization are at risk of being violated; this is
7 unacceptable.
8

9 Int. No. 1015 would create a portal that
10 would allow for a full accounting of every affordable
11 unit built under both 421-a and J-51 programs, as
12 well as additional abatement programs. We would
13 finally [bell] have the means to monitor and enforce
14 these provisions and penalize those who fail to
15 comply.

16 And the rest is here for your review,
17 since I'm out of time.

18 COUNCIL MEMBER KALLOS: Thank you very
19 much. My question is for Stephen Werner. When was
20 the first time that you discovered that there might
21 be a problem? It says in your testimony that you
22 have been at HPD for 23 years and you started there
23 in 1992, so how long did it take you to identify the
24 problem?

25 [background comment]

1
2 COUNCIL MEMBER KALLOS: Please turn on
3 your mic.

4 STEPHEN WERNER: In 1993 I received taped
5 files from DHCR containing six million records that
6 consisted of five years of data for every apartment
7 and every building that were registered with DHCR in
8 the prior five years. I at the same time over the
9 computer, internet processed tens of thousands of
10 records from the Department of Finance on J-51 and
11 421-a in connection with my work, producing the
12 Housing and Vacancy Survey; an example is an
13 attachment to my submission. What I do is, I take
14 the information on registrations, I take the
15 information on buildings getting J-51; 421-a and I
16 report on those that are registered, and according to
17 the appendix in the report, you will see we add to
18 our estimate of stabilized units in buildings that
19 are getting J-51 and 421-a that are not registered
20 but should be registered; that's based on an analysis
21 of six million records, starting in 1993; I have been
22 doing this for 23 years, every time the vacancy
23 report comes out and the numbers have been
24 consistent; the estimate is one million units and the
25 number registered is 800,000. On the point of

1
2 whether or not a 421-a building can get its tax
3 benefit if it doesn't register, here's the trick; if
4 you have friends, you find out that HPD only looks at
5 the first year registration application; the
6 certificate for eligibility being stamped as
7 registered; henceforth, there's no looking at whether
8 or not the building or apartments are registered.

9 Another shortcoming I learned early on was that the
10 address on the certificate of eligibility, there is
11 only one address and the information on tax lapse in
12 the Department of Finance is based on the borough,
13 block and lot; there's only one number for the
14 borough, block and lot and there's only one address.
15 There are J-51 properties that have as many as 110
16 buildings; the Stuyvesant Town has 36 buildings on
17 its lot; nobody... [interpose]

18 COUNCIL MEMBER KALLOS: And so...

19 STEPHEN WERNER: nobody looks at the
20 other addresses; they're not in the possession of the
21 agency... [crosstalk]

22 COUNCIL MEMBER KALLOS: So you found this
23 in 1993 it was...

24 STEPHEN WERNER: Starting in 1993.
25

1
2 COUNCIL MEMBER KALLOS: And have you
3 reported it up to your supervisors?

4 STEPHEN WERNER: In the first year I said
5 on my desk I have and I also that year produced a
6 camera-ready copy of the appendix that was published
7 with the report; in the appendix it says, we are
8 putting out an estimate that has this and those that
9 should be registered; I said to my boss, I...

10 [crosstalk]

11 COUNCIL MEMBER KALLOS: How many years
12 have you been trying to get this information...

13 [crosstalk]

14 STEPHEN WERNER: I've been trying to do
15 it since 1993. Ten years ago I issued... Am I allowed
16 to talk about memos I've sent; I'm under oath?

17 COUNCIL MEMBER KALLOS: That's a question
18 for your OSA representative.

19 TOM ANDERSON: Uh yeah, if you want to
20 [sic].

21 STEPHEN WERNER: Well I sent emails to
22 the State, Department of Housing Community Renewal
23 Information Office and I asked in my memo, and this
24 is actually coming from me at my HPD desk; who is
25 looking at J-51 and 421-a programs in relation to the

1
2 stabilization reporting requirement; I have a
3 response from the state office responsible for
4 answering questions and they asked the questions --
5 What is J-51? What is 421-a? I discussed this with
6 the HPD general counsel and the general counsel has
7 been and there continues to be this claim that all of
8 this is DHCR's responsibility. I personally reviewed
9 the administrative code; it looks to me like it puts
10 ultimate responsibility with the Commissioner of HPD;
11 the HPD Commissioner can, in cooperation with other
12 agencies, such as Finance or the state agencies, have
13 other functions assumed by them and it sounds like
14 they are still making the argument that even if they
15 have responsibility for doing something they have
16 delegated it or assume it will be handled by someone
17 else... [crosstalk]

18 COUNCIL MEMBER KALLOS: I would agree
19 with you on your... I would agree with you on your
20 personal feeling [sic]... [crosstalk]

21 STEPHEN WERNER: I think I'd better stop
22 there.

23 COUNCIL MEMBER KALLOS: No, it's okay.
24 And then, have you brought this to the attention of
25 the current administration and the current mayor?

1 TOM ANDERSON: Excuse me.

2 COUNCIL MEMBER KALLOS: Sorry. Have...
3 you've been bringing this...
4

5 STEPHEN WERNER: Yeah, well... No, uh a
6 year...

7 COUNCIL MEMBER KALLOS: So... So you've
8 been bringing it to... [crosstalk]

9 STEPHEN WERNER: A year-and-a-half ago I
10 made a video; I sent it to Michael Berrios and in --
11 Michael Berrios is the Executive Assistant to the
12 Office of Rent Administration at DHCR; in the video I
13 go through the computer program, using a Microsoft
14 product called a Wizard, looks for membership in one
15 list by a key in another list and the one list I
16 created was the 43,000, what's called BINs, a social
17 security number for a building of DHCR registrations;
18 on the other side I generated for every lot that was
19 getting 421-a, all the buildings in a lot; you see,
20 you have to get out of the website publication by the
21 Department of Finance on a BBL level and get into the
22 number of buildings on lots. I took the second list
23 of buildings on lots and on screen execute a program
24 written by Microsoft, that's pretty good, and the
25 program is called Find Unmatched Records, and lo and

1
2 behold, on the screen my execution of that Wizard
3 demonstrates that there are 4,700 buildings getting
4 421-a that aren't in the list of buildings registered
5 with DHCR. A year ago I said... [crosstalk]

6 COUNCIL MEMBER KALLOS: And just a... And
7 just a follow-up; has HPD shared with you the
8 enforcement that they are doing or anything like
9 that? I don't think they can share about many
10 details of the investigation... [crosstalk]

11 STEPHEN WERNER: Oh, about what was said
12 now; that they're following up on...

13 COUNCIL MEMBER KALLOS: Yeah.

14 STEPHEN WERNER: they knew about this?
15 Nobody shared anything with me; they sort of avoid
16 me; as soon as I talk to somebody they lawyer up, as
17 a matter of fact.

18 COUNCIL MEMBER KALLOS: Okay. And I
19 think it's just -- and today you are here -- you took
20 a day of vacation to be here?

21 STEPHEN WERNER: Yes and I also took two
22 months off to work on my website and I also work
23 nights and weekends to work on my website.

24

25

1
2 COUNCIL MEMBER KALLOS: So you did that
3 all -- and the URL for your website, for anyone who's
4 interested?

5 STEPHEN WERNER: The website is
6 rentstabilizedbuildings.azurewebsites.net, what it
7 does, and I still think it's unique; you enter an
8 address, I go look up through an application program
9 interface through the Department of Information
10 Technology and Communications that it's a valid
11 address; if it is, I get the BIN and the BBL; I take
12 the BIN and I go through a resident file of DHCR
13 registration information for the last three years, I
14 see if it's registered; I take the BBL; I go to the
15 Department of Finance list from the website of BBLs
16 for 421-a rentals; if it is in there, I go
17 subsequently to something called Pluto, which is the
18 City Department of Planning database... [crosstalk]

19 COUNCIL MEMBER KALLOS: I'm going to..

20 STEPHEN WERNER: and get the name of the
21 owner, the dollar amount of the exemptions.

22 COUNCIL MEMBER KALLOS: Thank you; that
23 is amazing, quite complicated work and I doubt there
24 are many people on the face of this earth who would
25 take vacation to build this for the public good and I

1
2 just wanna thank you for spending a vacation day
3 sitting at City Hall to have your voice heard. And I
4 know, as a member of the City Council and with our
5 brothers and sisters at the Organization of Staff
6 Analysts that again; I know you don't like hearing
7 it, but I think that you are a hero; I think that
8 every single one of our city employees should see you
9 as a model; I am hoping that every single city
10 employee hears this, sees this testimony and starts
11 coming to their Council Members with different places
12 that our city could be more efficient and could be
13 better and whether it's saving affordable housing or
14 anything, I think you are a spectacular person that
15 folks should be looking up to. Thank you and we will
16 do whatever it takes to make sure you are fine and
17 protected and continue to serve this great city.
18 Thank you... [crosstalk]

19 STEPHEN WERNER: And I thank you very
20 much for supporting my mission here and Cesar, who's
21 been working on this for some time very closely.
22 Thank you both very much... [crosstalk]

23 COUNCIL MEMBER KALLOS: Thank you.

24 STEPHEN WERNER: and everyone in the
25 Council.

1
2 COUNCIL MEMBER KALLOS: I'd like to
3 excuse this panel, but thank you for your strong
4 testimony.

5 JENNIFER BERKLEY: Thank you.

6 COUNCIL MEMBER KALLOS: Our next panel is
7 Dave Powell from Fifth Avenue Committee; John
8 Frederick Newton from The Tenants and Neighbors;
9 James Rodriguez from GOLES; Michael Grinthal from MFY
10 Legal Services; Natasia de Silva from Legal Services,
11 and Thomas Honan from Legal Services. Thank you for
12 bearing with us today and spending so much time on
13 these important issues. [background comments] Why
14 don't you grab a... Why don't you fill out a quick form
15 and we'll call... [background comments] Okay, then
16 Nancy... Nancy, sure you can join the panel. Actually,
17 sorry; we'll bring you up on the next panel.
18 [background comments] Sorry. Thank you. And...
19 [background comments] whoever would like to go first,
20 please do so. A shout-out to MFY Legal Services; my
21 constituent services director loves you.

22 [background comments]

23 FRED NEWTON: Councilman Kallos, whose
24 constituents, incidentally, retired city employee...
25 [interpose]

1
2 COUNCIL MEMBER KALLOS: Oh sorry; I need
3 to just ask everyone to raise their right hand. Do
4 you affirm to tell the truth, the whole truth and
5 nothing but the truth in your testimony before this
6 committee and to respond honestly to council member
7 questions?

8 [collective affirmations]

9 COUNCIL MEMBER KALLOS: Thank you.

10 FRED NEWTON: Okay. Go? [background
11 comments] Yeah. Fred Newton, retired city employee,
12 also one of Councilman Kallos' constituents. I sat
13 here and listened to the testimonies this morning; it
14 is obvious that there's going to be some amendments
15 and fine-tuning after listening to the agency, you
16 know, high level deputy commissioner level speak.

17 I've got three things that concern me.
18 You have the bad actors; I remember once reading a
19 *Village Voice* article; a landlord had a million
20 complaints against him and all of a sudden the
21 building was sold, it had a new owner and it was
22 flipped. So I hope that that will be considered and
23 dealt with when you deal with bad actors; they flip
24 it, there's a new owner; do you have to start from
25 scratch?

1 The other thing that I've long felt,
2
3 after reading decades and decades of, you know,
4 tenants and neighbors and Met Council, is fines; some
5 of the fines landlords have was the equivalent to me
6 going to Dunkin' Donuts and treating a friend to --
7 two or three friends to coffee and a donut, costing
8 me \$15; that's not a strain on my budget. This is
9 the equivalent to a landlord paying a \$5,000 to a
10 \$25,000 fine; should the fines start at \$150,000 or a
11 quarter million? You have developers that are
12 millionaires or billionaires; these fines, as the
13 Public Advocate mentioned, are just the cost of doing
14 business.

15 The other thing that I'm concerned about
16 is after reading literature for decades from tenants
17 and neighbors and Met Council and other advocacy
18 groups; very few [bell] landlords go to jail; some of
19 these people should be wearing orange suits on Rikers
20 Island. Thank you.

21 COUNCIL MEMBER KALLOS: Thank you. Next.

22 DAVE POWELL: Well said. My name is Dave
23 Powell; I'm the Director of Organizing and Advocacy
24 at the Fifth Avenue Committee and also Neighbors
25 Helping Neighbors, a Fifth Avenue Committee

1
2 affiliate; both organizations are in Brooklyn and
3 both organizations fight to keep families in their
4 home through eviction-prevention casework, tenant
5 association organizing and policy activism.

6 Thank you very much for the opportunity
7 to testify today in support of Int. 0152-A and
8 Int. 1044, which stand to significantly mitigate the
9 displacement pressures faced by our communities.

10 I'm gonna focus not so much on the
11 technical aspect so much as just giving some
12 anecdotal examples of why this legislation is needed.
13 But I just wanna start off by saying, you know I
14 think for a couple of decades now both advocates and
15 elected officials have used the term of "housing
16 crisis" and I think you know generally in this
17 chamber and the narrative in the media is that that's
18 referring to, you know, the lack of affordability of
19 rents for low- and moderate-income people and that
20 certainly is a problem that continues to rage on, but
21 I think that was really needs to happen narrative-
22 wise and I'm really pleased to see this, you know,
23 suite of bills being brought before this chamber, is
24 that we really need to start talking about the
25 displacement crisis, because we have that raging full

1
2 on as well and the administration, from Koch to the
3 present day, often talks about affordable housing as
4 the solution to displacement and it's not, right;
5 these are two distinct things, they're related, of
6 course, but they're distinct, so I just wanna make
7 that distinction.

8 Tenants in New York City are very much in
9 need of aggressive protections to address this
10 displacement crisis, which of course is fueled by
11 deregulation loopholes, created rent-stabilization,
12 international speculation in our housing market and
13 the upzonings of dozens of our communities,
14 especially by the Bloomberg administration, and we
15 all know the profit [bell] incentive that's been
16 created to displace us.

17 I just wanna say, you know, I think
18 especially because we're considering the de Blasio
19 housing plan, that the upzonings that are gonna be
20 called for as a core part of this plan are also going
21 to increase that displacement pressure and so this
22 chamber really needs to consider before any of those
23 proposals move forward that these proposals that
24 we're talking about, specifically creating an anti-
25 harassment special district citywide, and clamping

1
2 down on landlords applying for DOB permits when they
3 have multiple violations needs to be put in place.

4 I recognize my time is over, but my
5 testimony does contain several specific incidents in
6 our area of families that were displaced who would
7 still be in our community if this legislation were
8 law and include some one-pagers and newspaper
9 articles about that. So I urge you, Councilman;
10 thank you for sticking around and you know, I'm
11 looking forward to working with this body on passing
12 this legislation.

13 COUNCIL MEMBER KALLOS: Thank you.

14 THOMAS HONAN: Good afternoon. My name
15 is Thomas Honan; I'm a Staff Attorney with Legal
16 Services of New York City. Legal Services NYC is the
17 largest provider of free civil legal services in the
18 country; our 19 neighborhood offices throughout New
19 York City represent thousands of low-income tenants
20 annually in disputes involving tenants' rights to
21 remain in their homes and to keep their homes
22 habitable. We welcome the opportunity to testify in
23 connection with the proposed new regulations.

24 As to Int. 0543, Legal Services regularly
25 sees tenants returning to its offices frustrated

1 because systemic problems in their apartment are
2 never fully addressed. Too often landlords can
3 satisfy orders to correct by making cheap cosmetic
4 repairs to apartments without addressing the
5 underlying problem, forcing tenants to repeatedly
6 call 311 and bring HP proceedings for essentially the
7 same issue; as a result, tenants in the communities
8 that we serve lose faith in the ability of the legal
9 system to adequately address systemic repair
10 problems. Tenants often become resigned to living
11 with unsafe conditions that could be addressed were
12 landlords required to repair the root cause of the
13 problem. For example, I have a client right now who
14 -- we're in court for the fourth HP proceeding in the
15 past three years to correct a hazardous mold issue;
16 however, hazardous mold is not the only underlying
17 issues that need to be corrected, there are other
18 issues, including root sources of leaks, fixing
19 structural flooring defects and replacing defective
20 boilers instead of providing quick fixes to remove
21 the most recent violation. For example, landlords
22 often paint over mold, patch a ceiling in an
23 apartment when the leak is in the roof, install new
24 tiles when the flooring underneath is defective and
25

1
2 make minor repairs to decades-old boilers that should
3 be replaced. [bell]

4 One final comment. Int. 0543 will allow
5 for more efficient use of the court and HPD's
6 resources; when underlying issues are not being
7 addressed, a tenant's only option is to make repeated
8 calls to 311 and to bring repeated HP proceedings,
9 all to address the consequences of the same
10 underlying problem. Providing tenants with the power
11 to seek orders to correct the root causes of these
12 problems will reduce repetitious calls to 311 and
13 thus inspections by HPD and also HPD proceedings in
14 the court, undoubtedly reducing the amount of
15 resources dedicated to every given problem.

16 One last thing. The current
17 administration has significantly increased funding to
18 Legal Services NYC and other legal services providers
19 to expand anti-displacement and tenant protection
20 services throughout New York City; we believe
21 Int. 0543 will assist us and all other legal service
22 providers to provide these services more efficiently
23 and to more tenants. Thank you.

24 COUNCIL MEMBER KALLOS: Thank you.
25

1
2 NATASIA DE SILVA: Good afternoon. My
3 name's Natasia de Silva and along with Thomas, I am a
4 Staff Attorney at Legal Services NYC.

5 I'd like to speak with respect first to
6 Int. 1044 and Int. 0152. These bills would stem the
7 occurrence of poor practices that have been discussed
8 extensively today and I'd like to point out an
9 occurrence our office has encountered at 144th Avenue
10 in Brooklyn. There the owners received permission
11 from the Department of Buildings to add two stories
12 to a four-story tenement so dilapidated that it had
13 been placed in HPD's Alternate Enforcement Program.
14 The construction resulted in copious dust and debris
15 throughout the building, buckling joists, falling
16 ceilings, water leaks, electrical problems and
17 interruption of heat and hot water service. These,
18 combined with the original conditions of disrepair
19 resulted in displacement of six of the eight original
20 tenants. The remaining tenants now face eviction
21 proceedings because the owners claim they must
22 temporarily vacate their apartments so he can repair
23 the problems caused by his own construction. There
24 are currently 93 uncorrected violations in this
25 building. Under current City policies, the owner of

1
2 this property will be rewarded for his flagrant
3 violations of the law by being allowed to rent the
4 six vacant apartments at market rate, plus the luxury
5 penthouse unit, the construction of which caused so
6 much anguish to the existing tenants.

7 Under Int. No. 1044 and proposed
8 Int. 0152-A, such travesties of justice would be much
9 less likely to occur.

10 I'd like to speak briefly also about
11 Int. 1015, the housing portal and the establishment
12 of that portal will help to shine a light on
13 landlords feigning ignorance about registration
14 requirements of the City's programs and guide the
15 City in taking much-needed steps towards a more
16 transparent housing market. As tenant advocates,
17 we're committed to assisting our clients and their
18 communities in combating housing deterioration and
19 maintaining safe conditions for all of our tenants.

20 COUNCIL MEMBER KALLOS: Thank you.

21 MIKE GRINTHAL: Good afternoon. My name
22 is Mike Grinthal; I'm a Supervising Attorney at MFY
23 Legal Services. MFY provides legal advice and
24 representation for free to more than 10,000 New
25

1
2 Yorkers every year, benefiting more than 20,000
3 people. I'd like to speak in support... [crosstalk]

4 COUNCIL MEMBER KALLOS: How many from my
5 district?

6 MIKE GRINTHAL: Sorry?

7 COUNCIL MEMBER KALLOS: I was just
8 kidding; how many from my district, 'cause I know we
9 do a lot of referrals.

10 MIKE GRINTHAL: All 20,000.

11 I'm here today to testify in support of
12 Ints. 1044 and 0152-A; like my colleagues, I think I
13 can be most useful to the Committee in sharing some
14 of the stories that we have seen, but I would like to
15 note that I think the Rent Stabilization
16 Association's testimony today primarily warns of
17 delays that will result from these bills, so I'd like
18 to also talk about delays.

19 With us here today, though not at the
20 table, coming up just after, is Sandra Johnson, a
21 tenant who I've had the honor of working with, who is
22 the last holdout tenant in her rent-stabilized
23 building, who has been fighting for about a year-and-
24 a-half with our office and with the Public Advocate's
25 Office to preserve her home for her family. More

1 than a year-and-a-half ago her landlord filed plans
2 with the Department of Buildings to completely
3 renovate the six-unit, rent-stabilized building to
4 turn it into I believe 16 luxury units, including a
5 new duplex built on the roof. The landlord bragged
6 about how many millions of dollars the renovation
7 will cost; nevertheless, at the time that the
8 landlord started the work, there were 356 hazardous
9 and immediately hazardous violations in the building,
10 including lack of heat, lack of hot water, water
11 leaks, mice, roaches, rotting floors, mold, broken
12 radiators, unworking light fixtures; now a year-and-
13 a-half later, despite all of these resources that the
14 landlord is pouring into the building, almost all of
15 those violations [bell] remain.

17 So if we wanna talk about delays, then I
18 wish that more members of the Rent Stabilization
19 Association felt the same urgency towards correcting
20 hazardous violations that they do towards converting
21 apartments into luxury apartments.

22 I'd also like to say just in conclusion
23 that MFY is a member of the Stanford Tenant Safety
24 Coalition; is also strongly supportive of the package
25 of recently introduced related bills and we urge the

2 Committee to hold hearings on those bills as soon as
3 possible. Thank you very much.

4 CHAIRPERSON WILLIAMS: Thank you.

5 Alright, thank you very much for your testimony; we
6 appreciate it and thanks for the work that you're
7 doing.

8 Next we have Nancy Sher, Sam Chiera,
9 Rochelle Thompson, Quinn [sp?], a person with
10 disabilities, I believe. I'm sorry? [background
11 comments] Your name is Sandra Johnson?

12 SANDRA JOHNSON: Yes.

13 CHAIRPERSON WILLIAMS: Okay. [background
14 comments] So we have Nancy Sher... Nancy; Sam Chiera,
15 Rochelle Thompson, Sandra Johnson and Quinn?
16 [background comments] Thank you. Can you each raise
17 your right hand? Do you affirm to tell the truth,
18 the whole truth and nothing but the truth in your
19 testimony before this committee and to respond
20 honestly to council member questions?

21 [collective affirmations]

22 You can begin in the order of your
23 preference; you have two minutes for each testimony.

24 QUINN: Thank you so much to the
25 Committee. My name is Quinn and I am in favor of --

1
2 First and foremost, I am a person with disabilities,
3 of course sight impairment, among other physical
4 disabilities. I wanted to support the Public
5 Advocate's bill, Int. 1044. Thank you so much.

6 I wanted to say briefly why it's so
7 important about the no eviction by construction bill.
8 My testimony is this -- Year 2014, okay, the building
9 that I lived in, Astor Row; that's Uptown in Harlem,
10 this is a place I wanted to live -- lived there for
11 over six years; this is 67 West 104th Street -- there
12 was a building where it accommodated people with
13 disabilities, as far as vision, physical;
14 neurological, we cannot walk and see and there was a
15 new owner who came; he came on 14th day of June 2014
16 and he said, I am the new owner and we said, okay, we
17 don't know who you are; we didn't take this man
18 serious; he is from Russia. So he came back June
19 30th; he said, you will now leave, 11 families, 11
20 units, you will leave; he told us we had five days; I
21 will give you \$5,000. I said this is strange; I am
22 in a permanent building, I pay \$950 a month, okay,
23 for a two-bedroom apartment; where will I get another
24 place as persons with disabilities? We have people
25 here who have been in this building for over 22

1 years; this is the only home that we know and the
2 only place a person with disabilities can afford
3 without being in all of these other programs, you
4 know these programs, like public... public... [background
5 comment] the portal; whatever that, we don't have
6 that. [bell] So I will say this and I will be brief
7 -- June 30th he came; July 5th is when he cleared out
8 eight families by construction, they tore down
9 [background comment] the toilet, the bathroom sink,
10 the tub; they tore the kitchen, took out the
11 kitchens; they crushed up all the walls, okay; I held
12 out, me and the other three apartments on my floor;
13 because one of the person could not take it, they
14 crushed up his place; he had to leave; then the new
15 owners, with their construction permit, came in
16 through that apartment, broke up the walls; the walls
17 are busted open, came inside the wall to destroy my
18 kitchen and my bathroom; thank you to Keith Wright
19 and Kathleen McCadden, who called that same day,
20 promised to come and stop them. Kathleen McCadden
21 talked to these people; they said okay, we will not
22 destroy her bathroom and her kitchen, the two
23 apartments left. Well they destroyed the bathroom
24 floor, a big hole in the wall and the stairwell to
25

1
2 walk downstairs, so they got us out in 42 days
3 because you need to walk down your stairwell; we
4 didn't have a stairwell, busted up the site. Persons
5 with disabilities and one other person was very
6 overweight; this is what happened. So yes, I'm in
7 favor of the Public Advocate's bill, Int. 1044. I
8 was displaced and taken from my community..

9 [crosstalk]

10 CHAIRPERSON WILLIAMS: Thank you.

11 QUINN: I had to live on the East Side;
12 that was 2014; now where will I live for \$950 a month
13 in a two-bedroom apartment? Where? You can't even
14 live that way to be put in a studio.. [crosstalk]

15 CHAIRPERSON WILLIAMS: Thank you very
16 much for...

17 QUINN: for \$1,000 that does not
18 accommodate me for the handles and the flooring that
19 persons with disabilities, people need [background
20 comments]. This is not even a building equipped. So
21 I wanna thank you; this is my testimony and this is
22 what happened. But thank you to Keith Wright and
23 Kathleen McCadden; they did help and they came
24 through, but of course, I am no longer on Astor Row.

1
2 CHAIRPERSON WILLIAMS: Thank you so much
3 for your testimony. I was gonna ask if someone was
4 helping you; it sounded like you did receive some
5 help from the Assembly Member; I'm not sure who the
6 other person is.

7 QUINN: Keith Wright and his assistant,
8 Kathleen... [crosstalk]

9 CHAIRPERSON WILLIAMS: Okay.

10 QUINN: she had 16 other cases.

11 CHAIRPERSON WILLIAMS: Thank you for your
12 testimony; very sorry; that's the reason we're here,
13 trying to see what we can do to help.

14 SANDRA JOHNSON: Hi, I wanna start; thank
15 the panel, especially you, Mr. James; I watch you on
16 TV all the time [background comment] I'm... yeah,
17 Mr. Williams; I've very sorry.

18 I'm Sandra Johnson and MFY has been
19 helping me all along, basically for a year or
20 somein', but I've been doing this for 30-something
21 years. Under the hands of HPD, who was the most
22 horrible landlord there is, compared to this
23 landlord, so how they're not knowing what's going on,
24 I don't understand; over 300 calls to HPD I made
25 myself alone when me and my kids and my hands crack

1
2 up when I get cold; my feet cracked up; no heat and
3 they're still doin' it to the present day. At night,
4 8:00, you can forget about heat and hot water, they
5 are still goin' on with illegal construction in my
6 building. I have reached out to every official; I
7 have emailed, I have took up myself for bein' a
8 nonprofit organization and these ladies that you see
9 here, Miss Rochelle and Miss Quinn, know me because
10 they came to one of the meetings that we have set up
11 in a church that let us meet and thanks to MFY and
12 Letitia James, when they came out to my house and
13 they really stepped in to help me, you know, but you
14 know what; still nothing is really being done. I'm
15 now living in an abandoned [sic] building with my
16 grandkids and my kids and my son who just got his leg
17 amputated because of the mold, the lead and the rat
18 droppings; I still have floor damages, I still have
19 water leaking; my building is something that I took
20 proud in, because when I was homeless, I was made to
21 go to this building; I used to live in a Harlem
22 hotel; I also fight with Dave Dinkins during the
23 time; I tried to be very active and make my kids be
24 active and of course I'm a single mother; I did my
25 own organizations and got paper done and they call it

1
2 14 East Tenants Association [bell] Organization. And
3 I wanna say that I am very much with this bill of
4 1044, but I think that we need to really look deeply
5 into the people and stop lookin' in all these
6 organizations; come out to the people, please, see
7 the people and then you would know what organizations
8 to start from and then to build on that. But I
9 really thank everybody and every one of y'all who's
10 out here today and especially our panel people whose
11 here to listen. So I thank you and have a blessed
12 day.

13 CHAIRPERSON WILLIAMS: Thank you.

14 ROCHELLE THOMPSON: My name is Rochelle
15 Thompson and I'm also known as the First Lady of Jazz
16 in Harlem, USA, the continent that I love.

17 I've lived in my building for 31 years,
18 I've won two supreme court cases, one I wrote on my
19 own; I had to take the landlord to small claims
20 court, I have been a housing advocate, I have gone to
21 housing court to advocate for out seniors; I also
22 went to court with Miss Johnson on Christmas when she
23 had no heat and hot water and the judge wanted to
24 adjourn her case. The problem that we are having,
25 that I am specifically having, is frivolous lawsuits;

1 we go to court, they are settled or they are
2 discontinued; they are started again. My problem
3 specifically is; I had paid my landlord by certified
4 mail, I have given copies to their attorneys and
5 they're still trying to evict me, so I think we
6 really need to look into the court system. I don't
7 think we need lawyers, I think we need, as
8 Miss Johnson so aptly said, I think we need the
9 Council, a questionnaire; we need you all to ask us
10 as tenants, advocates, activists what is really
11 needed in the housing situation. Again, lastly, I've
12 lived in my apartment for 31 years, 305 West 138th
13 Street, Apt. 4A, New York, New York, 130, block 2041,
14 lot 45 and I want to stay there. Thank you very
15 much.
16

17 CHAIRPERSON WILLIAMS: Thank you very
18 much.

19 NANCY SHER: My name is Nancy Sher; I
20 reside at 125 Court Street and was featured in one of
21 *ProPublica's* articles in a series on rent racket.

22 I wanna clarify two issues regarding the
23 current legislation. Filing -- Unless you require
24 HPD to verify the rent amounts, it remains an
25 invitation for landlord fraud. DHCR, the State

1 agency charged with monitoring and protecting rent
2 stabilization, states, and this is on their rent
3 registration -- you can have a copy of this if you
4 want -- you know and they state: "DHCR does not
5 attest the truthfulness of the owner's statements or
6 the legalities of rents reported in this document."
7

8 So in the case of 125 Court Street, Two
9 Trees submitted falsified rent registrations starting
10 in 2005 with the initial registration and continued
11 to do so until 2013. My initial registration said my
12 unit was permanently exempt -- we're in a 421-a
13 building, and it said it was permanently exempt due
14 to high rent vacancy, which does not apply to 421-a.
15 In 2013, Two Trees changed over 2300 rent
16 registrations for 125 Court Street; essentially they
17 replaced one fraud with another without any
18 supervision. In other words, Two Trees established
19 the public record for a state agency that is used as
20 evidence in housing court. Without strict
21 verification of landlord-submitted information, this
22 kind of fraud and corruption of public information
23 will continue, essentially depriving tenants for
24 truthful information needed to pursue their legal
25 rights.

1 The other thing I'd like to say is; I
2
3 assume the bills include 421-a projects; however, the
4 bills do not acknowledge that all units in a 421-a
5 project are protected by rent stabilization law and
6 code; no tenant in a 421-a [bell] building should be
7 excluded from the protections of these bills
8 proposed. I would like to see these bills be truly
9 inclusive and acknowledge the legal rights of all the
10 residents in a 421-a building; they do not at the
11 moment. I don't know why they don't, really.

12 CHAIRPERSON WILLIAMS: Thank you very
13 much... [interpose]

14 NANCY SHER: And another thing, you know,
15 in the *ProPublica* article, HPD acknowledged that Two
16 Trees never qualified for 421-a, but yet they've been
17 receiving ten years of tax exemptions.

18 CHAIRPERSON WILLIAMS: It's definitely a
19 problem..

20 NANCY SHER: Yeah.

21 CHAIRPERSON WILLIAMS: we're concerned.
22 Unfortunately right now I have to recess, they're
23 waiting for me to vote across the street, so I
24 apologize. We're gonna recess for about 10 minutes,
25 [background comments] we'll come back and pick up

1 right with your testimony. I do apologize; I'm just
2 running over to vote and I'll be right back and so
3 right now we're holding recess.

4 [gavel]

5 [background comments]

6 [pause]

7 [gavel]

8 CHAIRPERSON WILLIAMS: Alright. Thanks
9 everybody for their patience. You can begin your
10 testimony.

11 SAM CHIERA: Hello. Good afternoon and
12 thank you for this opportunity. My name is Sam
13 Chiera; I'm from Brooklyn Legal Services Corporation
14 A; I'm a Staff Attorney in the Preserving Affordable
15 Housing Program. We serve primarily low-income
16 tenant families in the communities of Williamsburg,
17 Bushwick, Greenpoint and parts of Bed-Stuy, which as
18 I'm sure we're all aware, are rapidly gentrifying
19 neighborhoods with increasing economic pressures on
20 landlords to evict rent-regulated and stabilized
21 tenants.

22 By far the most common problem we see at
23 Brooklyn A is landlord harassment, through neglecting
24 construction and that's why we are part of Stand for
25

1
2 Tenant Safety, a coalition of tenant advocates,
3 fighting to pass a slate of, I believe it's now 11
4 bills that are waiting to be heard in the City
5 Council, so we urge the Council to hear those, but
6 today specifically I am here to testify in support of
7 1044, the Public Advocate's bill.

8 As many of you are aware, the housing
9 crisis has created a climate that encourages
10 landlords to evict tenants by any means possible;
11 these landlords know that if they can't remove
12 tenants through the courts, they can do it by
13 creating unsafe conditions through simple neglect.
14 Many landlords refuse to spend a dime to repair these
15 apartments, forcing tenants to go without heat and
16 hot water and to live without working appliances,
17 with leaking ceilings and crumbling walls, all the
18 while gut renovating other vacant apartments in the
19 building, pouring resources into those in effort to
20 break through the rate stabilization ceiling.

21 I was going to speak about a couple of
22 tenants of ours who have been harassed through
23 construction and through neglect, but you heard from
24 one of our tenants earlier today, Efrain, from 119
25 Guernsey, [bell] whose roof was removed while he was

1
2 inside, so I would refer you to his testimony. The
3 Public Advocate's bill addresses these issues in
4 neglect and construction abuse by forcing landlords
5 to attend to existing disrepair if they want to get a
6 permit from DOB by making new construction contingent
7 on repairing existing HPD violations; the bill also
8 requires the City to take a hard look at one of the
9 best indicators that tenants are actually living
10 inside the building existing violations.

11 Brooklyn A welcomes all the great work
12 the Public Advocate and her office has done for
13 tenants in the city and we are happy to support and
14 endorse this bill. Thank you.

15 CHAIRPERSON WILLIAMS: Thank you very
16 much. Thank you for the work that you do in
17 Corporate A and thank you for coming to share your
18 testimony, it's always good for folks to see the
19 faces behind the people that we're fighting for and
20 hopefully we can get these pieces of legislation
21 through and provide some relief so people don't have
22 to go through what you did. Thank you so much for
23 your testimony.

24 [background comments]

25 SAM CHIERA: Thank you.

1
2 CHAIRPERSON WILLIAMS: We have one more
3 panel of people signed up; if you don't hear your
4 name and you still wanna testify, please reach out to
5 the sergeant. Olivia Cortez, Erica Rojas, David
6 Hansel, Maria Tavares [sp?], Clentine Fenner, and
7 Paul W. Gilman. So we have a... [background comments]
8 Paul Gilman left. Alright. Thank you. So we have
9 Olivia Cortez? Is Olivia Cortez here? Erica Rojas.
10 Is Erica Rojas here? David Hansel. [background
11 comment] Maria Tavares and Clentine Fenner.
12 [background comment] Clentine, my apologies.
13 [background comment] They do that to my name all the
14 time; I get called all kinda crazy stuff.

15 Can you please raise your right hand? Do
16 you affirm to tell the truth, the whole truth and
17 nothing but the truth in your testimony before this
18 committee and to respond honestly to council member
19 questions? [collective affirmations] Thank you very
20 much. Again, this is the last that we have on queue
21 to testify; if you haven't testified and still would
22 like to, if you can please sign up with the sergeant
23 of arms desk. You can begin in the order of your
24 preference and you have two minutes to give your
25 testimony.

1
2 CLENTINE FENNER: How is this? Oh good,
3 very good. Hello. I am Clentine Fenner and I thank
4 you for this opportunity. I am a 66-year-old
5 retiree; I reside at 1030 Carroll Street in Brooklyn
6 and I'm glad for you to see the face and hear the
7 voice of a human being who lives in a rent-stabilized
8 apartment and the landlord wants me out. I'm a
9 victim of this gentrification and I can understand
10 the fact that people want to upgrade their property
11 and I'm all for that; I am not all for the health and
12 safety issues that's going at 10:30; I have developed
13 breathing problems, as you can hear; I've been
14 affected by the dust; I'm in a pre-war building,
15 which possibly has lead; I've called 311 a number of
16 times to report it; I have also called and made
17 several complaints and management of 1030 Carroll
18 Street, when I've reported these health and safety
19 issues to him, he has asked me, "Do you want to move?
20 Do you want me to make you comfortable?" And I
21 understand the guise of do you want to make me
22 comfortable. I definitely hope that the tenant's
23 rights and new legislation will come into effect, but
24 more so than that, to have someone to monitor, to
25 come out, because we could have a thousand laws and

1
2 nothing would still be done if these laws are not
3 enforced. I live in the building also with children;
4 they walk into 1030 Carroll Street, tracking in this
5 dust; no one really knows what contents are in this
6 dust and what we're tracking into our apartment, so
7 therefore, not only are the seniors affected by the
8 unsafe construction that's goin' on now, and it is
9 massive [bell] renovation, under the guise of
10 cosmetic work, but the unit that I am in, which is
11 1D, a total gut job is going on there. I had to
12 complain about no safety tools being put up in terms
13 of plastic; there is not safety equipment put in
14 place for us and the workers who are working there
15 don't even have masks on themselves. So I will make
16 another call to 311 and I reached out to the
17 commissioner and I will be callin' their office, but
18 more so; I pray, Chairperson and members of this
19 commission and this hearing that you would definitely
20 look into what everyone has testified before you
21 today, because it is inhuman and it's criminal.
22 Thank you.

23 CHAIRPERSON WILLIAMS: Thank you.

24 DAVID HANSEL: Good afternoon. My name
25 is David Hansel and I'm the President of the

1
2 Manhattanville Tenants Association. We are based in
3 Morningside Heights and I represent six buildings and
4 have been honored to have the guidance of PALANTE
5 Harlem, a nonprofit organization that helps fight for
6 tenants rights. I'd like to start by thanking
7 Chairman Williams for giving me the opportunity to
8 speak today.

9 Before I comment on the amendment in
10 front of you, I wanna give you a little background on
11 a personal experience of excessive construction. I
12 wanna point a picture for you and I ask that you try
13 to imagine from your own personal lives, in your own
14 home.

15 In November of 2014 my life, along with
16 all the tenants I represent, changed dramatically,
17 our building was sold to BCB Management and
18 immediately went from living comfortably in our homes
19 to fighting for the right to live comfortably in our
20 homes, our sanity, our safety and our health on a
21 daily basis. We live in a 21-unit, six-floor walkup
22 building; many of my neighbors have lived there for
23 decades, some as long as 40 years; demolition started
24 immediately on almost half the units, an extra large
25 dumpster was placed in front of our homes, filled and

1 emptied on a daily basis, with rubble of framework of
2 over a 100-year building, filled with lead, asbestos
3 and who knows what other elements. Our alarm clocks
4 were no longer needed; we knew at 7 a.m. the banging
5 would start above, below, next to our homes; this
6 banging would continue throughout the day, into the
7 evening and throughout the weekend. Just the routine
8 act of walking out in front of the door was
9 treacherous; we needed to navigate around dangerous
10 construction equipment, construction workers, flumes
11 of dust fumes as we walked freely in a front door
12 that is propped open for the world to come and go as
13 they please, welcomed or not.

14 We started calling 311, daily basis;
15 inspectors came by and would issue violations.
16 Imagine how frustrating it is to come home to your
17 building where your family lives and yet another
18 building permit go up day after day after day, as
19 violations continue to pile up, while quality of life
20 declines.

21 We ask you today, where is the
22 accountability? [bell] Given the violations on our
23 building, how can this landlord continue to put our
24 lives at risk, when we've had violations that go back
25

1
2 as far as September and since then eight new permits
3 have been issued to them, with a total of 75 open
4 violations.

5 For all these reasons I explained, I
6 support Amendment 1044 that is in front of you today
7 and ask that you vote yes in favor of it and thank
8 you again for giving me the opportunity to speak.

9 CHAIRPERSON WILLIAMS: Thank you.

10 MARIA TAVARES: Good afternoon, Chairman
11 Williams and I was hoping that my Council -- Mr.
12 Reynoso would be here to hear me. My name is Maria
13 Tavares and I am the Vice President of the
14 Williamsburg Southside Tenants Association.

15 You've asked before if we were cold; I am
16 cold, but most of us here today have a choice, we
17 could leave and we have access to a different
18 situation; us tenants, we are prisoners of our own
19 homes; we are being harassed by our landlords and I
20 am -- our building has just recently been organized
21 with PALANTE Harlem against BCB, our property
22 manager, and Novell [sp?]. David is also -- his
23 property manager is BCB as well; his building is
24 ahead in the construction project and the harassment
25 that tenants experience daily. A few weeks ago I

1
2 wanted to address Miss Charatan, the owner of that
3 company and let her know the hardships that she puts
4 families today. So I wrote this specifically for her
5 to hear; I want her to know how we feel; it's not
6 about the bottom line and money, it's the human toll
7 and I address this to her specifically.

8 I'm not here to tell you the specifics of
9 the abuse that we continue to endure, I'm here to
10 tell you that BCB has turned a mother into a lioness;
11 you, Miss Charatan do not know [bell] to what length
12 a mother will go to safeguard their children. We
13 live in service to love and nothing is more powerful
14 than the spirit. I live with passion and love with
15 my family and my friends; your passion is business
16 and profit at the expense of families and
17 communities. Money builds dreams; you take dreams;
18 your dreams poison my children and sicken the weak.
19 I'm here to protect my tenants, my children and my
20 neighborhood.

21 BCB's business is successful at the
22 expense of our health, our comfort and the
23 livelihoods of our entire community; this is our home
24 and we will not be pushed out; not my people, this is
25 my Brooklyn and this is my New York; please help us

1 stay in our apartments and our communities with the
2 people that we love; this is where we could afford to
3 live; I mean, I moved into this neighborhood with my
4 mother paying \$200; this is all we could afford; it
5 was drug-ridden, crime-ridden and this is the only
6 place we could live; today it's okay, gentrification
7 is not a problem; there's many developments and
8 market rate is fine, but why do we have to be moved;
9 why can't we live together? I feel -- in my building
10 my neighbor passed away and in a matter of three
11 years, now that's a market rate apartment; it doesn't
12 make sense. They're gonna come in; I haven't had gas
13 for months; they're gonna drill holes in my
14 apartment; there's been talk about a buyout; I know
15 all of this is illegal and the only reason why I know
16 this is because somebody decided to help me. I don't
17 know what my recourse is; I don't have access to a
18 lawyer; I'm thankful to grassroots organizations and
19 communities that are giving us a voice and I'm here
20 today and I'm honored to be here in your presence and
21 I appreciate the work that you do. I voted for
22 Mr. Reynoso, but I never thought that I would
23 actually be sitting here in front of you in this
24 building as a New Yorker, though exercising my right,
25

1
2 I know that's something that I have, but I never
3 thought that I'd be here asking for help and I thank
4 you for having that opportunity.

5 CHAIRPERSON WILLIAMS: Well we're honored
6 to have you here, so thank you very much, all of you,
7 for taking the time out; I couldn't think of a better
8 way to close out the hearing than to hear from the
9 people who are affected. It's terrible; I wish we
10 can just reach in and snatch away the problems; it
11 doesn't happen as simply as that. I was a tenant
12 organizer myself; I know the long, arduous process
13 that it takes, but we're here trying to provide more
14 tools as best as we can to give those people who are
15 working with you the ability to fight back.
16 Hopefully you can hang in until we can get this right
17 and we're trying our best, but thank you all for
18 taking the time out to come today.

19 Miss Clentine; is someone working with
20 you?

21 CLENTINE FENNER: Clentine.

22 CHAIRPERSON WILLIAMS: Clentine...

23 CLENTINE FENNER: Uh yes, the Urban
24 Homesteading, uhm... [crosstalk]

25 CHAIRPERSON WILLIAMS: You have.

1 CLENTINE FENNER: in Brooklyn.

2 CHAIRPERSON WILLIAMS: Okay, great. I
3 just wanted to make sure, and you look great for 66,
4 by the way.
5

6 [background comments]

7 CHAIRPERSON WILLIAMS: But thank you so
8 much, all of you, for coming down. Please don't give
9 up the fight; we'll have additional hearings on this
10 topic, there will be rallies; we wanna make sure your
11 voice is heard, so thank you so much.

12 DAVID HANSEL: Thank you.

13 MARIA TAVARES: Thank you.

14 CLENTINE FENNER: I just wanna add one
15 thing.

16 CHAIRPERSON WILLIAMS: Turn on the mic.

17 CLENTINE FENNER: Thank you. I just
18 wanted to add one thing. Public Advocate Letitia
19 James has been instrumental and she knows about 1030
20 Carroll Street. Thank you all.

21 CHAIRPERSON WILLIAMS: Thank you.

22 [background comments] We received some testimony for
23 the record from REBNY, Association of Building
24 Owners, NYSAFAH, RSA, Legal Aid, Orlando Cotto, HCC,
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Losores [sp?], and MMIC. With that, this hearing is
now adjourned. Thank you.

[gavel]

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 8, 2016