

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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June 27, 2019  
Start: 1:37 p.m.  
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HELD AT: Council Chambers - City Hall

B E F O R E: ROBERT E. CORNEGY, JR.  
Chairperson

COUNCIL MEMBERS: Fernando Cabrera  
Margaret S. Chin  
Rafael L. Espinal, Jr.  
Mark Gjonaj  
Barry S. Grodenchik  
Farah N. Louis  
Bill Perkins  
Carlina Rivera  
Helen K. Rosenthal  
Ritchie J. Torres

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

Sarah Mallory, Chief of Staff for Government Affairs,  
New York City Department of Housing, Preservation and  
Development, HPD

Casey Adams, Director of City Legislative Affairs,  
Department of Consumer and Worker Protection,  
Appearing for Commissioner Lorelei Salas

Assembly Member Inez Dickens

Elise Goldin, Senior Community Organizer, Saint  
Nick's Alliance

Jenna Gosenbol, Fifth Avenue Committee

Rachel Smith, Legal Intern, Mobilization for Justice

Joe Barbacio, Executive Vice President, Online  
Residential

Jeffrey Zicker, Real Estate Broker with Century 21  
Metropolitan NYC

Mandy Nabrare, COMPASS

Al Morgan

Robert Dasir, Staff Attorney, Legal Aid Society

Thomas Zolinsky, NYC Resident/Renter

Ava Farkas, Executive Director, Met Council on  
Housing

Jodi Leidecker, Cooper Square Committee

Sheila Carroll, Broker, Carroll Group

Andrew Fein, Associate Broker, Halstead

David Schlamm, Founder and President, City  
Connections Realty

Dana Goldman, Leibowitz Team at Douglas Elliman

Reggie Thomas, Senior Vice President of Government  
Affairs, Real Estate Board of New York

Sarah Saltzberg, Co-Founder/Co-Owner, Bohemia Realty  
Group

Gary Malin, President, City Habitat

Frank Rizzo, Broker/owner of Cornerstone Realty and  
Secretary-Treasure for the Staten Island Board of  
Realtors

David LeGaz, 2019 Secretary-Treasurer, New York State  
Association of Realtors

Irene Guanill Treasurer, Hudson Gateway Association  
of Realtors

Honorable Jolinda Ruth Cogen, Licensed Real Estate  
Broker, Douglas Elmer Real Estate and Community  
Advocate

Brian Hargan, Director of Professional Development  
for Buy New York

Christina Lee Stevens, Realtor and Member of National Association of Realtors

Marcia Clark, Member of Brooklyn Board of Realtors, and New York State Association of Realtors

Angelo Pappalardo, President-Elect, Staten Island Board of Realtors

Tasha Trice, Licensed Real Estate Salesperson, New York City

Colin Medford Appearing for Michael Jacobs of Citywide Apartments/Owner & Founder of Brokerage Firm

Nancy Elton, Licensed Real Estate Salesperson, Anchor Associates

Gus Wade, Licensed Real estate Salesperson

Will Chabeaux, Appearing for Paraag Sarva, CEO and co-founder of Rhino



2 [sound check] [pause] [gavel]

3 SERGEANT-AT-ARMS: Quiet, please.

4 CHAIRPERSON CORNEGY: Good afternoon  
5 everyone. I'm Council Member Robert Cornegy, Chair  
6 of the Committee on Housing and Buildings. We're  
7 here today to hold a hearing on the high upfront cost  
8 of finding and renting an apartment in New York City.  
9 New York City is a city of renters with rental  
10 apartments making up nearly two thirds of the housing  
11 stock. Although New York remains in the midst of an  
12 affordable housing crisis, the crisis is not just  
13 limited to high rents. Renters are faced with  
14 unaffordable costs just to be able to find and then  
15 sign a lease on an apartment. Many landlords retain  
16 real estate brokers to help them find prospective  
17 tenants. While tenants are free to hire workers of  
18 the own accord, in many instances tenants find that  
19 they have had no meaningful choice when the brokers  
20 has been hired by building owner. It is not unusual  
21 for a tenant to be charged a fee of up to 15% of the  
22 apartment's annual rent by the broker who facilitated  
23 the rental transaction [coughs] including in  
24 instances where the broker was retained by the  
25 building owner not by the prospective tenant. This

2 can bring otherwise affordable apartments out of  
3 reach of many tenants. In addition, prior to  
4 entering into a lease agreement, many landlords  
5 require tenants to pay non-refundable fees for tenant  
6 background checks and credit reports. In some cases  
7 landlords may either require tenants to pay for those  
8 reports knowing full well that the apartment may not  
9 be available to the tenant. In some instances, these  
10 fees are simply listed as application fees, and  
11 tenants are left in the dark as how these fees are  
12 being spent. When renters sign leases for  
13 apartments, they're expected to come up with many  
14 thousands of dollars upfront including broker's fees,  
15 security deposit and background check fees. It's  
16 untenable to require people to have such large sums  
17 on hand and in some cases, this requirement results  
18 in people remaining in unsafe housing because they  
19 cannot afford to move. Today we'll be hearing  
20 legislation that seeks to limit the upfront cost  
21 faced by many tenants in the rental process providing  
22 flexibility in the payment of these costs and provide  
23 much needed clarity to the process to make housing  
24 more accessible to all New Yorkers. Proposed Intro  
25 1423-A, sponsored by Council Member Powers would

2 limit the fees that a residential tenant must pay to  
3 a broker in a real estate transaction to one month's  
4 rent or 8.3% of the annual rent. When a broker  
5 represents the landlord in a transaction, it would  
6 not prevent this broker from collecting an additional  
7 fee from the landlord nor would it prevent a broker  
8 from collecting a fee that exceeds one month's rent  
9 when a tenant has hired the broker. In 1424 also  
10 sponsored by Council Member Powers would limit rental  
11 security deposits to one month of rent. Proposed  
12 Intro 1431-A sponsored by Council Member Rivera, will  
13 require the return of the security deposit within 14  
14 days of the end of either a commercial or residential  
15 lease. Ensuring the tenant's money is returned in a  
16 timely fashion to help meet upfront moving costs  
17 Intro 1433 also sponsored by Council Member Rivera  
18 would permit—would permit residential tenants on  
19 lease at least months to pay security deposits in  
20 installments to help alleviate some of the burden of  
21 having to pay a lump sum. Intro 1432—1432, which  
22 Council Member Rivera also sponsored would provide  
23 transparency for residential rental application fees,  
24 by requiring brokers to provide tenants with itemized  
25 explanations of application fees. Finally, Intro



2 1499 sponsored by Council Member Cohen would in part  
3 require a landlord to provide a tenant with a copy of  
4 a tenant screening report if the tenant paid for that  
5 report. I'd like to take my—I'd like to thank my  
6 fellow committee members present today Council Member  
7 Perkins, Council Member Grodenchik and Council Member  
8 Powers and acknowledge—oh, that's all we have to  
9 start. I'd like to remind everyone who would like to  
10 testify today please fill out a card with the  
11 sergeant-at-arms. We'll be sticking to a 2-minute  
12 clock for public testimony, and now we'll administer  
13 the oath. [background comments/pause] So, I'm  
14 actually going to read the opening from Council  
15 Member Rivera after we hear the opening from Council  
16 Member Powers.

17 COUNCIL MEMBER POWERS: Thank you. Thank  
18 you to the chair for allowing me the opportunity to—  
19 to present a few opening statements—an opening  
20 statement. Today the Housing and Buildings Committee  
21 is considering two of the bills I've introduced along  
22 side Council Member Rivera as part of a package of  
23 legislation to address upfront costs and protect  
24 consumers in rental transactions. I guess you know  
25 as a renter myself I am familiar with a number of

1 these issues and—and also the need for additional  
2 consumer protections. These bill seek to expand  
3 historic protections for tenants that were passed by  
4 the New York City Legislature earlier this month.  
5 The first bill Introduction 423 relates to rental  
6 transactions involving a landlord hired broker. The  
7 second Introduction 1424 limits security deposits to  
8 one month's rent. I would note that the State  
9 Legislature passed a similar law to Introduction 1424  
10 as part of the Rent Regulation package earlier this  
11 month. My bill would allow the city to have an  
12 additional ability to enforce against this law.  
13 These bills seek to provide real consumer choice and  
14 fairness to New Yorkers at a time when our city is  
15 facing an affordability crisis. Half of New York's  
16 5.5 million renters are rent burdened meaning they  
17 spend 30% or more of their income on rent. We often  
18 focus on a monthly rent as a measure of affordability  
19 while forgetting the remaining costs that can equally  
20 hurt a potential renter and set them back  
21 financially.

22

23

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2           Upfront rental costs are astronomical.  
3 Since introducing the legislation we have heard  
4 dozens of stories from New Yorkers about the costs.  
5 I'll just give one example that was sent to our  
6 office after this bill was introduced. For an  
7 apartment for \$2,650 in Manhattan, a renter was told  
8 they needed to charge—to pay a broker fee of \$4,770,  
9 security deposit of \$200--\$2,650, a \$1,000  
10 application deposit, a \$500 move-in deposit, a \$350  
11 application processing fee, a \$250 move-in fee, a  
12 \$250 move out fee, \$55 credit check fee, a \$50 online  
13 application fee, a \$45 submission fee and finally a  
14 5% credit card fee. That's \$12,500 and \$12,570  
15 before even moving in and I don't—I know that that's  
16 not an everyday example, but certainly it's something  
17 that cause concern. [background comments]

18           SERGEANT-AT-ARMS: Keep it down please.

19           COUNCIL MEMBER POWERS: The stories that  
20 we have heard are countless. One resident Jonathan  
21 from Queens told us about the perfect apartment he  
22 found for his family, which was importantly within  
23 the walking distance of his synagogue, but couldn't  
24 sign the lease because he couldn't afford the  
25 required upfront fees or \$10,000. He now moved from

2 Queens to Long Island, and while these fees can be  
3 negotiable, renters like Thomas from Harlem told us  
4 that he's four times in the past 10 years and never  
5 has been able to negotiate them. I've heard from  
6 many of my constituents as well who worked in the  
7 industry, and I take their concerns very seriously.  
8 I want to thank them. I won't name all of them, but I  
9 want to thank them who have taken the time with me to  
10 discuss their concerns to get on the phone to talk  
11 through the issues, and to continue to understand for  
12 me their issues and concerns with the legislation.  
13 I've been, I hope, open and willing to engage  
14 everybody in a meaningful and productive  
15 conversation. I think has shown throughout this  
16 process, and I want to be very clear from the start  
17 this bill has not or is not about limiting the income  
18 or hurting the hardworking brokers that-- [crowd  
19 reacts]

20 SERGEANT-AT-ARMS: Quiet please, quiet  
21 down.

22 COUNCIL MEMBER POWERS: --that has to,  
23 that had to skip family events, work long hours to  
24 make ends meet, and I would caution today those who  
25 are trying to describe this otherwise. The

2 legislation clearly states nothing in this chapter  
3 shall limit the total fees any individual or  
4 individuals can collect in a rental real estate  
5 transaction. It's in the bill. The bill has always  
6 won--meted--had one intention, to make it more  
7 affordable to rent an apartment in New York City by  
8 asking one thing: For the landlords to pay for the  
9 people that they hire. At the end of the day, I  
10 believe, like I think many people in this room  
11 believe that you're working hard to help that  
12 landlord and the service to me should be also paid  
13 for or at least contributed by the person that has  
14 brought you into the transaction. This would put New  
15 York City in line with many other major cities  
16 throughout the country. I have a longer list of  
17 comments, but I know we want to get to public  
18 testimony so I'll skip them. I just want to say the  
19 last couple of things. I think there is a desperate  
20 need for transparency. Today if you go on Streeteasy  
21 a very popular source for rentals no indication of  
22 whether their--what the fees being paid by the renter  
23 or even that's negotiable. Even like many other  
24 services you can get upfront an understanding of the  
25 price and that it's negotiated. And finally, I'll

2 just say, and I'll leave it there, but today we will  
3 hear from renters who have been affected by those  
4 fees, and representatives from the industry as well.  
5 I hope to focus on how these upfront costs affect  
6 mobility of New Yorkers, how these costs affect  
7 consumer choice for those looking for housing in New  
8 York City, and how we can make this system more  
9 equitable and fair, and this, of course, is entirely  
10 in a conversation in context of our homelessness  
11 crisis and our affordability crisis in New York City.  
12 I want to thank the numerous tenant organizations who  
13 have come here for support today, CAAV, Coalition for  
14 the Homeless, Coalition for the Community  
15 Advancement, Good Old Lower East Side, HD-HDC, Lower  
16 Senior Tenant Association, Bed Council, Moving  
17 Forward, Universe (sic) Neighbors Together, and New  
18 Economic–New Economy Project and many, many more.  
19 Stabilize NYC, Tenants and Neighbors, Legal Aid and  
20 the New York Housing Conference. Thank you for being  
21 here today and for your support. I look forward to  
22 testimony and continued conversations. Thank you.

23 CHAIRPERSON CORNEGY: Thank you Council  
24 Member Powers. As I said earlier, on behalf of  
25 Council Member Rivera, I will read her opening

2 statement. Council Member Rivera is deeply sorry she  
3 can't be here, but due to a family obligation she's  
4 not able to attend today. I'll read this opening  
5 statement that she wished to give. Dear Chairs and  
6 fellow committee members, thank you for allowing me  
7 to speak on Intros 1423, 24, 31, 32 and 33 and 1499,  
8 which we're today, and I'm proud to sponsor along  
9 with Council Member Keith Powers. We all know that  
10 New York faces a massive affordability crisis, and  
11 one of the biggest problems facing tenants  
12 particularly younger and lower income tenants,  
13 renters is the slew of fees that must be paid before  
14 the tenant can occupy the apartment. One of the  
15 major costs associated with occupying a New York  
16 apartment are the fees you have to pay to get the  
17 keys to your apartment including the broker's fee and  
18 the security deposit. Today broker's fees can reach  
19 15% of the total annual rent of an apartment, nearly  
20 two months rent. Security deposits typically cost one  
21 month of rent. However, this is not a standard and  
22 there are instances where landlords charge arbitrary  
23 amounts. As median rents in Manhattan have reached  
24 nearly \$3,500, my staff and I have heard from  
25 countless hardworking New Yorkers who they confronted

with upfront with upfront costs of nearly \$15,000 to just receive the keys to an apartment. In fact, a member of the Council's own staff told me that in their recent apartment hunt they were informed that they would have to pay \$13,570 for an Manhattan apartment that included fees that sounded outright dishonest or deceptive such as a separate online application fee and digital submission fee as well as move in and move out fees on top of a security deposit, and a 15% broker fee. With rental costs at all time highs, it is long past time that we tear down these unnecessary financial barriers for renters. I want to make clear that the goal of these bills is to provide an upfront affordability, predictability and transparency. If a property owner hires a broker to market an apartment, why should tenants be expected to shoulder the costs? And how can we expect tenants to negotiate for a fair deal when tenants are desperate for an apartment and landlords hold all the cards? Unfortunately, the state does not currently collect data on broker's fees or security deposits nor does revenue or any other real estate association voluntarily report this data publicly. So, you will have to instead hear



2 today from real estate brokers, landlords, REBNY and  
3 other associations about the people they've spoken to  
4 in the real estate industry who don't charge  
5 exorbitant fees, and you'll hear from tenants and  
6 tenant advocates about their experiences deciding  
7 whether to drain their life savings to be able to  
8 find a home. I want to thank my fellow bill sponsors  
9 for their tireless advocacy on the important issues  
10 as well as the countless organizations fighting  
11 alongside us. I call on my colleagues to join us in  
12 supporting both these pieces of legislation and I  
13 want to thank you for allowing me the time to speak  
14 today. That was Council Member Carlina Rivera.  
15 [background comment] Yes. So, I'd like to have -to  
16 administrate the oath to the Administration before  
17 their testimony.

18 LEGAL COUNSEL: Right hands up. Do you  
19 affirm to tell the truth, the whole truth and nothing  
20 but the truth in your testimony before this  
21 committee, and to respond honestly to Council Member  
22 questions?

23 PANE MEMBERS: [in unison] I do.

24

25

2 CHAIRPERSON CORNEGY: You can just  
3 identify yourself and begin your testimony when  
4 you're ready.

5 SARAH MALLORY: Great. Thank you. Good  
6 morning Chair Cornegy and members of the Committee on  
7 Housing and Buildings. My name is Sarah Mallory and  
8 I am the Chief of Staff for Government Affairs at the  
9 New York City Department of Housing, Preservation and  
10 Development. Thank you for the opportunity to  
11 testify on the issue of upfront rental fees, and the  
12 proposed legislation on today's agenda. The de  
13 Blasio Administration has focused on making the city  
14 more fair and affordable for every day New Yorkers  
15 since day one. New York City continues to face a  
16 housing affordability crisis, and its residents  
17 continue to feel the strain of extraordinary market  
18 pressures. Given that the demand for housing  
19 consistently outpaces available supply, it is vital  
20 that we take multi-faceted approach to ensuring New  
21 Yorkers can afford the city they love. The city is  
22 committed to produce record numbers of affordable  
23 homes and has made strengthening the Rent  
24 Stabilization Laws a key priority as they remain one  
25 of the best tools to protect tenants and are now even

stronger. The New York State Housing Stability and Tenant Protection Act of 2019 represents a historic achievement for the rights of millions of tenants across the city. This Administration advocated for many of these changes alongside tenants and the State Legislature has now made rent regulations both stronger and permanent. We hear every day from New Yorkers who are afraid they won't be able to afford to stay here, and that's why the de Blasio Administration is building and preserving record numbers of affordable housing providing legal services to renters facing eviction and so much more. The new State legislation finally puts the law on side of the tenants. It will close loopholes that allow high rent increases and vacancy and monthly (sic) decontrol, and the vacancy bonus and ensure and ensure the tenants won't have to fight for their lives another four years by making the law permanent. HPD is serving New Yorkers as we fought for and won even stronger tenant protections including those for non-rent regulated units, and the new law guarantees new protections for tenants in unregulated housing many of which are similar to the protections proposed in legislation being considered here today. All

2 renters in New York will soon benefit from  
3 transparency and clarity around security deposits,  
4 which will now be limited to one month's rent and  
5 come with mandated procedures to ensure that the  
6 Local Law returns the security deposit within 14 days  
7 of vacancy. Unregulated tenants will see stricter  
8 limitations on what they can be charged in the  
9 application process, more protections for rental  
10 payments and other important reforms. HPD takes  
11 seriously our own value based approach to creating  
12 more fair and equitable housing opportunities. Since  
13 the start of Housing New York, HPD has financed  
14 approximately 122,000 apartments. Developers  
15 creating and preserving the city sponsored affordable  
16 housing are required to follow the city's marketing  
17 and tenant selection procedures. In summer 2018, we  
18 updated our marketing policies that developers must  
19 follow to further limit how credit history impacts  
20 housing applicants, addressing and clarify  
21 complexities complexities in income calculations,  
22 ensure special protections for survivors of the  
23 domestic violence and make the lottery selection  
24 process more efficient. These updates demonstrate  
25 the city's continued commitment to create more

opportunities for all New Yorkers. Importantly, developers must also meet all that steps outlined in the published marketing requirements. Further, it looks to go forward reflecting applicants. As we continue to produce affordable housing at a record pace, we're equally committed to making a process of leasing out those apartments as equitable and efficient as possible. Further, despite the Trump Administration's delay, the implementation of the required assessment of fair housing, the city of New York remains committed to a comprehensive fair housing planning process to study, understand and address patterns of residential segregation and concentrated poverty in our neighborhoods, and how these patterns impact New Yorkers' access to opportunity including jobs, education, safety, public transit and positive health outcomes. This data driven collaborative fair housing planning process is done through an initiative we call Where We Live NYC and includes extensive community participation throughout all aspects of the process that will culminate with the release of a public a public report in the fall of 2019. The report will include measurable goals and strategies that are designed to

2 foster inclusive communities from a fair housing  
3 choice and increase access—access to opportunities  
4 for all New Yorkers. More information on these  
5 efforts can also be found at [wherewelive.cityofnewyork.us](http://wherewelive.cityofnewyork.us). The Council's partnership has been vital to  
6 the Administration's efforts to give more New Yorkers  
7 the opportunity to find and maintain an affordable  
8 home. HPD appreciates and supports the intent of  
9 these bills presented by Council Members Rivera,  
10 Powers and Cohen today, and thanks them for their  
11 leadership to reduce mobility barriers, create  
12 consistency, and help New Yorkers access new housing  
13 options that they can more easily afford from the  
14 start. HPD supports Introduction 1424, which  
15 codifies at the local level that security deposits  
16 can be capped at one month's rent, and the  
17 requirements of Intro 1431, which codifies that  
18 security deposits for residential units must be  
19 returned within 14 days of the end of the lease. HPD  
20 look forward to working with the Council to review  
21 these bills to ensure that the language is consistent  
22 with the recent enacted state legislation. We also  
23 support the intent of introduction 1432, 1433 and  
24 1423, but want to make more time to review the  
25

2 specific language in these bills to consider how they  
3 interact with the current state law, and recently  
4 enacted amendments. I know that my colleague at the  
5 Department of Consumer Worker Protection will expand  
6 on this further. HPD also agrees that fees should  
7 not be charged to tenants for obtaining a tenant  
8 screening report if a unit is not available for rent.  
9 We look forward to continuing these conversations to  
10 ensure New Yorkers have transparency, clarity and  
11 more housing options in the rental process. Thank  
12 you and I'll now take any questions.

13 CASEY ADAMS: Good morning Chairman  
14 Cornegy and members of the Committee on Housing and  
15 Buildings. My name is Casey Adams and I am the  
16 Director of City Legislative Affairs for the New York  
17 City Department of Consumer Affairs recently rename  
18 the Department of Consumer and Worker Protection.  
19 I'd like to thank the committee for the opportunity  
20 to testify today on behalf of DCWP Commissioner  
21 Lorelei Salas about Introduction 1499, a bill that  
22 would prohibit charging a fee for obtaining a tenant  
23 screening report for a unit that landlord or broker  
24 should know is not available for rent unless the  
25 parties agree otherwise in writing. Intro 1499 would

2 also require DCWP to conduct a feasibility study on  
3 whether the city could establish a public tenant  
4 screening report system. Currently, DCWP enforces  
5 the disclosure requirements that apply to any person  
6 who requests application information directly from  
7 prospective tenants. Requesters must disclose  
8 whether the information gathered will be used to  
9 obtain a Tenant Screening Report and if it will be so  
10 used—excuse me—which credit reporting agencies will  
11 be consulted, and I want to direct the committee's  
12 attention to the back of our testimony where I have  
13 copies of the current disclosure so you can see those  
14 as I'm describing them. Reporters must also disclose  
15 certain protections available to tenants under  
16 federal and state law the availability of free credit  
17 reports and the opportunity for tenants to dispute  
18 inaccurate or incorrect information directly with  
19 consumer reporting agencies. In addition to making  
20 direct disclosure to prospective tenants requesters  
21 are also required to post a sign in any location  
22 where the principal purpose is to conduct business  
23 transactions related to rental of residential real  
24 estate, notifying prospective tenants about which  
25 consumer reporting agencies will be used to produce



Tenant Screening Reports, the availability of free credit reports and the opportunity for tenants to receive incorrect—accurate or incorrect information directly with these agencies. Violations of these provisions are punishable by a civil penalty of \$250 to \$500, and first time violations may be cured to avoid a penalty. Since 2014, DCWP has received 17 complaints related to Tenant Screening Reports, the majority of which were from the Bronx. In that time, DCWP conducted 812 patrol inspections of businesses covered by these provisions, and issued 114 violations for either failure to disclose or failure required signs. These violations result in the issuance of an average of \$3,125 in civil penalties annually with a total of \$18,750 in civil penalties issued since 2014. DCWP supports the prohibition on charging a fee for obtaining a Tenant Screening Report for a unit that the landlord or broker should know is not available for rent, and let the parties agree otherwise in writing. Tenants should not be forced to pay a fee for a report that is meant to assist landlords in evaluating their suitability if a unit for which they are applying is not, in fact, available to rent. Knowing charging a Tenant

2 Screening Report fee for an application to unit that  
3 the landlord or agent knows is unavailable is  
4 deceptive, and may already be actionable under the  
5 city's Consumer Protection Law. DCWP, therefore,  
6 supports clarifying our enforcement authority by  
7 explicitly prohibiting this practice in the  
8 Administrative Code. We do not believe that the  
9 report required by Intro 1499 would be useful at this  
10 time. First, as mentioned in testimony, DCWP's  
11 enforcement authority with respect to Tenant  
12 Screening Report focuses on the making of disclosures  
13 and posting of signs both of which are poor  
14 components of general consumer protection, and  
15 leverage our existing capacity for patrol inspections  
16 of businesses. We do not currently inquire into the  
17 specifics of how Tenant Screening Reports are  
18 produced and what documents are appropriate for  
19 consideration nor are we equipped to do so an agency.  
20 We do not think that DCWP would be the right agency  
21 to construct a study like the one required by Intro  
22 1499. Second, recent changes in state law, as my  
23 colleague describes, are likely to significantly  
24 change the way that landlords use Tenant Screening  
25 Reports, and what information is contained in them.

Under the new state law, landlords are only permitted to change a fee to reimburse costs associated with conducting background and credit checks. This fee is capped at the actual cost of the checks or \$20, whichever is less. Landlords must waive the fee if a potential tenant provides a copy of the background or credit check conducted with the past 30 days. Fees for background and credit checks may not be collected unless the landlord provides the prospective tenant with call-excuse me-copies of the reports, and a receipt or invoice from the entity that conducted the checks. Landlords will also now be prohibited for basing a decision not to rent on tenant's history of involvement in Housing Court, a practice commonly referred to as tenant blacklisting. There will be a rebuttal presumption that a landlord has violated that law if he or she requests a Tenant Screening Report containing that information and subsequently refuses to rent to the tenant who is the subject of the report. The new provisions are enforceable by the State Attorney General. These important gains at the state level could address many of the concerns underlying the study required by Intro 1499, but at present, there has not been enough time to gauge the

2 impact on tenants and landlords. We recommend  
3 monitoring the impact of the new State Law  
4 requirement before studying—starting a study at the  
5 local level. DCWP shares the Council's concern with  
6 ensuring that New Yorkers are not deceived, misled or  
7 overcharged when they go apartment hunting, which, as  
8 we've heard, is already hard enough. We believe that  
9 expressly prohibiting the charging of Tenant  
10 Screening Report fees for unavailable units is a  
11 positive step, and we support that part of the bill  
12 before you today. Thank you for the opportunity to  
13 testify, and I'm not happy to answer any questions.

14 CHAIRPERSON CORNEGY: Thank you so much  
15 both for your testimony. Just a little bit of  
16 housekeeping. There are I've been told about a  
17 thousand people outside who would love to be inside  
18 testifying. So, we're going to ask Council Members  
19 to be on a 3-minute clock in an effort to hear from  
20 as many people as we possibly can today. I'm  
21 actually—I'm actually going to limit my remarks, and  
22 make sure that there's room for my colleagues to be  
23 able to ask their questions. So, I just have a few  
24 questions to begin, and then I'll be going directly  
25 to my colleagues for their questions. On Intro 1423

2 in relationship to limiting the fees charge in a  
3 rental real estate transaction, what percentage of  
4 the annual rent is generally charged as a broker fee?

5 SARAH MALLORY: Thank you Council Member  
6 for that question. You know, HPD does not have  
7 insight into these private business transactions that  
8 are currently regulated at the state level, and we  
9 would be happy to speak the Department of Consumer  
10 Fraud and Protection Bureau at the Attorney General's  
11 Office and the Department of State and continue  
12 conversations in order to get more information on  
13 that.

14 CHAIRPERSON CORNEGY: I'd like for you to  
15 get back to me as soon as possible--

16 SARAH MALLORY: [interposing] Yes.

17 CHAIRPERSON CORNEGY: --on those rates--

18 SARAH MALLORY: Yes.

19 CHAIRPERSON CORNEGY: --as prescribed by  
20 the State.

21 SARAH MALLORY: Yes.

22 CHAIRPERSON CORNEGY: What-what-what  
23 would their percent-I'm sorry. What would the  
24 percent be if this bill were enacted? Can you speak

2 to that even without having--? Because we're now  
3 talking about percentages and not an actual number.

4 SARAH MALLORY: Yeah, sure. So, assuming  
5 that this roughly one month's rent and, therefore,  
6 one (sic) tells us it's about 8% to the more general.

7 CHAIRPERSON CORNEGY: In assisting  
8 tenants to secure housing does HPD facilitate the  
9 payment of broker fees at 15% or more or the annual  
10 rent?

11 SARAH MALLORY: So, HPD really cares  
12 about making sure there are opportunities for  
13 housing, and in our own affordable housing deals, and  
14 projects that go through HPD marketing process,  
15 initial lotteries at any income level do not have  
16 broker fees at all.

17 CHAIRPERSON CORNEGY: Well, I just want  
18 to say for the record that we've been joined by  
19 Council Member Andy Cohen. Oh, sorry and Council  
20 Member Margaret Chin. What is generally charging  
21 these fees? Do broker fees amounts vary between  
22 building owner and tenant hired brokers? What are  
23 you seeing as--as--as of HPD?

24 SARAH MALLORY: Yes, so again because  
25 this is more regulated at the state level, I think

2 that there are counterparts in the Attorney General's  
3 Office comprised—comprised of a little bit more  
4 insight into that or the Department of State, but  
5 anecdotally, you know, I would say the variety  
6 depends very widely based on a variety of factors.

7 CHAIRPERSON CORNEGY: In rental real  
8 estate transactions who typically hires the broker?

9 SARAH MALLORY: So, again, this is  
10 overseen by the Department of State. So, I'd have to  
11 get back to you with that information. [audience  
12 uproar]

13 CHAIRPERSON CORNEGY: So—

14 SERGEANT-AT-ARMS: Quiet, please.

15 CHAIRPERSON CORNEGY: So, obviously the  
16 concern is there—is there more—is—should we be  
17 legislating for more power to be bestowed upon the  
18 city and Administration to be able to help regulate  
19 some of this.

20 SARAH MALLORY: Absolutely. So, again I  
21 think we support the intent of these, and are happy  
22 to have continuing conversations with the Law  
23 Department, and our state partners who currently have  
24 oversight, and also our partners in the private  
25

2 sector who have private mechanisms around this as  
3 well.

4 CHAIRPERSON CORNEGY: So, as a Council we  
5 have—I believe we have a reasonable expectation to  
6 believe that some of the regulatory—some of the  
7 regulatory burden relies on HPD. What—what role does  
8 the city play in the regulation of brokers, if any?

9 SARAH MALLORY: So, a great question.  
10 Again, it is in the instance in which HPD has been  
11 working on our marketing process and with our  
12 finance. Those are the additional tools and hooks  
13 that we have at this time to not allow brokers'  
14 depend on the initial leases. In the private market  
15 there are private mechanisms in the court systems  
16 around that as well.

17 CHAIRPERSON CORNEGY: So, only the—on the  
18 buildings under HPD purview do you have a regulatory  
19 ability in terms of rentals and in terms of fees and  
20 broker fees--

21 SARAH MALLORY: Yes.

22 CHAIRPERSON CORNEGY:--to administrate?

23 SARAH MALLORY: So, there are additional—  
24 again, there are additional pieces in the private



2 market and the space, but cracked. These are  
3 business transactions outside of HPD's purview.

4 CHAIRPERSON CORNEGY: I have a second  
5 round of questions, and I'm going to—I know that my  
6 colleagues have other hearings. So, I'm going to go  
7 directly to Council Member Powers I believe has  
8 questions.

9 COUNCIL MEMBER POWERS: Thank you. Just  
10 two quick questions in the beginning. Can you tell  
11 us the vacancy rate in New York City right now, and  
12 can you tell us how many rental transactions happen  
13 on an annual basis? Do you have that data?

14 SARAH MALLORY: Yes, so, I don't have the  
15 specific. I imagine (sic) the vacancy rate is about  
16 3%, and I can get you the exact number. I think it's  
17 3.6. I'm sorry. Can you ask your second question  
18 one more time?

19 COUNCIL MEMBER POWERS: And how many  
20 rental transactions happen yearly?

21 SARAH MALLORY: So, we don't have  
22 specific rental transactions every year. We have a  
23 snapshot in time based on the recent housing vacancy  
24 rates.

2 COUNCIL MEMBER POWERS: [interposing]

3 Okay, so as-if you [background comments]

4 SERGEANT-AT-ARMS: Quiet.

5 SARAH MALLORY: Yeah, and we estimate  
6 that at about 300,000 households move into their unit  
7 in 2016, which is the result of our 2017 Housing  
8 Vacancy Survey.

9 COUNCIL MEMBER POWERS: There are 300,000  
10 new moves in New York City in 2016. Is that right?

11 SARAH MALLORY: Correct.

12 COUNCIL MEMBER POWERS: Okay. For  
13 Consumer Affairs, 300,000 transactions happening, can  
14 you tell us right now the role that the City Consumer  
15 Affairs has in-in those rental transactions in terms  
16 of ensuring consumer protection around them?

17 CASEY ADAMS: So, our general Consumer  
18 Protection Law, which prohibits the deceptive or  
19 unconscionable trade practices would generally apply  
20 to those transactions, but only to the extent that  
21 it's not preempted by state law. So, it specifically  
22 regulates a housing transaction. So, if there are  
23 cases where we feel that the behavior of a private  
24 actor is deceptive or unconscionable, then we will  
25 investigate that, and we can bring an appropriate

2 action either at Administrative Tribunal or in State  
3 Court.

4 COUNCIL MEMBER POWERS: Got it, and do  
5 you said those, the Consumer Affairs agents and one  
6 of the points I raised earlier in my statements with  
7 that, if went on Streeteasy today, for instance—I'm  
8 using that as an example. I know it's not where the  
9 transaction occurs. It's a popular site. If I open  
10 up a listing there's no fee, there's fee. If I open  
11 up one that has no fee, it doesn't have no—it's-it's  
12 supposed to have a fee on it, I don't any indication  
13 of what the—either the range or the actual percentage  
14 of the fee I'm paying nor do I have any language that  
15 I've seen that said it's negotiable. Does that cause  
16 a concern around consumer protection?

17 CASEY ADAMS: I think we generally feel  
18 that it is our consumers to have more information.  
19 That's a separate question. I think then whether  
20 that rises to the level of a deceptive trade practice  
21 under the Consumer Protection Law, but certainly we  
22 agree that it is almost always positive for the  
23 consumer to have more insight into a transaction and  
24 more transparency on what types of fees will be  
25 charged.

2 COUNCIL MEMBER POWERS: And similarly,  
3 it's the same thesis, if I—my premise here is if I go  
4 to out, I'm looking for an apartment in New York City  
5 today, I need assistance with that. Either I'm—I'm  
6 working or have moving to the city for the first  
7 time, I want to engage in hiring somebody. Today's  
8 legislation that we're talking about doesn't touch  
9 that transaction in any manner. The one that where I  
10 go out and I want to hire, and I find—seek an  
11 apartment. The landlord has decided to put, you know,  
12 add somebody into our transaction, who's obviously  
13 working very hard for them, you know, the tenant is  
14 then required to shoulder the entire cost. My  
15 proposal is we should split it, but does that cause  
16 concerns around a— a renter or a consumer in this case  
17 walking through a transaction without the ability to  
18 select their representative here, or be able to  
19 negotiate the cost at the beginning of the  
20 transaction?

21 CASEY ADAMS: I think that is, and from  
22 our perspective as the consumer protection regulator,  
23 if the consumer goes into that transaction  
24 understanding the arrangement, and the potential  
25 consequences then that would be beyond the reach of

2 the Consumer Protection Law. Our—that general  
3 purpose law is really focused on situations where the  
4 activity of one actor deceives or misleads a consumer  
5 to the detriment, but if a consumer approaches the  
6 transaction in full knowledge of the facts, it  
7 generally does not own that under that law now.

8 COUNCIL MEMBER POWERS: Okay. I've got  
9 one more general concern than a—one that follows the  
10 letter of the law, but I'll continue. The—in—in a  
11 transaction where one party has hired a service and  
12 another party has to pay for the costs, it—isn't it—  
13 isn't there potentially a conflict where a landlord  
14 or his representative is now—is I'm paying. I mean  
15 isn't there a conflict there as essentially a  
16 representative for one party? I'm entering that  
17 transaction. I'm going to have to be paying for it,  
18 but essentially I don't get service as the same as  
19 the other party gets but I still have to shoulder the  
20 burden of costs.

21 CASEY ADAMS: So, again, I think there  
22 our coverage of that type of issue is limited because  
23 we are operating under a generally—a generally used  
24 deceptive practices of law. I think that there are—  
25 it's my understanding that there are regulations at

2 the state level about the duties of a broker or an  
3 agent generally, which is now in our purview. So,  
4 I'll leave that to others who have more knowledge,  
5 but I think that from our perspective what we're  
6 focused on, and what the current law and Tenant  
7 Screening Reports are focused on is disclosure and  
8 putting the consumer in full knowledge of the facts.

9 COUNCIL MEMBER POWERS: Okay.

10 CASEY ADAMS: People that enter into the  
11 transactions.

12 COUNCIL MEMBER POWERS: And I'll just—  
13 I'll just ask one last question because I want to be  
14 respectful of time, and people are waiting. Are  
15 there alternative ideas that you might have in terms  
16 of how to protect consumers in a marketplace that is  
17 low vacancy and has a very high demand for housing,  
18 and are there solutions you propose either to the  
19 regular distrep—deceptive practices or certainly to  
20 enhance the consumers protection and information in  
21 a—in a financial transaction, in this case a rental  
22 transaction?

23 CASEY ADAMS: Well, Council Member, as I  
24 said, a lot of this comes down to our Consumer  
25 Protection Law in terms where our authority currently

2 is and-and we have been working with the Council.

3 Council Member Espinal has recently introduced a bill

4 to bring-to update the Consumer Protection Law and to

5 increase the fines toward a more modern standard

6 because those funds were set in 1969. So, I think

7 that's one possible way to-to augment our authority

8 here, and we are always here to serve as a resource

9 for consumer protection issues generally, and-and

10 I'll go back to what I said earlier, which is that we

11 generally feel that greater transparency is helpful

12 because it puts the consumer in full knowledge of the

13 facts, and it gives them hopefully greater bargaining

14 power or at the very least need a way to protect

15 themselves if they discover that this isn't the type

16 of transaction that they'd like to enter into.

17 COUNCIL MEMBER POWERS: Okay. I

18 appreciate that and I just-and I just want to echo

19 again that my feeling here is that in many cases my

20 district particularly is-is one example. People who

21 walk into transactions without a lot of information

22 upfront about exactly what the cost will be to them.

23 It's not loan to broker. They're not it's going to

24 them.

25 CASEY ADAMS: Uh-hm.

2 COUNCIL MEMBER POWERS: Security deposits  
3 we'd have to negotiate that at the end of the  
4 transaction often, and a whole litany of fees that I  
5 think are added into a transaction. I'd like to work  
6 with the--the--the agencies to see on some of those  
7 other practices as well, but, you know, again I want  
8 to reiterate that my feeling here is the landlord  
9 should be paying for the service that they hire, and  
10 they should pay--they should pay generously because  
11 there are people working very hard on their behalf,  
12 and second, my proposal will compromise where you'd  
13 split it. The renter shouldn't have to shoulder the  
14 entire burden. It says nothing about taking away pay  
15 from people. I think it's ensuring that the sir, the  
16 person that hires the service has also a financial  
17 responsibility in that transaction. So, thank you.  
18 Thanks to the Chair.

19 CHAIRPERSON CORNEGY: Thank you, Sponsor  
20 Powers. Again, I'd just like to refer to the clock  
21 going forward and three minutes. We've also been  
22 joined for the record by Council Member Helen Rose--  
23 Rosenthal, and I believe we're going to hear from  
24 Council Member Cohen who also has a bill in this  
25 week.



2 COUNCIL MEMBER COHEN: Thank you, Chair  
3 and I'm going to be very brief because I realize I'm  
4 sure most of you people came out to talk, to testify  
5 about 1499, but I think that there are a lot of  
6 people here who are concerned about other pieces of  
7 legislation on this—on this committee's agenda today.  
8 So, I do appreciate the Chair taking up the bill. I  
9 also appreciate the testimony. I look forward to  
10 actually working with the Administration perhaps  
11 offline. As you pointed out, the State Legislature  
12 did pass legislation late in the session, and I think  
13 trying to come up with a way to see if my legislation  
14 and what the State Legislature did can dovetail  
15 together to make sure. I will say also that, you  
16 know, on the one hand you could say that 17  
17 complaints is a good sign that people are not  
18 complaining or it could also be a sign that we're not  
19 doing a good job of kind of servicing the  
20 constituents and consumers who may have issues that  
21 we're—that we're not getting to the root of. So,  
22 again, I look forward to working with the  
23 Administration, and that there will be an opportunity  
24 to do that, but chair, I didn't take up minute. So,  
25 I'm going to say thank you very much.

2 CHAIRPERSON CORNEGY: Thank you so much  
3 for your—your time concern. Intro 1432 in  
4 relationship to transparency in relationship to  
5 rental application fees. This is a very important  
6 one in my opinion. What information is currently  
7 disclosed to tenants regarding the expenses  
8 associated with an application fee?

9 SARAH MALLORY: So, thank you Council  
10 Member for this question. I think the thing that I  
11 really want to highlight today is again the state  
12 changes that just happened in the last few weeks in  
13 relation to the Rent Reform Law as there were a large  
14 historic changes around application fees itself that  
15 we're really excited about. So, for example  
16 background check and credit check fees can be  
17 charged. The only things that can be charged for  
18 rental applications and they cannot exceed \$20, and  
19 then further beyond that, they cannot be charged and  
20 the applicant provides their own documentation. I  
21 think that they also talked about this a little bit  
22 in their testimony, and I think this is a really  
23 important tool to provide transparency and clarity  
24 around application fees, and we look forward to  
25 working with our state partner in order to increase

2 education and outreach around this, and some newly  
3 formed Mayor's Office to prove it protects tenants,  
4 and we're excited to have Executive Director Jackie  
5 Bray work with us, all agencies involved, all levels  
6 of government in order to get this new standard and  
7 information out there.

8 CHAIRPERSON CORNEGY: So, what if any  
9 lists of standard fees and reasonable prices are  
10 available for tenants? So is there any place that a  
11 tenant can go and find out whether or not they're  
12 being charged fees that fall outside of HPD's purview  
13 or the state's purview?

14 SARAH MALLORY: Yes, and just because it  
15 was passed about two weeks ago, we are working with  
16 our folks in order to figure out at the state level  
17 what that actually looks like and the implementation  
18 going forward. So, we're happy to give an update to  
19 the Council as soon as we have the conversation.

20 CHAIRPERSON CORNEGY: So, we'd love to  
21 have an update, but we think that it's in the  
22 consumer's best interest--

23 SARAH MALLORY: I agree.

24 CHAIRPERSON CORNEGY: --to have some  
25 place that they can go both online or--or some place

2 that they can have a standard way of looking at what  
3 fees are acceptable.

4 SARAH MALLORY: Absolutely.

5 CHAIRPERSON CORNEGY: Because those  
6 landlords and/or brokers who are unscrupulous, and  
7 who are charging things that don't fall within our  
8 parameters, they should be alerted to that.

9 SARAH MALLORY: Absolutely.

10 CHAIRPERSON CORNEGY: The consumers  
11 should be alerted, a tenant—a potential tenant should  
12 be alerted to that almost immediately.

13 SARAH MALLORY: Absolutely, and we're  
14 interested in adding that to our ABCs of Housing,  
15 which is our guide for tenants' rights and working  
16 with HCR and all of our state partners as well.

17 CHAIRPERSON CORNEGY: So, while this is  
18 taking place and this reform is coming in place, are  
19 there typical fees involved in a rental application  
20 that you can point to right now before these changes  
21 take place? Because there's going to be a period  
22 that people will be—thousand of—of people will be  
23 renting, you know, in this very short period of time.  
24 This is the season for moving, and most of us  
25 understand that between now and he fall--

2 SARAH MALLORY: Uh-hm.

3 CHAIRPERSON CORNEGY: --and I don't know  
4 when the new reforms will be enacted. What's on the  
5 books right now?

6 SARAH MALLORY: Yes, so there are  
7 additional fees in the official. This is again at the  
8 state level, the state law and, which we are excited  
9 to see these changes will take effect immediately,  
10 and some portions of the law are phased in over time  
11 in the coming months. I believe and I can get that  
12 confirmed for you, but that the background check and  
13 credit requirements are effective immediately. So, we  
14 will work to get that information out immediately in  
15 order to make sure that everybody knows.

16 CHAIRPERSON CORNEGY: So, obviously, you  
17 know, in my-I'm going to date myself here, but there  
18 used to be a commercial that said, you know, an  
19 educated consumer is our best customer. I won't  
20 mention the company that said that, but that is a-  
21 that's-that's a prescription for doing good business  
22 in the city of New York. What are we doing as these  
23 new reforms are set to take place to educate  
24 potential tenants on what's available to them, what's  
25 the standard-standardization of fees? What is the

2 outreach process from HPD's perspective, and is HPD  
3 the responsible entity--

4 SARAH MALLORY: Yes.

5 CHAIRPERSON CORNEGY: --or is it Consumer  
6 Affairs and--and customer protection--I'm sorry. It's  
7 got a new name.

8 SARAH MALLORY: Uh-hm.

9 CHAIRPERSON CORNEGY: This acronym is  
10 driving me crazy, but who's the--who's the proper  
11 entity for disseminating this new information and  
12 educating potential tenants on these new changes.

13 SARAH MALLORY: Yep. So, actually  
14 because these laws are enacted at the state level,  
15 and we are seeking clarity and guidance, the state is  
16 actually the ones responsible, and we are working  
17 with them in order to come up with city outreach  
18 plans that work in coordination with them--with all of  
19 our partners at the city that deal with tenants,  
20 which is multiple in order to make sure that we have  
21 a really clear, consistent, precise messaging and--and  
22 because the laws were just recently passed, and  
23 there's a lot of clarity that's still coming as  
24 lawyers work through it. That will be coming very  
25 shortly. So, we will give that information to you as

2 soon as possible in coordination with all the  
3 parties.

4 CHAIRPERSON CORNEGY: So, I'm—I'm  
5 reluctant to put the entire onus for education on my  
6 state colleagues.

7 SARAH MALLORY: Yes. [laughs]

8 CHAIRPERSON CORNEGY: You didn't know I  
9 have one of my favorite state colleagues who is  
10 present who will be testifying today.

11 SARAH MALLORY: Yep, we--

12 CHAIRPERSON CORNEGY: [interposing] I  
13 think we have, you know, the burden is—is—is on the  
14 city to some degree for education purposes. So,  
15 while we know that these laws that are going to be  
16 propagated—propagated from the state--

17 SARAH MALLORY: Yes.

18 CHAIRPERSON CORNEGY: --the best we can  
19 do is make sure that our consumers and tenants are  
20 aware and are educated properly.

21 SARAH MALLORY: Right.

22 CHAIRPERSON CORNEGY: What's the  
23 partnership between the city and the state on  
24 education?

2 SARAH MALLORY: Yes, and so I think  
3 Council Member, we actually really look forward to  
4 this education and want your help in doing that. So,  
5 we would be happy to work with Council offices in  
6 order to provide information on the updated law. HPD  
7 also has their own mobile outreach van, and Housing  
8 Ambassadors. We have the Ready to Rent Program,  
9 which we work on jointly with DCA in order to get  
10 folks ready for applying for a Housing Lottery  
11 Application, and a lot of this information can be  
12 disseminated through the many tools of outreach that  
13 we have.

14 CHAIRPERSON CORNEGY: I'd like to hear  
15 from Council Member Helen Rosenthal who has a  
16 question.

17 COUNCIL MEMBER ROSENTHAL: Thank you.  
18 Just a quick question. I appreciate that Chairman  
19 Cornegy. Can I ask you both—it's great to see you.  
20 Is—does the Bill Council Member Powers' bill, does  
21 that say anything, does it refer in any way or say  
22 anything about the take home amount for the broker?  
23 Does this bill at all factor what the broker will be  
24 paid? [applause/cheers/comments]

25 SERGEANT-AT-ARMS: Quiet.



2 COUNCIL MEMBER ROSENTHAL: And—and I'll  
3 be honest and I'll be honest with everyone. I mean  
4 the reason I'm asking is because I think the answer  
5 is no--

6 SARAH MALLORY: Uh-hm.

7 COUNCIL MEMBER ROSENTHAL: --and I think  
8 that this bill has to do with who pays the broker's  
9 fee, whether it's the landlord or the renter--

10 SARAH MALLORY: Uh-hm.

11 COUNCIL MEMBER ROSENTHAL: --or a  
12 combination, but just there is perception and reality  
13 for sure, but just like in terms of words on the  
14 paper does it affect—is the—is the broker—I'm sorry.  
15 Is, yeah, is the broker in the bill? [background  
16 comments/pause]

17 SARAH MALLORY: So, thank you Council  
18 Member for your question. We really appreciate it.  
19 Our current—our interpretation we want to make sure  
20 that we're looking at this with lawyers in order to  
21 confirm 100%. Thank you, and get back to you on  
22 that. [crowd comments/pause]

23 COUNCIL MEMBER ROSENTHAL: I've chaired  
24 hearings before where there's an animated audience.  
25 If—if we could—it really helps a hearing just to

2 share with you the, you know, if you like something  
3 do this. If you don't like something, do this.  
4 We're trying to really just hear testimony. Thank  
5 you.

6 SARAH MALLORY: So, I want to say again,  
7 I'm not a lawyer. I think tentatively that could be  
8 the case, but we want to make sure that we're  
9 confirming with lawyers and the full interpretation  
10 of the law, and I will get back to you.

11 COUNCIL MEMBER ROSENTHAL: Do DCA have an  
12 opinion on this?

13 CASEY ADAMS: So, for this package of  
14 bills our enforcement authority is in Council Member  
15 Cohen's bill. So, we would not be able involved in  
16 any enforcement of these laws.

17 COUNCIL MEMBER ROSENTHAL: I mean I-I  
18 asked because—and will be asking again to REBNY the  
19 same question because the intent is not to have an  
20 impact on a broker's take home pay, and the intent is  
21 for there to be a shared cost with no impact on the  
22 broker's pay. So, you know, any help and legal help  
23 in clarifying that would be appreciated.

24 SARAH MALLORY: Absolutely and—

25 COUNCIL MEMBER ROSENTHAL: Thank you.

2 SARAH MALLORY: --we'll get the specifics  
3 of the language, and get back to you.

4 COUNCIL MEMBER ROSENTHAL: Thank you.  
5 Thank you, Chair Cornegy.

6 CHAIRPERSON CORNEGY: My pleasure. Does  
7 HPD require any disclosures be made to tenants during  
8 their residential rental application process?

9 SARAH MALLORY: Yes, they're required.  
10 There are a list of disclosures that vary from both  
11 the city and the state level. I don't have that full  
12 list with me, but I can get back to you depending on  
13 Local Law and other requirements.

14 CHAIRPERSON CORNEGY: That's-that's--  
15 that's important [applause] for us--

16 SARAH MALLORY: Yes.

17 CHAIRPERSON CORNEGY: --as-as a Council  
18 especially in--when they are very passionate and vocal  
19 opinions on both sides--

20 SARAH MALLORY: Yes.

21 CHAIRPERSON CORNEGY: --it's important  
22 for us to have as much of that information as  
23 possible.

24

25

2 SARAH MALLORY: Absolutely, and we agree  
3 to transparency and clarity upfront is very  
4 important.

5 CASEY ADAMS: And, Council Member, with  
6 respect to tenant screening reports specifically, the  
7 disclosure that I described in my testimony is  
8 required, and you can see a copy of that attached to  
9 our testimony.

10 CHAIRPERSON CORNEGY: Thank you. For the  
11 record we have been joined by Council Member Ritchie  
12 Torres. [background comments/pause] So, I want to  
13 thank you both for your testimony. We're going to  
14 move forward, and hear testimony from advocates and  
15 tenants.

16 CASEY ADAMS: Thank you.

17 CHAIRPERSON CORNEGY: We'll start with  
18 the first panel.

19 SARAH MALLORY: Thank you.

20 CHAIRPERSON CORNEGY: Uh-hm. We're going  
21 to hear from Assembly Member Inez Dickens who is a  
22 friend to this body, and who has been very vocal on  
23 issues that are around tenants, and personally for  
24 the record I have to say who's been a great mentor to  
25 me. Welcome Assembly Member. You can begin your

2 testimony. It's very odd seeing you on that side of  
3 the table, but you can begin your testimony as—as  
4 soon as you'd like to.

5 ASSEMBLY MEMBER DICKENS: Yes, please.

6 Good afternoon, and I thank Chair Robert Cornegy, and  
7 all the members of the committee for allowing this  
8 time to testify. I want to acknowledge my Council  
9 Member Bill Perkins, and thank him for the work that  
10 he's done in our—right here Bill. [laughter]

11 There's one thing I want to say is that although this  
12 bill, Council Member Powers' bill, and thank you so  
13 much, does not state brokers. The fact that it says  
14 in relation limiting the fees charged in rental real  
15 estate transaction infers a sales person and brokers.

16 The other thing I want to make clear is that when a  
17 fee is charged, whatever it is, it's split between  
18 the broker and the sales person. So the broker is not  
19 keeping 100% nor is the sales person keeping 100%.

20 The next thing I want to say is about the credit  
21 report. It's against the law if I give a credit  
22 report of an applicant for me to give directly the  
23 credit report. What I'm required to do is to give  
24 them the name of the credit report agency that gave  
25 the report, and I must say there is some

2 discrepancies but the applicant must ask and call the  
3 credit agency that I give them the name and address  
4 and—and get the report directly. So, that's put in  
5 place because they don't want to have any abuse, the  
6 state doesn't want to have any abuse of people having  
7 credit reports, you know, distributed out. New York  
8 City is a multi-family rental rather than own it  
9 homes. In addition, the last time that New York City  
10 did a housing and vacancy survey, by the way, was in  
11 1965. So, things have changed drastically, and—and—  
12 and legislation is being based today upon things that  
13 was—that have not changed for—for 30, 40, 50 years,  
14 and it's unfair. The other thing that I want to make  
15 clear I am a real estate broker, and I'm also an  
16 owner. Most of the—most of the people out here are  
17 small owners. They don't own the big gigantic  
18 buildings. They own units, buildings of 10-family,  
19 15-family and they're definitely negatively impacted  
20 upon their ability to make money. Now, we're not  
21 talking about them becoming rich off of one building.  
22 We're talking about the fact that most of them have  
23 to take a job in order to support their families even  
24 though they own two or three buildings. The real  
25 estate taxes in New York City are sky high. Water

2 has more than quadrupled and it's impossible, it's  
3 impossible for an owner of a small building because  
4 we're talking about brokers that—that don't because  
5 the big buildings don't hire the brokers that you see  
6 out here. They don't hire the agents that you see  
7 out here because they have their own in-house. So,  
8 these are all small [applause] and-and say for— No,  
9 no, no, no. No, I'm going to ask—I'm going to ask  
10 you please with all due respect to the panel and to  
11 the Council Members listening I'm going to ask you,  
12 there is no clapping, to raise your hand and go like  
13 this when you agree and if you don't, then go like  
14 that, but please don't clap, and with all due  
15 respect. I'm sorry Chair Cornegy, but I just wanted  
16 to—to add that in. We're here as constituents.  
17 We're here MWBEs. We're her as small businesses.  
18 We're here as micro-small businesses. We're here as  
19 individuals fighting to stay alive, and, we, too are  
20 your constituents. Now the—I have served in these  
21 hallowed halls for 12 years as City Councilperson. My  
22 community knew that my grandfather owned real estate  
23 that my father, his brothers and I own real estate in  
24 Harlem, and the people of Harlem were not afraid to  
25 elect me because they felt that I would be able to

2 bring a consciousness because something has to—Taxes,  
3 we pay taxes, and that's what pays for Social  
4 Services that we need because we need Social Services  
5 or somebody got to pay for it because the government  
6 is not going to underwrite it. So, these are all  
7 taxpayers that work hard for—for what they do, and  
8 they—they're not—there's no big amount of money that  
9 they're getting. It's just very, very difficult.  
10 Now I want to say one other thing. Fees are usually  
11 negotiable. They're market driven and they're split.  
12 The next thing is if there's a question about abuse  
13 because these people paid to take a test. They had  
14 to pass a state test in order to become rental  
15 agents, sales persons and brokers, and once they get  
16 their license to do so, if there's any complaint that  
17 anybody has, they can always call the Department of  
18 State, and have their license pulled, and so, we've  
19 got to be cognizant of it. Yes, I was a part of the  
20 legislations that we voted on in Albany, and some of  
21 it I felt was—was fair and overdue, long overdue. I  
22 also felt some of it was not very fair, and that's  
23 because I know. I came from a Harlem where I was a  
24 child of the '60s and '70s where I walked through  
25 streets with vacant lots, and—and buildings that were



2 burnt down. That's what I grew with. I now can walk  
3 these streets where there are people inhabiting  
4 housing and that they—that there's now good and—and  
5 viable or good quality housing in the community in  
6 which we can now be proud of. When I was a kid you  
7 couldn't hardly find a store to go buy good  
8 groceries. You had to go to Jersey to do that. I  
9 don't have to do that any more. I can buy in my own  
10 community, and the dollar circulates to make the  
11 foundations, the economic foundations of my community  
12 to rise up instead of being depressed. So, let's be  
13 one state, but I don't know if it's constitutional  
14 to—to-[applause]. Please, please, please. I don't  
15 know if it's constitutional for a government entity  
16 to determine how much a person can make. Now, the  
17 banks nearly took this country down. Nobody  
18 determined what they could charge. We're not  
19 determining how much in any other industry. We're  
20 just focusing and targeting and hitting the real  
21 estate industry where so many people they're small,  
22 most of them are small because like I said, the big  
23 boys have their own in-house. So, none of them get a  
24 dollar from large buildings, and so we—we have to  
25 take into consideration when we're making legislation

2 that we should talk. When I was in the City Council,  
3 and even in the—in the Assembly, I talked to both  
4 sides. I hear both sides. I don't talk to the big  
5 boys because I know they're going to tell me  
6 something different, but I talk to my small brokers.  
7 I talk to the small owners. I talk to the—to those  
8 that are really working in the community, and those  
9 are the buildings that are small buildings. They're  
10 not big buildings, they're not making a lot of money  
11 and, in fact, I grew up where they walked way from  
12 them or they sold the buildings to someone who then  
13 turned it into a condo where I was moved out.  
14 Anyway, I couldn't rent it out anyway. So, I—I fight  
15 that all the time, and I stood up because I—I'm  
16 sensitive. I came from a family we lived in our own  
17 buildings. My sister lives in one of our buildings.  
18 We're not afraid to live in our own buildings we're—  
19 we're renting. We are there. We're in-house. We  
20 don't live in Jersey or Westchester or out in Long  
21 Island. We live in Harlem in buildings that we own.  
22 We've been there for 50 or 60 years in—in some cases.  
23 So, this is not something that, Chair Cornegy, that  
24 is—is not close to my heart. I'm fearful about  
25 what's—what's—what this city is turning into because

2 what's going to happen is that the—the minority  
3 communities are going to adversely affected and below  
4 96<sup>th</sup> Street they never had any difficulty like we did  
5 in the '60s and '70s north of 96<sup>th</sup> Street. As you  
6 can about the best, that's—that's a—that's the line.  
7 That's a line in Manhattan, but I don't know what the  
8 line is in Queens, but in Manhattan just the line, I  
9 know for a fact. I lived it. No one has to tell me  
10 that below 96<sup>th</sup> Street they did not suffer in their  
11 housing stock the way we did above 96<sup>th</sup> Street. Now,  
12 in addition to—to the rental security deposits and—  
13 and the other fees charged, the credit scene now  
14 because of the new legislation in the state is now  
15 down to \$20. The average credit report runs about  
16 \$50 to \$75, and it's used as a—as a tool such as any  
17 other application when you apply for a credit care,  
18 when you apply for—for a bank loan, even when you  
19 apply for another bank or another loan other than a  
20 bank, a credit report is obtained. When you apply  
21 for many jobs, credit reports are obtained.  
22 Background checks are done because you've got other  
23 families living in your building, and you don't want  
24 anybody coming into the building they're selling  
25 drugs that has a history of doing anything negative.

2 You-the owner is responsible to see to it that that  
3 doesn't happen. If we're not allowed to do background  
4 checks and credit checks, then trust me then you're  
5 opening the doors and-and of-of allowing anyone to  
6 come in on the property. That I-I had a building-I  
7 have a building right now where a family lived in-  
8 lived in the building, and another-another tenant who  
9 should have never been admitted, killed the woman,  
10 the mother, and threw her body out the window. So, I  
11 know what happens when you can have a negative  
12 tenant. We try to avoid renting to-to certain  
13 elements because we know what can happen, and that's-  
14 those are not excessive fees that we're putting in  
15 our pockets. These are fees that we have to pay out  
16 in order to see, get the background check, to get the  
17 credit check in order to try, and everything is done  
18 on paper because sometimes, you know, sometimes you  
19 could meet a person and it's perfect, but your gut  
20 feeling tells you that something is not right. And so  
21 that's the purpose of that. Now, the-the security  
22 deposits in-in apartments generally for apartments,  
23 not condos or co-ops, but generally in rentals is-is  
24 one month's rent. The rest generally that are things  
25 that the market sets it, and rent stabilization with

2 most of these units are under--also has--has a  
3 statement on it. So, it's one-month deposit that's  
4 held, and the purpose of the holding of it--and we  
5 generally don't get a thing out of it, it doesn't  
6 help you at all--is at the end of the--of the lease  
7 usually the tenants want to live out that--that--that  
8 security deposit. So, you don't get chance to use it  
9 anyway because they're living on it. They don't pay  
10 any rent for the last month. They pay there, and  
11 that's not to be negative about any tenant because  
12 the tenants have lifted me up over the years in my  
13 community. So, but--but the truth of that is  
14 frequently they--I--I--when I rented when I was in  
15 college I live out my last month of rent and I wasn't  
16 supposed, but that's--that's what I did and--

17 CHAIRPERSON CORNEGY: [interposing]

18 Assembly Member, I want to say to you that what  
19 you've done today is offered a very interesting  
20 perspective from a state legislative perspective to  
21 actually a business owner and landlord and renter. I  
22 think that there are those unique voices and  
23 perspectives that we anticipate hearing for--for the  
24 rest of the session. We are unfortunately on a time

2 constraint, and we have in front of me at least 10  
3 panels, and a thousand—and a thousand--

4 ASSEMBLY MEMBER DICKENS: [interposing]  
5 I—I apologize to you.

6 CHAIRPERSON CORNEGY: --and a thousand--

7 ASSEMBLY MEMBER DICKENS: [interposing] I  
8 apologize.

9 CHAIRPERSON CORNEGY: Listen, I hope this  
10 doesn't come off as me rushing you because I need  
11 your friendship going forward, and I [laughter] I  
12 know that—I know better than that. I was trying to—  
13 trying to subtly say that we—we do want to hear from  
14 as many people as we possibly can, but what you've  
15 offered me as a—as a state representative I can't  
16 imagine what your negotiations were like having this  
17 passion for this during that legislative process, and  
18 I respect and appreciate what you must have had to go  
19 through with your colleagues.

20 ASSEMBLY MEMBER DICKENS: Thank you  
21 because Chair, I am passionate the want quality  
22 viable housing available to my community that is  
23 affordable, and the reason I don't want vacancies  
24 because then I can't the real estate taxes and the  
25 city going to take the property in one year. So, I

2 don't want a vacancy, but these big guys and NYCHA  
3 have not taken care of this property here in the New  
4 York City they--they--they--that's what the difference,  
5 but I don't want the violations. I don't want to get  
6 a notice of delinquency about my real estate taxes  
7 and my water bills. I don't want that. I want my  
8 property viable, and--and great and--and--and want to  
9 people to want to live in my building, and that's  
10 what most of these people do. Is that not--just raise  
11 your hand. Don't you say a word. So, I--I thank you  
12 for giving me this time. I know I may have  
13 overstepped my bounds, and I apologize to--to you for  
14 that. I know all of the members up there except, of  
15 course, Council Member Powers. I'm--I'm meeting--I  
16 haven't met him yet, but I'm seeing him really for  
17 the first times, but--but the rest of the Council  
18 Members I served with including you, and--and I trust  
19 that during my time here that I was fair to the City  
20 of New York to all residents, to renters and to  
21 brokers and anyone else because we're all your  
22 constituents. We all want to pay taxes. We all want  
23 to be part of that middle-class that everybody talks  
24 about, and--and sometimes legislation in that prevents  
25 that, and so today I wanted to just come and talk

2 about it and-and-and join in with my colleagues who  
3 are so adversely affected, and thank you.

4 CHAIRPERSON CORNEGY: Thank you so much  
5 Assembly Member. We love to have you in this  
6 chamber. One perspective I do want to think about is  
7 the idea that you're saying there's a potential for  
8 background checks not to be done as thoroughly based  
9 on the discrepancy between what is the-the-the  
10 ceiling and what the actual costs of that is. That's  
11 something we should think of a Council--

12 ASSEMBLY MEMBER DICKENS: Yes.

13 CHAIRPERSON CORNEGY: --because obviously  
14 no one wants that. We need to have the safest  
15 environments for tenants in the city of New York--

16 ASSEMBLY MEMBER DICKENS: Absolutely.

17 CHAIRPERSON CORNEGY: --and background  
18 checks need to be done.

19 ASSEMBLY MEMBER DICKENS: And there have  
20 got to be tenant protection laws in place. There is  
21 no doubt about that.

22 CHAIRPERSON CORNEGY: Thank you for that  
23 perspective. I think that's something we need to  
24 look at closely, so--



2 ASSEMBLY MEMBER DICKENS: Alright, thank  
3 you.

4 CHAIRPERSON CORNEGY: It's always good to  
5 see you. Thank you.

6 ASSEMBLY MEMBER DICKENS: Good to see  
7 you. Thank you. [applause]

8 CHAIRPERSON CORNEGY: Alright. [laughs]  
9 [background comment]

10 CHAIRPERSON CORNEGY: Okay, so the next  
11 panel we're going to call is Rachel Smith, Gina  
12 Gosabel, Elise Goldin . [background comments/pause]  
13 If you're here, please move as expeditiously to the  
14 panel as you possibly can. Again, really quickly,  
15 Elise Goldin, Gina Gosanbol, Gosabel, and Rachel  
16 Smith. [background comments/pause] If those people  
17 are not present, we'll move to the next panel  
18 unfortunately. They're downstairs. [background  
19 comments]

20 CHAIRPERSON CORNEGY: Okay. [pause] As  
21 you begin your testimony I just ask that you identify  
22 yourself clearly for the record, and you can begin  
23 when you're ready. [pause]

24 ELISE GOLDIN: Hi, Council Members. Good  
25 afternoon. My name is Elise Goldin. I'm here

2 testifying on behalf of Saint Nick's Alliance in  
3 favor or Introductions 1423, 1424, 1433, 1431, 1432,  
4 and 1499. I work at Saint Nick's Alliance as the  
5 Senior Community Organizer. Saint Nick's Alliance  
6 was founded in 1975 by a group of concerned residents  
7 as a response to the disinvestment and general  
8 decline in neighborhoods of Williamsburg, Green Point  
9 and Bushwick in Brooklyn. Our mission is to serve as  
10 a catalyst to improve the quality of life for  
11 Williamsburg and Green Point residents by addressing  
12 economic, educational health, housing and social  
13 needs while preserving the vibrant and diverse  
14 character of the community. I organize the tenants  
15 and community members against displacement, for the  
16 preservation of affordable housing, and for the  
17 creation of just housing laws for all tenants. It is  
18 clear that this legislation will be beneficial to-to  
19 low and moderate income residents of New York  
20 especially in North Brooklyn. Day in and day out  
21 tenants seek assistance in our office because they  
22 are unable to find housing that they can afford. They  
23 might be living in homeless shelters in crowded  
24 conditions with extended families in small buildings  
25 and facing eviction due to lack of tenant's rights.

2 Not only are events unaffordable especially in North  
3 Brooklyn, but there are barriers to move-in from  
4 security deposits to enormous broker's fee is far too  
5 high for the vast majority of tenants I work with.  
6 I'm asking the City Council to support the  
7 Introduction and to place reasonable limits on  
8 brokerage fees and security deposits, to allow  
9 renters six months to pay the deposit and ensure  
10 several consent—and ensure this level of consumer  
11 protections. Countless tenants in North Brooklyn are  
12 at risk of displacement or homeless—homelessness, but  
13 continue to fight to remain housed and active in  
14 their communities. These bills will improve access  
15 to housing for millions of renters in New York City,  
16 and I urge you to pass [bell] the legislation. Thank  
17 you.

18 CHAIRPERSON CORNEGY: Thank you.

19 FEMALE SPEAKER: [off mic] Good  
20 afternoon. [on mic] Good afternoon. I am speaking on  
21 behalf of Jenna Gosenbol (sp?). My name is Jenna  
22 Gosenbol, and I am a tenant organizer with the Fifth  
23 Avenue Committee. The Fifth Avenue Committee is a  
24 community development corporation established in 1978  
25 with the mission to advance economic and social

2 justice in South Brooklyn and throughout New York  
3 City by building vibrant diverse communities where  
4 residents have genuine opportunities to achieve their  
5 goals and well as the power to shape the community's  
6 future. I am presenting on behalf of the Fifth  
7 Avenue Committee and stabilizing New York City in  
8 conjunction with Jackie Del Valle the Stabilizing New  
9 York City Coordinator at the Community Development  
10 Project of the Urban Justice Center. As everyone  
11 knows, New York City is in a housing crisis.

12 Thousands of New Yorkers struggle to make rents as  
13 landlords and corporations speculate on pushing  
14 tenants out and increasing rent. Every day we hear  
15 stories of about how far New Yorkers are stretching  
16 their dollars and why they continue to live in their  
17 homes. The outrageous housing costs start from the  
18 minute the search to find an apartment begins. For  
19 decades tenants have had charged excessive amount of  
20 money in the quest to find a home here. These  
21 upfront costs whether it is security deposits, broker  
22 fees or credit checks create a significant financial  
23 burden especially for young and low-income renters  
24 searching for opportunities. These practices are  
25 discriminatory and they must end. Neighborhoods like

2 the one where FAC organizes, which is in Park Slope  
3 from the Park, Bay Ridge and Kensington have a deep  
4 history of community resilience and now  
5 justification. The tenants I primarily organize are  
6 long-term tenants. As they to be displaced by  
7 predatory tactics, I find myself working more and  
8 more with older low-income tenants trying to find  
9 them new affordable housing due to this displacement.  
10 These tenants have been either rent controlled or  
11 rent stabilized and I cannot begin to explain the  
12 barriers that my tenants face after being displaced.  
13 One of the main barriers can be eliminated if the  
14 City Council passes all five bills. These bills are  
15 not just words on paper. These bills represent the  
16 livelihood of millions of New Yorkers. Thank you.

17 RACHEL SMITH: Hi. Good afternoon. My  
18 name is Rachel Smith, and I'm a legal intern here on  
19 behalf of Mobilization for Justice. Mobilization for  
20 Justice envisions a society in which there is equal  
21 justice for all. Our mission is to achieve social  
22 justice prioritizing the needs of people who are low-  
23 income, disenfranchised or have disabilities. We  
24 provide advice and representation to more than 2-  
25 25,000 poor and working New Yorkers each year.

2 Specifically our housing project annually servers  
3 more than 3,200 households representing a total of  
4 7,328 tenants. We thank you sincerely for holding  
5 this and I'm here to testify in support of Intros  
6 1424, 1431 and 1433. I'm sure many of the people in  
7 this room have experienced the difficulty of  
8 searching for an apartment in New York City. I've  
9 lived here for six years and I can honestly say it  
10 gets harder every time I try to find a new place, and  
11 I'm law student and someone with experience and  
12 looking with others, and it's still hard time after  
13 time, and even when you look at apartment after  
14 apartment desperate to find something that's  
15 affordable and inhabitable, and you're just stuck,  
16 and when you find a suitable apartment you're faced  
17 with yet another roadblock to security housing, the  
18 security deposit. Security deposits pose many  
19 obstacles for residential renters. One such obstacle  
20 is how to pay security deposit on a new apartment  
21 when the tenant is waiting for the return of a  
22 previous security deposit. For many of our poor and  
23 working poor clients this is a serious impediment to  
24 security suitable housing. The vast majority of  
25 states specify the amount of time a landlord has to

2 return security deposits, and now with the recent  
3 passage of the Housing Stability and Tenant  
4 Protection Act, New York State now requires landlords  
5 to return security deposits within 14 days of tenants  
6 vacating the premise—premises. A landlord's failure  
7 to return this deposit in that period is often a  
8 forfeiture of any right to retain any portion of the  
9 deposit. Passing Intro 1431 would be consistent with  
10 New York State Law, and more importantly, it would  
11 allow poor and working poor New Yorkers to recover  
12 their security deposit soon after their lease ends,  
13 money that's often desperately needed to pay the next  
14 month's rent or expenses related to moving to a new  
15 apartment. A landlord's ability set the security  
16 deposit at any rate is another obstacle for New  
17 Yorkers and for our clients in securing housing.  
18 Landlords commonly charge anywhere from one month's  
19 rent to three month's rent and I even know someone  
20 personally who was charged \$8,000 for their security  
21 deposit. For individuals on a fixed income or  
22 working poor New Yorkers, paying a security deposit  
23 in excess [bell] of one month's rent and sometimes  
24 even—even one month's rent itself is infeasible.  
25 Pass—passing Intro 1424 would prevent the arbitrary

2 setting of security deposits and would be in line  
3 with the amended New York State Law. Intro 1433  
4 would allow renters to pay their security deposits in  
5 equal monthly installment as dictated by the length  
6 of their tenancy. Tenants are often denied the right  
7 to rent housing because he or she does not have the  
8 ability to put up first month's rent often time last  
9 month's rent and the full security deposit of lease  
10 signings. This proposed change would ensure poor and  
11 working poor New Yorkers are no longer barred from  
12 securing an apartment because they may not have the  
13 means to supply the entirety of required security  
14 deposit upfront. This bill is consistent with common  
15 sense since there is no valid business reasons why a  
16 landlord would need a renter's security deposit  
17 upfront if the security deposit is used to compensate  
18 the landlord for damage to the apartment at the end  
19 of the lease. This installment plan option allows  
20 renters to budget for the payment of the security  
21 deposit, which the bill requires landlords to inform  
22 prospective renters about something that is  
23 incredibly important as many do not know of passing  
24 changes in our laws. We believe that passage of this  
25 initiative along with the proposed outreach in the



2 introduction and the education requirement as well  
3 will help end one of the significant obstacles of  
4 security housing for renters who cannot afford the  
5 exorbitant upfront security deposit fees. MFJ  
6 strongly supports Intros 1424, 1431, and 1433, and  
7 comments the Committee on Housing and Buildings for  
8 its continuing efforts to improve the rights of  
9 renters and tenants. The obstacles posed by security  
10 deposits are numerous, and have the potential to be  
11 rectified with the passage of these introductions.  
12 These introductions are an essential step toward  
13 keeping New Yorker house in New York. Thank you for  
14 your time.

15 CHAIRPERSON CORNEGY: Thank you. We are  
16 going to hear from a couple of my colleagues, but I  
17 want to say two things. One is please don't feel  
18 compelled to read your statements in their entirety  
19 and respect for the thousand people who would like to  
20 speak today, and secondly, Ms. I want to say that  
21 your citing and footnotes in your statement made me  
22 nervous. It reminded me of graduate school. While  
23 I—while I appreciate it, my palms were sweating as I—  
24 as I read your citing and footnotes. Good job on  
25 that.

2 RACHEL SMITH: My editor in chief would  
3 be very proud to hear that.

4 CHAIRPERSON CORNEGY: Yeah, you can tell  
5 they're—she made me incredibly nervous having to read  
6 that. We're going to hear from Council Member Powers  
7 and then Council Member Rosenthal.

8 COUNCIL MEMBER POWERS: Thank you, thank  
9 you for your testimony, and support of legislation  
10 before here today. People that you, many of you work  
11 with, populations that are particularly facing  
12 challenges when it comes to housing, and obviously  
13 rent is, and the cost of rent is a big part of that,  
14 but can you talk to us about—we're talking about  
15 \$10,000, \$14,000 at times to move into a new  
16 apartment. Can you tell us about the population  
17 you're working with particularly how much—how many of  
18 those folks have disposable income at hand when they  
19 have to move, when they're required to move or—  
20 want to move of \$14,000 or so of total costs for  
21 moving? Can you tell or share any experiences of the  
22 population you're talking about in terms of their  
23 ability to pay upfront costs at that amount?

24 RACHEL SMITH: So, organizations like  
25 Mobilization for Justice and Legal Aid all have a cap

2 on the services and the community we can serve, and I  
3 can with certainty that the experience of the legal  
4 services organizations I've worked at, but they  
5 don't. They're on fixed income. They're living  
6 paycheck to pay check. They even very often times  
7 are having trouble recertifying for the different  
8 subsidies they have and no one has that upfront from  
9 our population.

10 COUNCIL MEMBER POWERS: Okay, thank you,  
11 and-and how many are rent burdened? I mean they're  
12 paying more that 30% of their income or more towards  
13 the rent?

14 RACHEL SMITH: I-I mean I can comfortably  
15 say the vast majority of our tenants are rent  
16 burdened, even tenants that are living in rent  
17 stabilized housing are too often rent burdened.

18 COUNCIL MEMBER POWERS: I appreciate it  
19 and can you tell about-it sort of sounded like there  
20 was discretionary aspect of this. We know that some  
21 things like source of income discrimination in the  
22 past and other things where there's discretion  
23 involving decision about how much they charge a  
24 person. Can you talk to us about the challenges your  
25 particular properties can have when there are

2 discretionary decisions related to income or ten and  
3 the challenge to them in terms of finding housing?

4 RACHEL SMITH: Sure. I would say if  
5 these are negotiable, our tenants would often have  
6 very trouble or a lot of trouble negotiating  
7 especially due to language access. The vast majority  
8 of our tenants are monolingual Spanish speakers, are  
9 immigrants and are not comfortable navigating the  
10 system and so, to be arguing for what a fee might be  
11 is—is not something that the vast majority would be  
12 comfortable with. A lot of our tenants are also  
13 elderly and again are not able to truly stand up for  
14 themselves in that way

15 COUNCIL MEMBER POWERS: Okay, and can you  
16 talk about—talk about security deposits for instance.  
17 What reasons have property owners given to you—to  
18 your individuals about reasons they need to collect  
19 two or three times a tenant's monthly rent versus one  
20 month's rent as the new law says?

21 RACHEL SMITH: I don't think I've ever  
22 heard a reason.

23 COUNCIL MEMBER POWERS: Okay. Certainly  
24 leaving the tenant a question or wonder why or have  
25 difficulty in—in the decision. Do you--you know, I

2 made this point earlier, which is about even as we  
3 had this conversation that I find that there's just a  
4 lack of transparency in terms of a lot of the fees  
5 that one has, and it's not—it's not comfortable (sic)  
6 for fees again talking about all in fees that add up  
7 to really not for people I think the population  
8 you're talking about. Can you talk us about those  
9 fees and challenges they have when there may be other  
10 suggestions about ways that the Council can address  
11 transparency in the process for pricing in the—in the  
12 rental market?

13 RACHEL SMITH: I mean I can't. Again,  
14 I'm a legal intern, so my experience with our  
15 population is limited, but I can say something from  
16 renting in New York City for an extended period of  
17 time. I have no idea even having the experience I've  
18 had, I ask landlords for clarification on fees and I  
19 don't get any. They say it's just what it costs. It  
20 is what it is, and that's coming from a background  
21 where again I know what my rights are and I still  
22 can't get a straight answer

23 COUNCIL MEMBER POWERS: Okay, and I just  
24 want to ask one final question because you have the

2 personal experience here and you're a law student I  
3 think right now.

4 RACHEL SMITH: Yes.

5 COUNCIL MEMBER POWERS: Do you think you  
6 and—and similar law students can afford in addition  
7 to your tuition and student loans the—all these sort  
8 of, all the upfront costs even back in—that adds into  
9 a significant cost burden for students like yourself?

10 RACHEL SMITH: So, especially with  
11 federal student loans the cost of admission was that  
12 they expect you take out to satisfy the school, and I  
13 can tell you what the school allocates to the cost of  
14 housing does not even begin to cover what it is. I  
15 have friends who commute two hours because they have  
16 to go far out into other boroughs from where our  
17 school is to even find something that fits within  
18 their means and living in often apartments that are  
19 flex because it's the only way to make it affordable.  
20 I know tons of people who are stuck living in the  
21 dorms because they need to pay this money upfront.  
22 The school just—when the loan comes in they take it.  
23 I personally as having moved twice in the law school  
24 have spent hours—my hours I've probably spent like  
25 hundreds of hours scouring for an apartment where I

2 can move in as a roommate, and not have to pay any o  
3 these other fees, [audience member booing] and even  
4 now in my current apartment, I had to pay a lease  
5 resigning fees that was in excess of \$300 for myself  
6 personally.

7 COUNCIL MEMBER POWERS: Yes and with all  
8 due respect I—I think booing a law student who's  
9 talking about her challenge is the wrong approach.  
10 Thank you for the testimony. [audience member  
11 mocking] [background comments]

12 COUNCIL MEMBER ROSENTHAL: Council Member  
13 Cornegy, I just want to give them a quick thank  
14 before you leave. Always appreciation to each of  
15 your organizations and gratitude to you for working  
16 there. Your work on behalf of tenants is priceless  
17 and keeping people in their homes is paramount right  
18 now. So, I—I just wanted to thank you again for  
19 coming today, for testify and every day doing the  
20 work you're doing. Thank you.

21 CHAIRPERSON CORNEGY: Thank you. I'll  
22 call the next panel. Thomas Salzano, Elvin Loffman,  
23 Jeffrey Zickler-Zicker. I'm sorry. Man-Mandy  
24 Ninwha-Nimwarre, Stefania Cardina. [background

2 comments/pause] I think we're missing one person.  
3 Again, Stefania, Mandy, Jeffrey.

4 JEFFREY ZICKER: Yes, sir.

5 CHAIRPERSON CORNEGY: Elvin, Thomas  
6 Salzano, Joseph Barbasio. Sorry, Joseph for  
7 butchering your name on the record actually. Sorry.  
8 So I'll ask that before you begin your testimony you  
9 identify yourself for the record, and I will just as  
10 a housekeeping measure ask that you go don't feel  
11 compelled to read the entirety of your statement. If  
12 there are some points that you would like to get  
13 across, please emphasize those in the interest of  
14 time and for those who would like to testify going  
15 forward although we appreciate your time and your  
16 patience in waiting for the opportunity to testify.

17 JOE BARBACIO: Thank you.

18 CHAIRPERSON CORNEGY: Thank you. You can  
19 begin where and when you'd like to. Just identify  
20 yourself first.

21 JOE BARBACIO: I'll just go first. I'm  
22 speaking in opposition to Intro 1423. Good  
23 afternoon. My name is Joe Barbacio. I am the  
24 Executive Vice President of Online Residential, which  
25 is a data and recent platform used by New York City



2 residential real estate agents. Our client base is  
3 comprised of 450 real estate companies consisting of  
4 more than 12,000 users. We created a petition in  
5 opposition to this propose bill and have collected  
6 over 4,500 signatures to date. In accordance to New  
7 York State Real Estate Law a principal can hire a  
8 licensed agent for the sale or lease of real property  
9 for a fee, commission or other consideration. The  
10 agency's principal can either be the consumer trying  
11 to locate a quality apartment or even a residential  
12 landlord seeking the expertise of a resident real  
13 estate agent. No matter who engages the agent, the  
14 process is voluntary, market driven and is ultimately  
15 a choice. The agent adds considerable value to the  
16 home search process. This process is particularly  
17 transparent and fair because New York State Law  
18 already mandates use of a disclosure form regarding  
19 agency relationships. This form must be signed at  
20 the first substantive contact between the parties  
21 clearly defining who the agent represents. Moreover,  
22 it is our view that it is not the purview of the  
23 governmental body to step into the free marketplace  
24 and single out an industry [cheers applause] with  
25 unreasonable punitive regulation of private

2 enterprise. So, please, please do not chase the  
3 windmills of real estate agent commissions because  
4 the people you will economically injure is the 56,000  
5 hard working industrious licensed men and women of  
6 New York City's real estate community. Thank you.  
7 [applause/shouting]

8 CHAIRPERSON CORNEGY: Thank you.

9 [background comments]

10 JEFFREY ZICKER: City Council

11 Chairperson, thank you so much for hosting this  
12 public forum. I know we all greatly appreciate it.  
13 My name is Jeffrey Zicker. I am a real estate broker  
14 with Century 21 Metropolitan here in New York City  
15 and I'm also a landlord and investor in a few other  
16 states, although I do not own in New York State.  
17 You're going to hear a lot of arguments today from  
18 most of my colleagues about the industry about this  
19 bill being anti-capitalist, anti-competitive and  
20 really threatens the lives of hard-working real  
21 estate agents across the city of New York, and while  
22 all of those things are going to be true, I want you  
23 to focus on one other thing. Consider for a moment  
24 that the idea that good and noble intentions can have  
25 really negative unintended consequences. It's really

2 easy to rally consensus for headline making topics  
3 like these in politics. Trust me. I get it. I have  
4 an uncle whose mayor in-back in Nevada and two family  
5 members who are city council members in Carson City,  
6 Nevada. I get what you do very, very well. What's  
7 harder as an elected official is admitting that upon  
8 further review the actions of our good intentions and  
9 our good sounding headlines may have much harsher  
10 impacts on the totality of the community that we  
11 serve than had we just left it alone to begin with.  
12 So, here's what I mean. Tenants will without a shadow  
13 of a doubt absolutely become more vulnerable to lack  
14 of disclosure if you vote yes on this bill. In order  
15 to save a quick buck and not to hire tenants agents  
16 then go directly to a listing agent where the listing  
17 agent cares directly about that transaction that  
18 landlord. They care about closing what's in the  
19 immediate future rather than advocating for the long-  
20 term standing relationship of the tenant. Whereas,  
21 now they have the opportunity to engage a tenant's  
22 broker and pay a 15% fee. We hate that fee as well  
23 because we only collect 7.5%. We make less than a  
24 month's rent on a full 15% fee. Once again my  
25 approach here is not to just vote no on this measure

2 and do nothing. I think we all agree that there are  
3 issues with the real estate industry in New York.  
4 Let's talk about some solutions instead of things  
5 that may create some more problems, right. How about  
6 we substantially raise the barrier of entry to get a  
7 real estate license in the state of New York. There  
8 are way too many part-time agents who no idea what  
9 they're doing in this city and state. How about we  
10 work to create a unified multiple listing service  
11 where we make co-working the law between both renters  
12 and sales agents. We do a massive disservice to the  
13 people in the city of New York by not having that.  
14 We as agents are renters and we're residents in the  
15 city, and I know your intentions here are good. The  
16 brokerage community wants us to make New York more  
17 affordable and better for everybody. We have ideas  
18 that will make New York better and I promise you if  
19 you work with us instead of against us, we'll help  
20 you get there, but I also promise that none of those  
21 things will be accomplished by voting yes on this  
22 measure. I thank you and I yield my time.

23 CHAIRPERSON CORNEGY: Mr. Zicker I'm  
24 assuming that you have those recommendations written  
25 down somewhere?

2 JEFFREY ZICKER: 1000% I would love to  
3 grab coffee with any of you at any time.

4 CHAIRPERSON CORNEGY: Okay. [audience  
5 yelling] In—in lieu of coffee if you can get that  
6 list to me sooner that would be great.

7 JEFFREY ZICKER: I would be more than  
8 happy. [audience shouting]

9 CHAIRPERSON CORNEGY: Not that I wouldn't  
10 have coffee with you.

11 JEFFREY ZICKER: But if you want to do  
12 coffee, too, I'd be happy to.

13 CHAIRPERSON CORNEGY: Absolutely,  
14 absolutely. Okay.

15 FEMALE SPEAKER: [off mic] Good  
16 afternoon. My little button.

17 CHAIRPERSON CORNEGY: Yeah, it's right  
18 there.

19 FEMALE SPEAKER: Hi, Good afternoon. I  
20 did not at all expect to get up here and make a  
21 statement. I'm super nervous. My mom has called me  
22 Norma Ray since I've been a very, very young person.  
23 My views—I'll get to it here. My views on a lot of  
24 things have changed through the years. I completely  
25 understand all five of this, Mr. Powers, I hope you

2 did receive my message that I left you one day. It  
3 was long and I and it was very positive.

4 COUNCIL MEMBER POWERS: [interposing] I  
5 received everybody's message left but we have-

6 FEMALE SPEAKER: It was my message.

7 COUNCIL MEMBER POWERS: we're going call  
8 you back. (sic)

9 CHAIRPERSON CORNEGY: And I actually  
10 received some of his messages, too [laughter] for the  
11 record.

12 FEMALE SPEAKER: A lot of disparity here.  
13 I'm not so sure what these--all of this is about has  
14 actually anything to do with our brokerage community.  
15 I really want to keep this very short, but I think  
16 it's super important that you actually understand  
17 what each and every one of us do every day of our  
18 lives. We, too, are in jeopardy of losing our homes,  
19 a lot of other things, okay. I hear about these  
20 searches and pardon me if the last woman who spoke  
21 she talked about searching for hundreds of hours.  
22 That's what we are here for. We are an advocate for  
23 you, and I have no doubt that we can work together  
24 and make someone have a happy home. Depending on  
25 what you can afford, this, that and the other thing

2 we're all in that same space, okay. So please make  
3 this very clear. I know there's something super  
4 important that I have to say, and I can't recall.  
5 So, maybe I will come back if I can in a moment  
6 because it's just going to be a quick closing. If  
7 you guys want to speak and then I'll come back to it.

8 MANDY NABRARE: Good afternoon, Council  
9 Members. Thank you for giving us a platform to speak  
10 on behalf of the brokerage community. My name is  
11 Mandy Nabrare and I'm with COMPASS. I just wanted to  
12 say as someone that's been working with a lot of  
13 rental-rental clients in the past few weeks, it takes  
14 about two weeks to find someone an apartment. I was  
15 working with a client who had a \$1,900 budget and we  
16 collected a fee that was \$3,420, and it was a Co-  
17 broke. That means half the fee went to my brokerage.  
18 The other fee went to the other brokerage. Then I  
19 got my commission from my brokerage of which I can't  
20 really say what my split is, but most of the times I  
21 would say all parts are good. Figure 50% of that is  
22 going to the brokerage and I'm getting—let's say if I  
23 was to get the pieces (sic) in with that, now we're  
24 working with \$940. After that \$940, I have to pay  
25 tax, I have to pay health insurance and I have

2 expenses. So, I don't know how much, you know, if we  
3 were to calculate that over two-week period and the  
4 amount of time that we put into it, how much are we  
5 making an hour? So, anyways, I came to America for  
6 the American Dream. I'm Zimbabwe. I have first hand  
7 experience. What happens when the government over-  
8 reaches? [background comments] And I am somewhat  
9 disappointed because I came to New York City. I am  
10 also a tenant, and I know how much goes into this  
11 job. So this is a very slippery slope that can  
12 resolve in the dissemination of our free market  
13 society. Thank you.

14 AL MORGAN: Good afternoon Council  
15 members. Thank you so much for this opportunity.  
16 [coughs] Excuse me. My name is Al Morgan. I'm here  
17 to speak against Intro 1423 for the millions of New  
18 Yorkers who have voluntarily participated in a rental  
19 transaction, and there I support de facto this status  
20 quo. I'm also here for the thousands and thousands  
21 of New Yorkers who work in real estate and small  
22 landlord including the many hundreds who are right  
23 outside this building being prevented from testifying  
24 today whose pocketbook you are looking to plunder. It  
25 is horrible to think the Council is looking to punish



2 the rent—the hardworking rental agents whose median  
3 income is around \$53,000. By cutting their fees by  
4 50% you are effectively plunging them below the  
5 poverty line in one of the most expensive cities in  
6 the world. Agents are renters, too. I find it  
7 entirely disingenuous for the Council people and city  
8 government employees to be testifying about one or  
9 two cherry-picked horror stories not to mention  
10 asking panelists who are ignorant of the majority of  
11 transactions to paint the entire industry as evil  
12 when the vast majority of agents are honest, law  
13 abiding, hard working New Yorkers, a majority of  
14 which, as you see, are people of color, women and  
15 members of the LGBTQ community. My parents are proud  
16 immigrants granted asylum in the beautiful city 40  
17 years ago when they ran for their lives from  
18 regressive, oppressive authoritarian communist  
19 regime, and this legislation is leading us down a  
20 path to that hell. The landlords have all the power  
21 since they control the supply of housing. If they  
22 are forced to participate in all brokers' fees the  
23 rents will go up to absorb that cost in the first  
24 year, and will be baked into the rents for however  
25 many years the renter occupies even after they've

2 paid the fee off, and subsequently, more people will  
3 be prevented from acquiring housing. We are in an  
4 affordability crisis, and I implore you don't raise  
5 the rent. Thank you.

6 CHAIRPERSON CORNEGY: I want to thank you  
7 all for your testimony. I'm going to now take  
8 questions from Council Member Powers.

9 COUNCIL MEMBER POWERS: Yes, I'll try to  
10 be brief, but I did want to ask a few questions. I-to  
11 the-I'm sorry Nabrare (sic) and the last gentleman  
12 who spoke. Thank you for your testimony and I know  
13 you were nervous. So, thank you for that-for-for  
14 coming out. Actually, I want to start with the  
15 gentlemen here with the--

16 JEFFREY ZICKER: Yes, sir.

17 COUNCIL MEMBER POWERS: --Jeff was it?

18 JEFFREY ZICKER: Yes, that's correct,  
19 sir.

20 COUNCIL MEMBER POWERS: I-I agree with  
21 you. I agree with you that when you have good  
22 intentions and try to legislate something sometime  
23 you have to consider all impacts and regulations. I-  
24 to your point about working with her again, I don't  
25 think at any point I haven't been willing to listen

2 and--and address those concerns, and I particularly  
3 wanted to commend you for bringing some solutions  
4 that I think help a problem that I see, and I--and to  
5 be respectful so the people that spoke before you I  
6 think those are real stories, and I think those are--

7 JEFF ZICKER: Sure.

8 COUNCIL MEMBER POWERS: --real life  
9 experiences.

10 JEFF ZICKER: Sure, I agree.

11 COUNCIL MEMBER POWERS: I think many of  
12 you know that, and I think there are barriers, and I  
13 think there are cost barriers here, and I agree that  
14 working altogether that there is a benefit, and I  
15 appreciate it. I want to just appreciate bringing  
16 some solutions because--

17 JEFF ZICKER: Thank you.

18 COUNCIL MEMBER POWERS: --I think in  
19 every conversation I've had with folks, individuals,  
20 constituents or industry representatives I've said if  
21 you want to help me solve a problem I feel is a  
22 problem in a different way and I--I would never say no  
23 to that. I think that's the responsible thing to do--

24 -

25 JEFF ZICKER: Yes, sir.

2 COUNCIL MEMBER POWERS: --and I mean that  
3 made me unpopular having legislation on it, but I  
4 think that's the way to proceed. So I wanted to just  
5 appreciate. On the -on the point around, actually to  
6 just to Joseph right, around regulation and the idea  
7 that there should be no regulation here, you know,  
8 obviously, I respectfully disagree on some of that  
9 how we get there and what is-is different, but  
10 industries all across our city and state and our  
11 country are regulated. Financial transactions that  
12 we do every single day are regulated every single  
13 day. So, why is this-why would this be any  
14 different? Even if you disagree with the solution,  
15 why would this be different in terms of ensuring that  
16 there is transparency or regulation around a  
17 financial transaction like the ones we-you and I do  
18 every single day.

19 JOE BARBACIO: Well I never said that  
20 there shouldn't be any regulation. Who said that  
21 it's the New York State already? It's been  
22 established that that that's going to be negotiated  
23 between an agent and the agent's principal. The  
24 principal could be either a consumer or a landlord.  
25 It doesn't matter. So, that's all negotiated

2 already, and as far as transparency and  
3 representation in the marketplace, that has also been  
4 established with the New York State Disclosure Laws.  
5 The agent has to disclose for substantive context who  
6 they represent. So these mechanisms are in place  
7 already.

8 COUNCIL MEMBER POWERS: So, if I go  
9 online today, and I'm looking for an apartment and  
10 its new face. It's a listing that said if I don't  
11 have any—I don't—on the sites I've looked on I've  
12 never seen any information stating here is the fee,  
13 here is the cost and it's negotiable. Would I be  
14 incorrect about that? [background comments]

15 JEFF ZICKER: Yeah, if I may. I'm so  
16 sorry. It is incorrect, and—and if I may kind of  
17 dispel an industry falsehood that most people see.  
18 When you—when you go online and you and you go  
19 Streeteasy, and you'll see something that's listed as  
20 no fee, it doesn't mean that there's no fee.

21 COUNCIL MEMBER POWERS: Oh, yeah, it's an  
22 asset.

23 JEFF ZICKER: But it's baked into the cot  
24 of the rent, right and so, when I—when I advise a  
25 landlord, and I give them two different prices, I

2 give them the sub-the sub market price with the  
3 tenant paid fee, and then I give them the no-fee  
4 price, right?

5 COUNCIL MEMBER POWERS: Uh-hm.

6 JEFF ZICKER: Some landlords lie to go  
7 with the higher price. They like the higher rent  
8 flow. Others just want to move in more quickly. I've  
9 always been willing to negotiate fees with-with  
10 clients and I know that [coughs] most of my  
11 colleagues would say the same thing. There are some  
12 individual firms that have rules that agents cannot  
13 negotiate down but those are those individual firms,  
14 not individual agents, and I-I think it's kind of a  
15 dangers thing to eliminate that negotiating power  
16 because part of my power being an agent where I have  
17 a higher split in my firm is that I can charge a  
18 lower fee to move an apartment faster and to beat out  
19 my competition who may be can't. So, I-I think it  
20 kind of takes away our bargaining power there, and I  
21 think it's-I'm-I'm sorry that some people had that  
22 experience, but it wasn't what I created.

23 COUNCIL MEMBER POWERS: Well, I guess-I  
24 guess my question was more if I went on Streeteasy--

25 JEFF ZICKER: Uh-hm.

2 COUNCIL MEMBER POWERS: --today. This is  
3 my reference plan--

4 JEFF ZICKER: Sure.

5 COUNCIL MEMBER POWERS: --by which I  
6 think if I-if I went there right now, does it-I'm  
7 sorry. She's yelling it.

8 FEMALE SPEAKER: [off mic] You go on  
9 Fishbowl.

10 COUNCIL MEMBER POWERS: From--I'm-I'm  
11 using it kind if that's that that thing I wanted,  
12 but--

13 JEFF ZICKER: Yeah, yeah, of course

14 COUNCIL MEMBER POWERS: --but actually in  
15 the conversations I've had, many people cited like  
16 Three Seas (sic) on Streeteasy and other sites--

17 JEFF ZICKER: Sure.

18 COUNCIL MEMBER POWERS: --as a bargain,  
19 but I don't see-I have not seen anything that just-  
20 that has language on it being negotiable.

21 JEFF ZICKER: So, most of the time we will  
22 not because if, for example if a landlord is not  
23 paying fee, if one of these lovely people in the  
24 audience brings a client to me, then the fee has  
25 usually be 15%. We split it. We hate that rate as

2 much you do, right, because we only make 7.5% of the  
3 transaction. Whereas, if a client comes direct to  
4 me, then I might charge one month, 10%. I can  
5 sometimes—I put people on payment plans if they can't  
6 afford it right upfront. So, it-it, you know, it is  
7 negotiable.

8 COUNCIL MEMBER POWERS: Thanks. Just as a  
9 final question.

10 JEFF ZICKER: Yes, sir

11 COUNCIL MEMBER POWERS: As we attack on  
12 this as this as--

13 JEFF ZICKER: First.

14 COUNCIL MEMBER POWERS: --and I just want  
15 to restate--

16 JEFF ZICKER: Yes, sir.

17 COUNCIL MEMBER POWERS: --this language  
18 in the bill says very clearly, and I'm—I'm willing to  
19 hear the reality versus--

20 JEFF ZICKER: Yep.

21 COUNCIL MEMBER POWERS: --the language,  
22 but it's says very clearly take home pay is not—is  
23 not affected in any manner, and I added that in to  
24 address the concerns, and I think some of this



2 information was given out about that, but I want to  
3 talk about this, and you talked about co-broking.

4 JEFF ZICKER: Yes, sir.

5 COUNCIL MEMBER POWERS: In a situation  
6 where the landlord is paying their representative,  
7 and the tenant is paying their high levels on this--

8 JEFF ZICKER: Correct.

9 COUNCIL MEMBER POWERS: --don't both  
10 land--don't both brokers walk at home--walk away with  
11 more money if both are making 12% or 15%?

12 JEFF ZICKER: Sometimes, but not always.  
13 I think that--

14 COUNCIL MEMBER POWERS: [interposing] But  
15 why is that not?

16 SERGEANT-AT-ARMS: Quiet down, please  
17 sir.

18 COUNCIL MEMBER POWERS: But why is that--  
19 why is that.

20 JEFF ZICKER: Go ahead, sir.

21 COUNCIL MEMBER POWERS: -- but if--but if  
22 I negotiated with my--if I have to hire somebody at  
23 the beginning of that. I said I like you--

24 JEFF ZICKER: Yep.

2 COUNCIL MEMBER POWERS: --you're my  
3 broker--

4 JEFF ZICKER: Yep.

5 COUNCIL MEMBER POWERS: --I just moved to  
6 New York. I need your help. Help me find an  
7 apartment, you and I discuss--

8 JEFF ZICKER: Yep.

9 COUNCIL MEMBER POWERS: --is it going to  
10 be

11 MANDY NABRARE: They all have straight A  
12 pay.

13 COUNCIL MEMBER POWERS: I'll ask-okay,  
14 I'll hire. I'm hiring you guys--

15 JEFF ZICKER: Yes, me, too.

16 COUNCIL MEMBER POWERS: --and I-I want to  
17 hire you. You're helping me. You're putting in the  
18 work on my behalf--

19 JEFF ZICKER: Yes sir.

20 COUNCIL MEMBER POWERS: --to go find me  
21 an apartment. You and I at the beginning of this  
22 transaction say here's what this is going to look  
23 like.

24 JEFF ZICKER: Yes, sir.

2 COUNCIL MEMBER POWERS: So I'm working  
3 this out.

4 JEFF ZICKER: Yes, sir.

5 COUNCIL MEMBER POWERS: Okay. I—you and  
6 I discuss the fate. The landlord has their own  
7 representative--

8 JEFF ZICKER: Uh-hm.

9 COUNCIL MEMBER POWERS: --right, they  
10 hire that person--

11 JEFF ZICKER: Right.

12 COUNCIL MEMBER POWERS: --and that person  
13 to me an agent of the landlord first and foremost.  
14 That's the person who's in the relationship with  
15 that. They have a relationship. They come into a  
16 financial agreement as well.

17 JEFF ZICKER: Correct.

18 COUNCIL MEMBER POWERS: Why is that not  
19 the fairest transaction involved in a real free  
20 market society where you pay who you hire, and you  
21 get to pick that person, and second why—and I do  
22 believe there are scenarios where all parties might  
23 walk away with more money. So, tell—tell me why--

24 JEFF ZICKER: [interposing] Sure for me--

2 COUNCIL MEMBER POWERS: --I think any of  
3 these that I've seen. (sic)

4 JEFF ZICKER: Yeah, yeah, sorry. I don't  
5 mean to overstep everybody's bounds who would like to  
6 speak.

7 MANDY NABRARE: So, we all have stuff to  
8 say.

9 JOSEPH FUCITO: Yeah, so I think for me  
10 in any free market society, right, getting consumers  
11 that choice. When I work with a client there's one  
12 of three different situations. We either have a no-  
13 fee listing, in which the owner will pay me for  
14 bringing them there. We either have a low-fee  
15 listing where I bring them direct to Everhart  
16 Brothers or Imagine company that will not pay out a  
17 commission. I just charge a lower rate or it's a co-  
18 broke. A lot of times those co-brokers carry much  
19 lower principal monthly rent costs, and they can  
20 actually save more money over the life of the lease  
21 than they would with an otherwise no-fee apartment,  
22 and so to me when we remove that--what--what I talked  
23 about in my speech about how if this bill is passed,  
24 you will see a lot less co-broking happening.  
25 Because tenants are going to hear,--Oh, I can only pay

2 one month. I'm going to go back to a listing agent.  
3 In-in boroughs like Queens, and the Bronx, and outer  
4 parts of Brooklyn where people do not belong to  
5 REBNY, and they're not beholden to the REBNY Code of  
6 Ethics, I-I know that there are legal disclosures we  
7 have to have, right. People sub-subside laws every  
8 single day. They put them aside and they ignore them,  
9 and that's unfortunate and I-I want to do stuff  
10 together to make sure that that doesn't happen, but  
11 it will, and there will be lack of disclosure because  
12 that agent will be working to close that transaction  
13 and not on the behalf of the tenant all just to save  
14 a quick buck for the tenant.

15 COUNCIL MEMBER POWERS: Yeah, and I just  
16 have one last question, and I'm sorry then to the  
17 Chair who's here. Just-just to add my perspective,  
18 why-why in a free market, which I like forever--

19 JEFF ZICKER: Yep.

20 COUNCIL MEMBER POWERS: --this should be  
21 the way. Should the consumer not be able and the  
22 landlords individually be able to hire, choose and  
23 pay their own representatives, doesn't that seem like  
24 the free market?

25 JEFF ZICKER: Yes.

2 COUNCIL MEMBER POWERS: That you choose,  
3 but today that's the situation I'm talking about was  
4 where I don't—I get to hire—the person that I'm  
5 paying is not a person that I've hired myself. I've  
6 looked for the apartment. I found the listing. I  
7 like the community. I like the neighborhood. I like  
8 the building, but at the end of the day so landlords  
9 could just support (sic) that person's transaction.  
10 That to me seems not the free market.

11 JEFF ZICKER: Yeah, this--

12 COUNCIL MEMBER POWERS: So, if you would  
13 like to respond.

14 JOE BARBARCIO: Yeah, if—if I may jump  
15 in. Yeah, there's a lot of moving parts here. So,  
16 we can't get them confused. Once again, each like to  
17 hire a representative.

18 COUNCIL MEMBER POWERS: Right.

19 JOE BARBARCIO: It's—it's up to them.

20 COUNCIL MEMBER POWERS: That's right.

21 JOE BARBARCIO: We—we know that, and—and  
22 kind of implicated inculcated in your basic theories  
23 that if we limit and restrict a commission to a  
24 landlord's agent to one month's rent, that will make  
25 the process a lot fairer.

2 COUNCIL MEMBER POWERS: That's not what  
3 the legislation does.

4 JOE BARBARCIO: Well, you said--

5 COUNCIL MEMBER POWERS: [interposing] It  
6 says about the rent. It does not say what the broker  
7 takes home when they--when rent an apartment.

8 JOE BARBARCIO: You say it's equal to one  
9 month's rent. That's what--

10 COUNCIL MEMBER POWERS: No, it is--

11 JOE BARBARCIO: No, that is--

12 COUNCIL MEMBER POWERS: --that's when  
13 collecting that. (sic)

14 JEFF ZICKER: Yeah, he--he was about to  
15 say that the max that the tenant can pay is only one  
16 month. However, I have to tell you from experience,  
17 and am I incorrect in saying that?

18 COUNCIL MEMBER POWERS: No, absolutely  
19 correct.

20 JEFF ZICKER: Okay.

21 COUNCIL MEMBER POWERS: This is about  
22 what the renter's burden and that's the legislation  
23 that's introduced.

24 JEFF ZICKER: [interposing] Sure so--

2 COUNCIL MEMBER POWERS: [interposing] Not  
3 what their take home pay is, and the landlord could  
4 pay whatever they want on top. They can pay 15% in  
5 full on top--

6 JEFF ZICKER: Uh-hm.

7 COUNCIL MEMBER POWERS: --and you make  
8 more money in that situation.

9 JEFF ZICKER: It's unlikely that will  
10 happen. Property taxes are up 44% in the last six  
11 years. We saw water costs go up exponentially, fuel  
12 costs are up exponentially, fuel costs are up  
13 exponentially, and now with a lot of this new  
14 legislation, we've had come out of Albany this last  
15 Friday, we're seeing a city where our caps rates,  
16 meaning capitalization rate, the amount of profit  
17 that you earn on a multi-family building, right. I  
18 say this as an owner. I-I bought in Ohio,  
19 Pennsylvania and South Carolina for a reason.

20 COUNCIL MEMBER POWERS: All growing  
21 states.

22 JEFF ZICKER: Well, yes, sir. So, the  
23 max--the good cap rate in New York City is about 4%,  
24 right. Most other places across the country you see  
25 8, 9 and 10% capitalization rates. So, it's already



2 really hard to talk to owners about why they would  
3 want to invest in New York and now when we see this  
4 legislation come down from Albany last Friday that  
5 really limits their margins as well, it's hard to get  
6 an owner to—to say, oh, we're going to pass the fee  
7 onto the tenant, and you got to kick me some extra.  
8 It's—it's just not the way that our market works with  
9 a vacancy—a city with a vacancy rate of 3.2% to  
10 answer that early question that was not answered.

11 COUNCIL MEMBER POWERS: Yeah, I  
12 appreciate that. Thank you. Thank you, guys for  
13 that.

14 JEFF ZICKER: Thank you.

15 JOE BARBARCIO: Thank you.

16 CHAIRPERSON CORNEGY: Thank you. Thank  
17 you so much for your testimony. As we transition to  
18 the next panel I do want to say that I hope that  
19 people are not misinterpreting my laid back demeanor  
20 on this. As the Chair of Housing and Buildings and  
21 the Chair of this hearing, it's a necess—I have a  
22 necessity to have a fair and impartial hearing—  
23 hearing not driven by the Chair. Alright. So, while  
24 I am passionate about these issues, as a—a resident  
25 of probably one of the most gentrified areas and

2 increasing housing costs in Bedford-Stuyvesant and  
3 Crown Height, Brooklyn, I am passion about these  
4 issues, but I am the Chair, and it's important for me  
5 to have, you know, a more tempered demeanor as we  
6 relate to these things. Not to drive the  
7 conversation, but to—to listen to great panel  
8 discussion like I've heard here, but thank you so  
9 much for your—

10 JOE BARBARCIO: Thank you, and let's get  
11 back up to the party.

12 CHAIRPERSON CORNEGY: Yeah, definitely, I  
13 got—you got to—you got to go.

14 COUNCIL MEMBER POWERS: Let me say, and  
15 I—I am always willing to hear more. If you want to  
16 email my office ideas, and—and other ideas around  
17 this, of course you can do that as well.

18 CHAIRPERSON CORNEGY: So, I want to call  
19 to the podium now Ava Farkas, Robert Desir, and  
20 Thomas Zalinsky. [background comments] Jodi  
21 Leidecker (sp?) [background comments/pause] Jodi  
22 Leidecker. I apologize. So, I got two out of five.  
23 So, let's try this again. Ava Farkas.

24 FEMALE SPEAKER: Ava is not here.

25 CHAIRPERSON CORNEGY: Okay.

2 MALE SPEAKER: Yes, she's gone.

3 CHAIRPERSON CORNEGY: Robert Dasir.

4 [background comment] Thomas Zolinsky. Yes and Jodi.

5 JODI LEIDECKER: [off mic] Jodi  
6 Leidecker.

7 CHAIRPERSON CORNEGY: Leidecker.

8 [coughs] Last call for Ms. Leidecker.

9 JODI LEIDECKER: Oh, she's here.

10 CHAIRPERSON CORNEGY: Oh, sorry.

11 [background comments/pause] So, I'd just like you to  
12 identify yourself for the record, and you can begin  
13 your testimony as soon as you—as soon as you're  
14 ready.

15 ROBERT DESIR: Good afternoon. Thank  
16 you. I'm Robert Dasir. I'm a staff attorney with  
17 the Legal Aid Society. Thank you, Chairperson  
18 Cornegy. Thank you Council Member Powers for having  
19 this hearing and allowing us to testify. This legal—  
20 this testimony is submitted on behalf of the Legal  
21 Aid Society. We support the City Council's efforts  
22 to protect prospective renters who are at a  
23 significant disadvantage when attempting to access  
24 housing in New York City's overheated rental market.  
25 We are in the midst of an affordability crisis that

1 are—that is particularly acute for low-income renters  
2 whether it is those needing substandard housing or  
3 those needing shelter. The lower the vacancy—well  
4 the lower the rents, the lower the vacancy rates, the  
5 more difficult it is to find an apartment. When  
6 tenants who are our clients who are mostly low-income  
7 are finally able to access housing and identify  
8 housing, new pitfalls await them. Due to scarcity, a  
9 vacancy attracts legions of prospective tenants vying  
10 for the same rental unit. To finalize an apartment,  
11 low-income tenants like our clients sometimes need  
12 assistance with things like fees, security deposit  
13 and moving expenses. Many of the fees that we see  
14 are inflated and have no rational relation to any  
15 real cost. This exploitation of vulnerable  
16 populations and of our over-heated market just—is  
17 just what this body is designed to protect against  
18 particularly as we are in the midst of a housing  
19 emergency. So, we find particular utility in Intro  
20 1423 that would prohibit the collection of any fees  
21 that exceed one month's rent, and Intro 1433 that  
22 would allow a tenant to spread the cost of the  
23 security deposit over several months without penalty,  
24 which would expedite the leaser process. These bills  
25

2 will go a long way towards removing some of the  
3 barriers they face, and increasing accessibility to  
4 much needed permanent housing. [pause]

5 CHAIRPERSON CORNEGY: Thank you. [bell]

6 THOMAS ZOLINSKY: Hi, Good afternoon.

7 Thank you for allowing me this opportunity to speak.  
8 My name is Thomas Zolinsky. I am the resident of New  
9 York City Now for 11 years, currently living up in  
10 Harlem. I am here in-in general support of-of  
11 something to address what everyone who is in the room  
12 has spoken today about housing and prices. Just as a  
13 little background. When I moved to New York City it  
14 was the middle of the economic recession. I had a  
15 home back in Michigan that I could not sell because  
16 the market had crashed. So I ended up becoming a  
17 landlord myself. So, when I got to New York and  
18 realized that rules sort of don't apply here because  
19 in Michigan whenever I rented or sold my property, I  
20 was responsible for paying the agent who was handing  
21 the listing for me the fees associated with that. I  
22 don't remember what I was paying-charged for rental.  
23 I don't believe it was paying him one month's rent,  
24 but it was a significant amount. But coming to New  
25 York I found that the opposite is true that the

2 burden of broker fees are pushed onto the tenant due  
3 to the market dynamics here. I've submitted my  
4 testimony. I know there's time. I'm just going to  
5 skip towards the end. I'm now in my fourth apartment  
6 in 11 years. I have had to downsize continuously as  
7 rents have gone up. Each of these moves have cost me  
8 thousand and thousands of dollars both in fees, costs  
9 for deposits, first, last and security. I also found  
10 myself in a position of unemployment caring for an  
11 elderly parent with Alzheimer's Dementia. So, my  
12 previous or my current landlord asked me for seven  
13 months rent upfront. When I add all that together  
14 and the cost of moving, [bell] we are well over \$18  
15 to \$20,000 a year. Times that by four different  
16 moves, you had a significant amount. I don't want to  
17 take money out of people's pockets. I worked in the  
18 restaurant industry here for many years, and worked  
19 on tips. I know the restaurant workers don't receive  
20 a living wage up until recently I think one solution  
21 might be to push for a living wage for people in the  
22 real estate industry, and that commissions or things  
23 are more on a bonus system. So, the more apartments  
24 you rent successfully then maybe receive the bulk of  
25 your salary or a portion of your salary in bonus, but

2 you still have some form of living wage. I think if  
3 we're truly serious about addressing affordability  
4 here, I think it's a multi-pronged approach.  
5 Shifting responsibly back to landlords for agent  
6 commissions. Preventing landlords from asking no  
7 more than the cost of one month's rent as a security  
8 deposit. Ensuring market rate tenants are guaranteed  
9 a lease renewal provide there are no arrears or  
10 specific issues with the tenant. Capping increasing  
11 to either the cost of inflation or more than 4% per  
12 year for renewals. Getting rid of the dreaded  
13 renters black list, and ensuring landlords are not  
14 using such lists to deny leases to otherwise  
15 qualified tenants. Ensuring that renters have the  
16 right to a two-year lease extension provided the  
17 terms are reasonable and providing more protections  
18 for market rate tenants against aggressive landlords  
19 and threat of eviction. My landlord had offered me  
20 renewal this year. Because of a miscommunication in  
21 my response to that he thought I had said no. He  
22 immediately put it on the market. I corrected him to  
23 say I did not say I was a renewal. He says too late.  
24 You're out. You have 30 days. So, I just spent, you  
25 know, putting up 7 months rent plus moving costs to

2 move in where I am now because it's a market rate  
3 apartment. Even though I am current, never late, no  
4 problems, no issues, he said to me that I don't our  
5 personalities fit really well, and so now I'm forced  
6 to be in a position to look again. I think by  
7 pushing some of the burdens back onto the landlords  
8 you might think twice about not working a tenant if  
9 you had to face the prospect of paying a broker a  
10 month's commission 12%, 15% whatever-whatever it is.  
11 Thank you.

12                   AVA FARKAS: Hi, Good afternoon. I'm Ava  
13 Farkas. I'm the Executive Director of the Met  
14 Council on Housing. We're the city's oldest tenant  
15 union, and I am here today in support of the-the  
16 bills. Right now our city-in our city it's extremely  
17 hard to move and find an affordable rent, and when  
18 you add exorbitant broker's fees, the cost to move  
19 becomes prohibitive. We know the affordability  
20 crisis is especially acute for the 20% of families  
21 considered extremely low-income making under \$25,000  
22 a year. An affordable rent for them would be under  
23 \$700. Just to see what's available for low-income  
24 families right now, I went on Streeteasy this  
25 morning. I did a search for no-fee apartments in any



2 borough renting for a \$1,000, and found zero results.

3 There were a whopping three when I included fees, and

4 I only found 12 apartments renting for less than

5 \$1,500 without a fee, and 120 with a fee. This is

6 the current rental market we're in. It's not a fair

7 market. A colleague of mine—I know some organizers

8 who used to be brokers and real estate agents and

9 asked them what their thoughts were on this. They

10 will be submitting their own testimony, but I wanted

11 to read some of their comments. My friend said:

12 Brokers work for the landlord not for the tenants.

13 Whatever the landlords want that's what brokers or

14 real estate agents do. Landlord would describe the

15 type of tenant they want, and that they would rent to

16 and which they would not, and many times, if not most

17 of the time, landlords would ask agents to not even

18 show apartments to tenants with Section 8 Vouchers.

19 There is a lot of discrimination in this business and

20 even though the agent broker works for the landlord,

21 the tenant is the one paying the agent. That is

22 fair. Before, it used to be the landlord paying the

23 agents. Then it changed to tenants paying sometimes

24 a one-month fee. When I stopped working under as an

25 agent, we were charging up to 15% of the annual rent

2 for this fee. The laws shouldn't even be about  
3 reducing the fee. "It should be about landlords  
4 paying it and not the tenants." Met Council on  
5 Housing is here to ask the City Council to pass this  
6 package of bills. They are more than fair to brokers  
7 who will still a decent income at tenants' expense  
8 when they should ultimately be paid by the landlords  
9 they work for. The bill has already been written to  
10 only apply to brokers working for landlords. New  
11 York City law prohibits merchants from taking unfair  
12 advantage of consumers by selling goods or services  
13 for an unconscionably excessive price during and  
14 abnormal market destruction like a hurricane. We are  
15 in a housing emergency, and it should be illegal to  
16 price gouge tenants with inflated fees. [pause]

17 JODI LEIDECKER: Good afternoon. My name  
18 is Jodi Leidecker. I work for Cooper Square  
19 Committee. I'm here to testify in support of the  
20 bill, but I'm going to tell you about a personal  
21 experience that I had. In August 2017, I found an  
22 apartment for rent on Craig's List. It was  
23 advertised in the No Fee Section. I came to see the  
24 apartment two times. The second time I was told that  
25 it was rented, but I could rent the one next to it

2 for a price that seemed very fluid. It didn't seem  
3 like a rent stabilized unit because the price was  
4 constantly being increased in every conversation.  
5 The broker told me that apartments were going for  
6 higher prices all the time, and I soon learned this  
7 was a bait and switch operation to lure people in.  
8 The brokers assured me there were no fees associated  
9 with that rental other than \$100 credit check fee,  
10 but once they had my security deposit and the first  
11 month's rent they switched their tactics and suddenly  
12 they invented new fees. When we objected, they said  
13 we couldn't get our money back, and I had thousands  
14 of dollars tied up in this process. I needed to  
15 move, but I didn't know what I was supposed to do in  
16 the face of their screaming, bullying, threats, and  
17 lies. So, I didn't know what rights I had. I  
18 somehow knew it was wrong for them to try to force me  
19 to pay these new fees. The whole experience felt  
20 more like a mob shakedown than a simple transaction  
21 to rent an apartment. These brokers caused my family  
22 extreme stress, but when I moved into that building  
23 and talked to my neighbors, I found this was a very  
24 common tactic. My neighbors were working class  
25 immigrants of color, and they invented fees for them

2 like key money and super fees, and they extorted  
3 hundreds and even thousands of dollars from working  
4 class immigrants who didn't know their rights and  
5 were often afraid to stand up for them when they did.  
6 [coughs] I went to everyone I could think of for help  
7 including HPD, the Brooklyn District Attorney, the  
8 Public Advocate, the Department of State Division of  
9 licensing services. One person said I should just  
10 pay the fees and maybe I could get my money back at  
11 some other time. To this day, these bad acting  
12 brokers are still operating openly and brazenly in  
13 Flatbush where they control a great deal of the  
14 rental market. My suggestion is in addition to these  
15 new laws, I encourage you to create a designated  
16 agency charged with oversight of all brokers whether  
17 they are registered with the state or not so that  
18 tenants can get help with predatory tactics like the  
19 situation I faced and my neighbors faced. Thank you.

20 CHAIRPERSON CORNEGY: Thank you all for  
21 your testimony. I'm going to call the next—Oh, I'm  
22 sorry. Before you ask your question, I just want to  
23 for the record state that we have been joined by  
24 Rafael Espinal.

2 COUNCIL MEMBER POWERS: Great. Thank you.  
3 I will thank you for waiting and thank you for the  
4 testimony. Just for the—the gentleman from the Legal  
5 Aid Society. You're an attorney, is that correct?

6 ROBERT DESIR: Yes.

7 COUNCIL MEMBER POWERS: As you read the  
8 legislation as it's currently written, does it say  
9 anything around capping incomes and take—take home  
10 pay for a person in a rental transaction?

11 ROBERT DESIR: My reading of the  
12 legislation shows that it seeks to limit what costs  
13 are passed onto the tenant. You know, there could be  
14 other arrangements, but it doesn't look like any of  
15 that is covered in the laws that define the bills.

16 COUNCIL MEMBER POWERS: Okay, thank you,  
17 and—and just one last question maybe for the folks  
18 from Met Council, but obviously anybody who wants.  
19 Do you believe that all-in costs, everything  
20 including security deposits--it can be two or three  
21 or sometimes even more months, usually two or three--  
22 are prohibitive to mobility and opportunity for  
23 residents in New York City?

24 AVA FARKAS: Yeah. I mean the rent is  
25 already too high. Like the rent is crazy. So, if you

2 add to it, you know, another month's rent or like two  
3 month's rent, that's impossible, and that's  
4 impossible for low-income families to pay, and the  
5 city is not creating new low-income housing like the  
6 low-income housing people have, it's rent regulated  
7 housing, and as people are displaced because of re-  
8 zonings, they need to find another apartment further  
9 away from the center of the city, those fees become a  
10 real barrier.

11 COUNCIL MEMBER POWERS: Okay, thank you.  
12 Thank you all for testifying. Thanks.

13 CHAIRPERSON CORNEGY: Thank you. We're  
14 going to call the next panel beginning with Andrew  
15 Fein, Sheila Levin, David Strong, Cheyenne Carroll,  
16 and Dana Goldman. [pause] Just one. Again, Dana  
17 Goldman, Cheyenne Carroll, David Strong, Sheila Levin  
18 and Andrew Fein. [background comments] Ms. Carroll?

19 CHEYENNE CARROLL: Yes.

20 CHAIRPERSON CORNEGY: Okay. So, again, as  
21 we've done all afternoon, I ask for you to identify  
22 yourself for the record before you begin your  
23 testimony. You can begin when you're ready.

24 [background comments] I'm sorry, Sheila Carroll?

2 SHEILA CARROLL: Sheila Carroll. Yes.  
3 I'm with the Carroll Group. I'm a broker. I've been  
4 in business for over 20 years in New York City. I  
5 think there's some confusion between fees and some of  
6 the fees that were cited, in particular those move-  
7 in/move-out fees, processing fees, that has  
8 absolutely nothing to do with the brokerage industry  
9 itself. This exists in co-ops and condos apartments  
10 only. You do not see this in traditional rental  
11 buildings. The landlords do not do this. This is to  
12 feed the pot of the co-ops and condos for roof  
13 repairs. This feeds the reserve to the building.  
14 It's set by the board of those buildings not by us.  
15 We hate collecting bills. We'd love to see those  
16 done away with, but unfortunately, we have absolutely  
17 no power to deal with those. As far as the brokerage  
18 fees, we don't set fees. Just like the airline  
19 industry is not allowed to collude and set fees,  
20 we're not either. New York State prohibits us from  
21 discussing fees among each other or setting fees. I  
22 can charge whatever I want to a client. The client  
23 could decide whether to pay me or not. If I decide  
24 to pay—charge one month or 15, that's between me and

2 my clients, not between me and the City Council or  
3 between and the government. [applause/cheers]

4 SERGEANT-AT-ARMS: Keep it down, please.  
5 [background comments/pause]

6 CHAIRPERSON CORNEGY: Thank you. So, I  
7 know it's getting late in the afternoon and people  
8 are tired, but let's please try to stick to what  
9 we've prescribed so that everyone can have an  
10 opportunity to speak.

11 SHEILA CARROLL: One more—one more thing  
12 that has happened that—that I think you may not be  
13 aware of, there's a new business in town called  
14 Insure Rent. They—because the rents are high, and  
15 because of what the new movement has done to allow  
16 landlords to only collect one month's security, they—  
17 they now ask you to get a guarantor, and there's  
18 lovely agency business set up now where they're now  
19 charging the tenants over and in excess of one month  
20 to insure them so they can get an apartment to rent.  
21 Do away with that. [background comments]]

22 SERGEANT-AT-ARMS: Ma'am, quiet down,  
23 please.

24 SHEILA CARROLL: And keep in mind for the  
25 people talking about Craig's List, shame on you to be



2 smart enough not to go on Craig's List. So, many  
3 have been hurt by Craig's list.

4 MALE SPEAKER: They have to get an  
5 apartment.

6 SHEILA CARROLL: Put-put in jail the  
7 criminals. They are in Brooklyn, they are in Queens  
8 and they do exist in Manhattan and all of us have  
9 come across them, the phony brokers that should be  
10 policed and arrested, and this woman is right.  
11 They're not when they're caught. Nobody does  
12 anything. There are people who sit in apartments on  
13 weekends and collect money. They're not brokers.  
14 They're tricking people. That's what our industry-  
15 that's why we have REBNY, that's why we have an  
16 organization so we a set of rules and conduct in the  
17 industry, and we do have value.

18 CHAIRPERSON CORNEGY: Thank you.

19 [background comments/pause]

20 ANDREW FEIN: My name is Andrew Fein.  
21 I'm an agent with Halstead. I'm Associate Broker,  
22 and I wanted to thank both the Chair and Keith Powers  
23 who's been very receptive to the community. We think  
24 you're a very good man with one really poor piece of  
25 legislation, and that's No. 1423.

2 COUNCIL MEMBER POWERS: I read your  
3 Tweets. I know, I know.

4 ANDREW FEIN: [laughter] I—I would also  
5 like to ask the-the Council to please hold at least  
6 another second or a third hearing because there are  
7 hundreds of my colleagues that are on the other side  
8 of fence that were prevented from even getting on the  
9 steps to protest No. 1423. I have been in this  
10 business for the better part of the last 28 years.  
11 I'll tell you one thing, I'm worth more than 8.3%. My  
12 experience is worth something. I also wanted to say  
13 that in an industry where you're median income is in  
14 the mid five figures, your institution here has done  
15 many, many good things for workers, many things like  
16 a higher minimum wage. Guess what, we have no  
17 minimum wage. You have family leave. We don't get  
18 family leave, bereavement leave? Nope. Healthcare?  
19 Nada. So, you guys are scapegoating folks that are  
20 making 50 grand, paying all their own expenses, and  
21 they get zero benefits. In addition to that, I just  
22 wanted to say that the on the other piece where  
23 you're limiting the amount of security that can be  
24 collected, I think you're going to have unintended  
25 negative consequences in that you're cutting off

2 opportunities for people that either may not have  
3 established credit. They might be moving from London  
4 and they have no credit at all, and there's many  
5 cases where-where landlords will give an opportunity  
6 to a renter that might have slightly subpar credit or  
7 below-income or that sort of situation where you're  
8 now excluding that because that landlord will say no.

9 COUNCIL MEMBER POWERS: I just want to  
10 note that's been passed already in Albany for what  
11 it's worth--

12 ANDREW FEIN: It's unfortunate and--

13 COUNCIL MEMBER POWERS: --[interposing]  
14 and-and I will say after meeting with many of you,  
15 and you and I know each other personally--

16 ANDREW FEIN: Right.

17 COUNCIL MEMBER POWERS: --you should get--  
18 you should get health insurance, you should get paid--  
19 paid-paid Family, and all the above.

20 ANDREW FEIN: We don't.

21 COUNCIL MEMBER POWERS: And I-I know, but  
22 I think that's actually a different problem, and I  
23 would be fully supportive of working with brokers  
24 around ensuring that you're getting all those sort of

2 things. I think that's an issue that also needs to  
3 be attended to for what it's worth.

4 ANDREW FEIN: We are independent  
5 contractors.

6 SHEILA CARROLL: We're independent  
7 contractors.

8 ANDRE FEIN: And that's the law.

9 SHEILA CARROLL: You don't understand the  
10 scope of our business, quite frankly. [background  
11 comments/pause]

12 DAVID SCHLAMM: Greetings and  
13 salutations. Thank you, Committee for allowing  
14 myself and fellow real estate professionals to  
15 express our opinions and thoughts about the proposed  
16 changes as it pertains to rental brokers. My name is  
17 David Schlamm, and I am the Founder and President of  
18 City Connections Realty. We just celebrated our 30<sup>th</sup>  
19 year in business. I have approximately 100 agents  
20 and we do sales and rentals, but about 95% of the  
21 rental transactions I represent the landlord, which  
22 up until recently was a wonderful thing. There was a  
23 lot of stuff said that I had in my notes here that  
24 I'm not going to repeat, but I think there's—for me  
25 personally I speak as an owner of brokerage, and I

2 speak for the brokers of my company, and I speak to  
3 all the people I know out there, the rent brokers,  
4 the managers, the owners and stuff like that. If  
5 this bill were to pass, it would be quite  
6 devastating. Should you drastically lower the income  
7 of my agents as well as all the other agents out  
8 there, I personally would have to lay off some staff.  
9 I would have to cut some services, and if I cut off  
10 services, the people who work at these services will  
11 be-suffer, too. They need it because the owners of  
12 the services need make money, too. What I'm trying  
13 to say is, Councilman Powers, is that it affects much  
14 more than just the real estate agents, you know,  
15 here. It really is a domino effect without a doubt.  
16 We talked about most rental brokers don't make a lot  
17 of money. One thing I just want to point out like  
18 it's 92 degrees today, something like that and  
19 there's hundreds of agents, right as we're talking  
20 showing fifth floor walk-ups that work with people  
21 for weeks that spend for cabs, that spend for  
22 Streeteasy, and I'd say three-quarter of them don't  
23 do a deal and-and half of them don't even say thank  
24 or return an email or-or do anything. It's a really  
25 truly thankless thing, and that-that rips my heart

2 out when-when that happens, and it happens too often,  
3 and it would be great if we got like an upfront  
4 consultant fee, but that's a whole other issues.

5 [background comments] Really another one.

6 Streeteasy is the number one way to get—for an  
7 exclusive agent to get—oh, wow, that was quick.

8 [laughter] I'm sorry. Can I get 20 more seconds?

9 CHAIRPERSON CORNEGY: Yes.

10 DAVID SCHLAMM: Thank you, thank you.

11 Streeteasy used to be free. Now it's \$4.50 per day  
12 per ad. I would love if you guys could, you know,  
13 roll back their prices and—and [cheers] and say—and  
14 I'm being sarcastic because once again, I'm in the  
15 camp. We live—we live in a capitalistic democrat  
16 society. I'm a Liberal but Democrat. I'm a dead  
17 head. Everyone knows I am. It's just wrong, and  
18 I'll leave it at that. Thank you. [background  
19 comments/pause]

20 I want to thank the Council for giving us  
21 this opportunity to voice our concerns, and I just  
22 want to say I recognize in every industry there are  
23 bad actors, but by and large real estate agents and  
24 brokers we serve as guardians of the industry because  
25 we—we facilitate the ability of landlords to navigate

2 through what can be a very treacherous process, and  
3 basically by this dis-incentivizing brokers to  
4 collect their full fee, you're eliminating a  
5 safeguard for landlords, and you had mentioned  
6 Congressman Powers, you had mentioned.

7 COUNCIL MEMBER POWERS: Council member.

8 FEMALE SPEAKER: Councilman--.

9 COUNCIL MEMBER POWERS: Congressman not  
10 yet.

11 FEMALE SPEAKER: --I'm sorry, Councilman  
12 Powers, you had referenced the fact that you had  
13 asked one of the panelists why would a landlord seek  
14 more than one month's security. Well, if after  
15 conducting a background search you determined that  
16 someone has a pattern of not paying their bills, you  
17 want to take measures to protect yourself because  
18 while we are contemplating ways that we can protect  
19 the interests of tenants, we're not addressing ways  
20 that we can subsidize the nearly \$500 weekly cab fees  
21 for brokers or safeguard a landlord's ability to pay  
22 his mortgage in the event the tenant does not pay his  
23 rent. So, we're here to provide those safeguards for  
24 them, but ultimately, I think one of the greatest  
25 problems with what you're seeking to do, and I think

2 your intentions are very noble and I truly respect  
3 and admire them. However, seeking to standardize an  
4 industry where there are so many variables that  
5 come into play is just not practical because some  
6 people, someone might have spent 10 years to buy a  
7 property, and they've already instituted laws that  
8 are limiting the amount of security they can get, and  
9 you're trying to limit the people. The reason people  
10 don't have to pay brokerage fees is when I encounter  
11 any prospective renter who doesn't want to pay my  
12 fees, is a matter of policy. I always say to them,  
13 you know, if you choose not to rent in a condominium  
14 or a co-op, you can go to-to a rental building, and  
15 you won't have brokers' because by and large there  
16 are no brokers' associated with those. So, that's an  
17 alternative that's made available to them. Our  
18 services are discretionary, and more importantly, I  
19 believe that one of your main objectives is to  
20 address the disparity that exists, the growing  
21 disparity in this city. Well, when you limit  
22 brokers' fees to one month, I deal with a lot of  
23 clients whose budget for a rental exceeds \$12,000 or  
24 \$15,000. These are clients who are worth millions of  
25 dollars. So in this particular case, you're saying to



2 people who have the ability to spend \$100,000 on rent  
3 well, we're going to protect you and make sure that  
4 that broker who may only be making \$50,000 a year,  
5 they're only going to be able to charge you one  
6 month's security and not the 15%, and even though  
7 that particular client may be incredibly demanding  
8 and we may have enlisted a private driver for them, I  
9 can tell you as someone who's been in the industry  
10 for over a decade, during the early stages of my  
11 career, I lived on a very steady diet of sardines and  
12 peanut butter and jelly because that's the-those were  
13 the sacrifices I had to make in order to be in an  
14 industry that has a 95% failure rate after-within the  
15 first year. Those people who are able to remain in  
16 this industry for five years or six years are able to  
17 do so because they are industrious, they are  
18 hardworking, they are dedicated and they are  
19 unrelenting in the pursuit of their dreams, and you  
20 are now proposing legislation that will already have-  
21 that will have very negative connotations not just  
22 for brokers, but for the economy and for those  
23 owners. I have a client who just recently said, with  
24 all this legislation that has already passed and the  
25 intro-the legislation you're introducing, she is

2 willing to sell her apartment for \$400,000 less  
3 because she just wants to get out of the city because  
4 of the taxes and other factors that are beyond your  
5 control at this moment. And you might say, well, okay  
6 fine so she's willing to forego \$400,000, but what  
7 you're not taking into consideration are the people  
8 that she's employed that will no longer be employed  
9 because she's moving her business out of the city.  
10 So, I implore you. I understand that you're motives  
11 are noble and I respect you for it, but do think  
12 about the greater consequences of your actions  
13 because you have tremendous power and the way you  
14 wield that power will have implications for years to  
15 come and it may take many years to reverse if you  
16 don't pause and look at the broader implications of  
17 your actions. Thank you. [cheers/applause]

18 DANA GOLDMAN: Hi. My name is Dana  
19 Goldman. I work on the Leibowitz Team and Douglas  
20 Elliman. I've worked with Gabe Leibowitz for 14  
21 years. Keith, I believe you guys had a very cordial  
22 correspondence recently. With no health insurance or  
23 the safety net of guaranteed income, something that  
24 every legislator considering passing the bill that  
25 impacts our income and ability to support our

2 families by themselves, we built a strong business  
3 that stems strongly from rentals. We've had to  
4 endure all sorts of highs and lows in a commission  
5 only field that salaried employees will never really  
6 understand. Those of us who have made it in the  
7 field have fought hard, learned and offered our  
8 clients services of great value be they landlords or  
9 clients alike. Here are just a few reasons we're  
10 opposed to this flawed piece of legislation. Agents  
11 earn around on average \$50,000 a year in New York.  
12 We are not an industry—as an industry big earners.  
13 Proposing legislation that impacts our livelihoods  
14 certainly implies that you think we are, and we've  
15 always understood the Democratic platform to be about  
16 making sure that income brackets are fairly treated.

17 (2) The commissions we earn do not only go into our  
18 pockets. The company understandably takes a  
19 percentage. For many of us, it's half and then there  
20 are costs to do our jobs well, photography, work  
21 plans, marketing. That all comes out our pockets,  
22 too. There's the opportunity costs as the time spent  
23 on any giving listing we're working on,  
24 transportation, client expenses. By the time we get  
25 our checks subtracted the costs of all the above and

2 not even factoring in the higher rate of taxes we pay  
3 as independent contractors, we are not bringing home  
4 nearly as much money as you may think. There is a  
5 big reason for number one. (3) No consumer is ever  
6 forced to pay a broker fee. There are already  
7 countless NYPLI actions for consumers who for  
8 instance have a good income, but limited liquidity.  
9 These properties tend to be higher rent amounts to  
10 absorb the cost of the fees paid to the person  
11 showing the unit. Landlords, especially the smaller  
12 ones who work incredibly hard to keep their tenants  
13 happy and inhabitable conditions can't afford to  
14 subsidize these fees unless they raise rents.  
15 Lastly, you're proposing an open-ended bill. [bell]  
16 So, now a couple making \$250,000 a year renting a  
17 \$4,500 a month unit will benefit financially while a  
18 broker making \$50,000 a year will suffer. Similarly-  
19 similarly, someone renting a \$2,000 a month apartment  
20 normally has to qualify with \$80,000 per year plus  
21 full benefits is still benefitting from somebody of a  
22 lesser income, and what about somebody making a  
23 million dollars year who now gets the joy of saving  
24 \$15,000 to put towards a discretionary purchase while  
25 the broker representing a big deal that may not-that

2 may rarely come their way now sees their income  
3 significantly sliced. Are those the people that  
4 you're trying to help? Because if you pass this  
5 legislation, you need to own up to this and not  
6 pretend that this is tenants with financial distress.  
7 The broker's loss of income will hurt their families  
8 and lives more than the average consumer you're  
9 trying to help. Once again, this is not what we  
10 believe the Democratic--part--the Democratic Party  
11 stands for, and I ask you to publicly answer who this  
12 bill helps directly? I appreciate this hearing, and  
13 Gabel apologizes he can't be here to echo my words.  
14 However, as we don't get paid a dime if we don't  
15 work, and his family depends on him. He simply can't  
16 miss the meetings on his calendar today. There's  
17 paychecks coming if we miss a day. Can you guys on  
18 the City Council consider If this legislation stays  
19 the same--? Did you get paid and get your healthcare  
20 when you cancelled the hearing two weeks ago or did  
21 you have to sacrifice then to do something outside of  
22 our line of work?

23 CHAIRPERSON CORNEGY: Thank you so much  
24 for your testimony.

25 DANA GOLDMAN: You're welcome.

2                   DAVID SCHLAMM: Just one other thing,  
3 Councilman, you had mentioned you like suggestions,  
4 and we met last time I gave you one, and I am in  
5 total favor of—I hate brokers that don't do the right  
6 thing. I'm on the Ethics Committee. I think the DOS  
7 is weak. I think revenue could be tougher, too. I  
8 think the bad people should be out of this business.  
9 It's unbelievable that some people are still in  
10 business like that maybe at the end previously who  
11 sat here. That's bullshit. That shouldn't happen.  
12 That really shouldn't happen, and--

13                   CHAIRPERSON CORNEGY: [interposing] As  
14 much as I'd like to have those kind of expel-  
15 expletives--

16                   DAVID SCHLAMM: Sure I apologize. I  
17 apologize, sir. I go and sometimes I meditate. Okay,  
18 anyway--

19                   CHAIRPERSON CORNEGY: [interposing] You  
20 wouldn't happen to be from Brooklyn by any chance  
21 would you?

22                   DAVID SCHLAMM: No, no, no, no, no. Long  
23 island. [laughs] Long Island originally, but let us--  
24 let us display whether there's a fee or no fee on an  
25 ad. I think that would certainly be good. I said in

2 my company we say a broker fee applies. Yeah, there  
3 should be transparency. It shouldn't—we should not  
4 allow brokerage firms who do the old thing of no fee  
5 and then they call—there are some calls up. the  
6 apartment doesn't exist and now they're seeing fee  
7 thins so, you know, and the last thing is as far as  
8 OP goes which landlords pay, they either usually pay  
9 one month or they pay nothing and if, in fact, if I  
10 try to convince some—my landlords to pay commission,  
11 which at times I wish they would especially in the  
12 winter months, but they don't. Then if they open up  
13 their own leasing office and hire people, they're  
14 just going to raise the rents. So, you—you're either  
15 going to pay for it now or you're going to pay for I  
16 later. Thank you.

17 CHAIRPERSON CORNEGY: Thank you again for  
18 your testimony. We're going to call the-the next  
19 panel. Iris Caucus, Reggie Thomas, Douglas Wagner,  
20 Sarah Salzberg, Gary Malin. [background  
21 comments/pause] You can identify yourself and begin  
22 your testimony when you're ready. [background  
23 comments]

24 REGGIE THOMAS: Good afternoon, Council  
25 Member Cornegy and Council Member Powers and Council

2 Member Perkins. My name is Reggie Thomas, Senior  
3 Vice President of Government Affairs at the Real  
4 Estate Board of New York. Thank you so much again  
5 for allowing us to testify on today's bills. Because  
6 we only have about a minute and 50 seconds, let me  
7 just on the things that we agree on. How does that  
8 sound? In terms of two specific bills just to start  
9 off with Intros 1432, which requires transparency in  
10 fees. To be clear, the Realty Board of New York is  
11 100% for any efforts to increase transparency in the  
12 market. It's good for our brokers. It's good for  
13 our residents, and it's good for property owners and  
14 to that end we are unequivocally support Intro 1432.  
15 In terms of Council Member Cohen's bill Intro 1499  
16 regarding Tenant Screening Reports, to the extent  
17 that the law allows these Tenant Screening Reports  
18 should be provided to the tenant. They paid for it.  
19 It's important for them to know what's in it  
20 especially if there are any inaccuracies. They have  
21 a right to know what those inaccuracies are. The one  
22 provision of the bill we do object to is for a  
23 violation to be issued against the individual who  
24 collected that fee for the processing of the Tenant  
25 Screening Report if the vacant isn't in it--if there



2 is not actually a vacant unit in that building. The  
3 problem is the property owner is the only one who  
4 knows whether or not the vacancy is available—is-is—  
5 whether there is a vacancy. So, as a result you have  
6 a residential realty agent who might collect a fee to  
7 process it but they have absolutely no idea whether  
8 or not the property owner is simply going through the  
9 motions or whether or not they actually have the unit  
10 available, and so to that end it's inappropriate to  
11 issue a violation against those real estate agents  
12 who are simply trying to do the right thing. In term  
13 so of the two bills that were recently passed by the  
14 State Legislature, Intro 1424 and Intro 1431, 1431  
15 requires that security deposits be returned within 14  
16 days. The original Council bill said 60 days, and  
17 that was something that the real estate industry  
18 unequivocally supported. Here is the problem with 14  
19 days. Often times property owners wait for the  
20 electricity bill to come in or try to schedule a  
21 walk-through with a tenant, and that takes time and  
22 those are pressures and things that the property  
23 owner cannot control. So, it's inappropriate to put  
24 that pressure on the property owner who now is going  
25 to return that security deposit, the \$1,500, and

2 they're going to have to chase after the tenant in  
3 order to actually get that money back, and so because  
4 of that, this is something that I understand the  
5 Council is going to approve because the State  
6 Legislature already adopted it, but it's going to be  
7 problematic and you're going to see an uptick in  
8 collections while atrocity (sic) for these very  
9 renters we're trying to help. I know, Mr. Chairman  
10 if I can maybe get other minutes for the time. I  
11 think for the other bills that we haven't spoken  
12 about. Thank you, Chair. Intro 1424 in terms of  
13 limiting security deposits to one month's month,  
14 again this is state law. It's statewide. So, I  
15 understand the City Council is trying to codify it,  
16 but before the state law was passed, we actually  
17 worked with the Council to try to share with as to  
18 why someone would need more than one month security.  
19 Using additional month's security as a way of  
20 discrimination is unacceptable and we all have a role  
21 in trying to curb that. So, to that end, what REBNY  
22 proposed is disclose why you need to ask for more  
23 than one month's rent. Is because of your credit  
24 history? Is it because of your rental history? Is  
25 it because you make 30 grand a year, but are trying

2 to get a unit that costs \$4,000 a month and you have  
3 \$2,000 in the bank. If you're going to do it just  
4 look and unfortunately because of the State  
5 Legislature's actions two weeks ago this is going to  
6 end up hurting the renters that we are actually all  
7 trying to help. In terms of the six-month installment  
8 of security deposits, Intro 1433, the only other  
9 jurisdiction that has approved this so far or major  
10 jurisdictions we can tell is Seattle. They approve  
11 it only in January. So, we only have six months of  
12 information to go off of. Every single property  
13 owner we have spoke to has said his six-month  
14 installment of the security deposit is not an actual  
15 security deposit. If there is a renter who ends up  
16 breaking their lease, damaging their apartments in  
17 month three, who's going to end up paying that—that  
18 bill, that's left over, if that is property owner or  
19 the other renters in the building, and for a property  
20 that might have only 10 units, 15 units, you better  
21 believe it's going to be 14 other units in that  
22 building we're going to have increased rents because  
23 in order to make up for the—the—the unfortunate  
24 incident of a problem of another renter, and t that  
25 end we want to caution. We agree with the City

2 Council we need to make it easier for renters, but  
3 this is going to have significant unintended  
4 consequences, and we would ask to wait a year, see  
5 how Settle goes. If we're wrong, we're wrong, but  
6 based on every one of these we looked into, we  
7 believe that this is what the market is going to end  
8 up doing. The last thing and let me just talk about  
9 1423. I won't spend too much time on it because I  
10 have colleagues in the industry here to talk about  
11 this, but it's important so they can just take a step  
12 back, and kind of talk about sort of the political  
13 rhetoric that we've had, and you've got to see  
14 they're all fired up. I mean we're proud of our  
15 members at REBNY, but in the five months that I've  
16 been working on this bill since this bill was  
17 introduced, every hour in the beginning of the day to  
18 the end of the day, these are the people I speak to.  
19 These are everyday New Yorkers. They are diverse.  
20 They actually reflect New York City, and I have heard  
21 public commentators say all they do is turn a key. I  
22 have heard elected officials say the way the way they  
23 earn a living is overbearing or ridiculous. Not  
24 Council Member Powers, other—other elected officials,  
25 and in terms of sort of their anger, I've got to tell

2 you Black, she's being pretty good right. This is  
3 sort of the anger that they have had over the past  
4 five months they way that their lots have been  
5 described, and we have an affordability crisis in the  
6 city, and this is the Real Estate Board of New York  
7 saying we have an affordability crisis to the city,  
8 but solving it is going to be done on the backs of  
9 these individuals who maybe earn \$40, \$50,000 as  
10 year, pay for those taxes, pay for their own health  
11 insurance. I've got to say we have an opportunity  
12 here to move forward in a way that's constructive  
13 that implements transparency in the industry. That's  
14 something that we all welcome, REBNY welcomes and  
15 we're happy to do so, but again, I want to again  
16 thank the members that are here, but I also want to  
17 take a moment to thank Council Member Powers. In the  
18 five months that this bill has been introduced, we  
19 talk do Council Member Powers on a weekly basis  
20 sometimes multiple times a day. He has read every  
21 single one of your messages, every single one of your  
22 Tweets. He is informing me of some of your Instagram  
23 direct posts. We have a significant policy  
24 disagreement here, and that's fine. That's normal.  
25 We're in New York City and, of course, people are

2 jammed up (sic) about this, but it should be said  
3 that, you know, I've worked with elected officials  
4 for the past ten years, and there are only a few that  
5 truly read literally every single message, and on a  
6 personal and professional appreciation on behalf of  
7 the industry. Mr. Powers, thank you for hearing  
8 everyone out. Thank you.

9 SARAH SALTZBERG: Okay. Hi. My name is  
10 Sarah Saltzberg, and I am the co-founder and co-owner  
11 of Bohemia Realty Group, and I just wanted to say  
12 that when I first moved to New York City in 1998, I  
13 was fresh out of Boston University as an acting grad,  
14 and I decided to get my real estate license on a  
15 whim, and here I am 20 years later and I'm just so  
16 proud to be here with all of the community members of  
17 mine that have taken the day off for the second time  
18 in two weeks. They have—they have said that, you  
19 know, that they could make commissions. They're not  
20 going to, they're going to be here, and to all of  
21 those people who were not able to get in that were  
22 outside of those gates. In 2012, I opened the Bohemia  
23 Realty Group with 18 agents and a mission to improve  
24 the quality of life for clients, agents and our  
25 communities. We have a second office in Washington

2 Heights and right now we have over 170 agents and  
3 staff many of whom have a background in the arts, and  
4 almost all of whom service the neighborhoods that  
5 they live in. Through real estate our agents have  
6 self-produced records. They've paid off student  
7 debt, and they've started families. We are hard  
8 working people who love and have pride in what we do  
9 and we are the core of who this legislation will  
10 impact. At Bohemia, a large part of our business is  
11 representing owners of mid-sized multi-family  
12 portfolios, and in addition to providing all the  
13 services that you would have assume go into being an  
14 exclusive broker such as pricing recommendations and  
15 marketing units. There are many other ways that we  
16 work with both the owner and the tenant before,  
17 during and after the least start date. So, I just  
18 want to give you some examples of what those things  
19 are. Communicating with the owner on issues within  
20 the building from consistent litter to a broken  
21 elevator to illegal activity; advising the owner on  
22 service within the building like storage or a bike  
23 room that would increase quality of tenant life;  
24 advocating for a tenant during a negotiating-during a  
25 negotiation; getting the landlord on board with a

2 tenant who may have less than perfect credit or be  
3 under the income threshold that may show financial  
4 stability or promise in other ways; staying on top of  
5 renovation by bothering contractors and visiting a  
6 unit over and over again. If the unit is not  
7 completed on time, and not completed properly,  
8 negotiating fees and concessions for the tenant with  
9 the owner; being a touch point for and many times  
10 advocating for the tenant; reaching out on the  
11 tenant's behalf before eviction proceedings. All  
12 these things to try to communicate better between  
13 tenants and landlords. Those of us that have pursued  
14 careers in real estate finds a summing in many ways,  
15 but in order to do all of these things that we do  
16 effectively, we have to first eat and feed our  
17 families. At an average of \$50,000 a year any  
18 significant loss of income would effectively mean  
19 that rental agents would need to work—look for other  
20 means of income, if not new careers entirely, and I  
21 think that we can all agree with this legislation  
22 that was just passed in Albany. It is absurd to  
23 think that a landlord would subsidize brokers' fees  
24 if this was different. It's just not going to  
25 happen. If the proposed legislation were to pass



2 capping our commission were to pass this shift would  
3 happen over and overnight for people that have put  
4 years of their life into real estate, and I'm an  
5 actor in heart, but don't think that it is an  
6 overstatement to say that I think that that would be  
7 a tragedy to both rental agents and for their clients  
8 if that would happen.

9 MALE SPEAKER: Thank you to the Council  
10 and to Mr. Powers for hearing us today. As you  
11 consider today's legislation, I think it is important  
12 to educate you as policy makers on how the current  
13 broker fee model works, and how it is beneficial to  
14 consumers, and how the proposed bills would  
15 ultimately cost consumers more in the end. I'd like  
16 to walk you through the chart here, which is also in  
17 the testimony handout. Under the current brokerage  
18 model, a tenant who pays a broker fee compensates  
19 that broker once regardless of whether the broker  
20 represents the landlord or the tenant, and regardless  
21 of how long they stay in the apartment. If landlords  
22 were mandated to compensate the broker they engage to  
23 represent them, it is certain that landlords would  
24 build that extra cost into the rent resulting in  
25 rents going higher. Let's take \$2,000 monthly rent

2 for example. Under current market conditions, the  
3 typical commission for a \$2,000 apartment would be  
4 \$3,600 or 15% of the first annual rent. If the  
5 landlords were required to pay that fee, the \$3,600  
6 would be amortized over the first 12 months of the  
7 lease at \$300 a month times 12 months equals \$3,600,  
8 which the landlord would then have to pass back to  
9 tenant in the form of a rent increase. So, our  
10 \$2,000 base rent suddenly becomes \$2,300. Now,  
11 ultimately if a tenant were to pay that broker fee,  
12 which they are frequently able to negotiate to a  
13 lower rate, the rent could remain at the lower \$2,000  
14 level for the base year and renewals. Many tenants  
15 remain in their apartment for 3, 4, 5 years and even  
16 though they pay that broker fee just on the first  
17 year. At the end of that first year where the  
18 landlord pays the fee on that \$2,300, the landlord  
19 will always base their second year rent increase on  
20 \$2,300 not the original \$2,000. So, the rent in year  
21 2 would probably go up to \$2,350, in year 3 maybe  
22 \$2,400. So, while the landlord could recapture the  
23 fee they paid their broker in the first year of the  
24 lease, they would then change. They would charge the  
25 tenant that extra \$3,600 again in year 2 and again in

2 year 3. The bottom line is that when tenants  
3 compensate their broker they save money long-term and  
4 when the landlord pays upfront, tenants suffer long-  
5 term.

6 CHAIRPERSON CORNEGY: Thank you. I do  
7 want to say that generally we refrain from using  
8 visual aids, although this was very helpful  
9 [laughter] only because it can go bad. So, just for  
10 the—for the future everybody don't come in with your  
11 homework [laughter] and—and—and visual aids. We gen-  
12 we generally don't allow, but this was very helpful,  
13 and this been vetted (sic) before for obvious  
14 reasons.

15 MALE SPEAKER: Thank you.

16 CHAIRPERSON CORNEGY: Thank you.

17 GARY MALIN: Hello. My name is Gary  
18 Malin and I am the president of City Habitat, the  
19 residential brokerage here in Manhattan, and I think  
20 everyone in this room agrees that there's very good  
21 intentions in these laws, but there's a lot of  
22 practical implications that will occur when you  
23 actually have these laws to into reality, and I think  
24 there's lots of ways to create a more transparent  
25 community but not on the backs of resident real

2 estate brokers. I'm sitting here, and I'm quite  
3 taken by the statement above your heads, which says:  
4 A Government of the people, by the people and for the  
5 people, but this legislation is only for certain  
6 people, and it's hurting other people dramatically,  
7 and I think the fact of the matter is that these  
8 people work extremely hard. Owner are not going to  
9 pick up these additional expenses. To just sit here  
10 and say that the law as written says it will not  
11 impact someone's financial security, you couldn't be  
12 more wrong. It's a naïve position because I spent  
13 the last 21 years of my life working with thousands  
14 of real estate agents and plenty of owners and these  
15 owners and these scapegoated to protect certain  
16 tenants that don't deserve protection because they  
17 make millions of dollars a year versus the agents  
18 here who do not do that. I think it's important to  
19 understand the practical implications of legislation  
20 verse simply writing down legislation. You're going  
21 to hurt people, single parents, people who've made  
22 financial commitments on mortgages on rent, on  
23 student debt. They have plenty of expenses that are  
24 being incurred. Every expense we have as real estate  
25 brokers increase every year. The real estate agent

2 is required to maintain his or her license. There's  
3 no cap on how much fees these schools want to charge.  
4 No matter what they do, every day their expenses go  
5 up, and you want to cap income for small segment of  
6 the population, and if you're going to legislate  
7 laws, the laws better serve their intended purpose.  
8 This law will not serve its intended purpose. People  
9 will be hurt. People will lose jobs. These  
10 individuals that are here might have to leave the  
11 industry entirely. My company employs tremendous  
12 numbers of people. If we can't afford to pay those  
13 people who get benefits from us, those people will  
14 lose their jobs as well. I think it's short-sighted,  
15 it's misguided and it needs real discussion on how to  
16 do things about transparency, and we could talk about  
17 that and create something that creates a better  
18 situation for tenants without causing these people to  
19 lose 45% of their income. Thank you.

20 CHAIRPERSON CORNEGY: Thank you.

21 FEMALE SPEAKER: Thank you for letting us  
22 speak here. We also had a meeting with Mr. Joe Carr  
23 (sic) at their office and it-it took us an hour and a  
24 half to—a little over an hour and a half to get our  
25 point across. So, two minutes is probably very

2 difficult, but I'll try. I just feel that for some  
3 reason our position does not get the respect that we  
4 deserve. I—we feel that you simply don't know what is  
5 it that we really, really, really do day in and day  
6 out starting in the morning and late at night. We  
7 don't simply just open doors. We call to make these  
8 relationships and provide service 24/7. My clients  
9 call me when their toilet is clogged. It's reality,  
10 and I have to skip lunch with friends to go unclog  
11 their toilet, and because of that hard work, clients  
12 that have a wonderful experiences with all of us who  
13 are holding probably this license refer friends to us  
14 and they're willing to pay the 15% because they know  
15 that instead of going to Craig's List, and check from  
16 some mom and pop or person who's—who's meeting them  
17 in the corner of the city, they need to ask for this  
18 license and they—they go back to all of my friends  
19 right here and they know that we expect it because we  
20 do not want to lose it. All they need to do instead  
21 of going to Craig's List is to ask people to show  
22 their license and take their numbers. They can  
23 research out. We all are on the sites. We're on our  
24 company site. I have recommendations on Yelp. You  
25 can search me. Put my name and you'll find me

2 everywhere. You know I'm not a crook. Now, because  
3 were independent contractors we do not have very  
4 cushioned jobs with benefits. We have no 401(k), we  
5 have no pension plans, we have no vacation dates. We  
6 don't have sick days. We don't—don't have insurance.  
7 We don't have dental insurance. These are paid by us.  
8 We're paying those by collecting the fees, not to  
9 mention the—what we pay Streeteasy. [background  
10 comments] I grew up in the Soviet Union. I came  
11 here because America opened up opportunities for me  
12 that I probably wouldn't have anywhere else. Do you  
13 mined if I'll continue quickly. Thank you. I'll—  
14 I'll be, I'll be brief. I can't imagine that a  
15 government will over—would oversee what I'm making,  
16 will oversee, will tell me how to earn my living.  
17 What happened to the free market? Is there another  
18 industry that this will happen? Are you going after  
19 lawyers, are we going under health crisis after  
20 health crisis? Who is next, teachers? Speaking of—  
21 of careers, this my third career. I lost my job when  
22 I was working in Sasha Savvy.(sp?) I was a makeup  
23 artist for 18 years. I lost my job in 2008, and I  
24 almost became homeless, but I was able to do jobs  
25 that I could maintain paying my rent. So, I said I

2 love real estate. I always loved it. Let me go back,  
3 let me see if I can start this--this new career. So,  
4 this my third career. At 57 I'm earning \$45,000 last  
5 year. I have two kids in college, two kids in  
6 college Syracuse and Binghamton. There is the future  
7 of my country. How am I going to pay for that?

8 CHAIRPERSON CORNEGY: I'm--I'm sorry. I  
9 went to Saint Johns. I won't hold that against you.  
10 [laughter]

11 FEMALE SPEAKER: Saint Johns offered  
12 that--a big-big offer, but we--my son it was too close  
13 to home. [laughter] But we'll--we'll consider it for  
14 law school. Thank you.

15 GARY MALIN: [interposing] So, I--I just  
16 like to add one thing because we keep on talking  
17 about Streeteasy here. If you went on Streeteasy  
18 last night and did a no-fee search of Manhattan  
19 alone, there were close to 4,600 apartments a tenant  
20 could find for no fee. That's Manhattan alone. So,  
21 to say that tenants can't find apartments without a  
22 broker is misguided. Add Queens, add the Bronx, add  
23 Brooklyn, there are probably close to 10,000  
24 apartments. So, when a person chooses to use the  
25 broker they're choosing it because they know the



2 value of the service. Just to say some are being  
3 forced to use it, is actually not accurate  
4 whatsoever.

5 COUNCIL MEMBER POWERS: I want to respond  
6 to that point. I did—I did a similar search. I did  
7 the no-fee search. In my district is roughly 50% of  
8 the apartments were fee and no fee. We can have a  
9 difference opinion about whether that's choice or  
10 not. I actually that as-as-as being a limited choice  
11 for what it's worth. I think you saw an option. I  
12 also don't think it's an option a person is choosing.  
13 The person, the renter is not choosing the service.  
14 They're choosing the apartment and the neighborhood  
15 and living there. I think if you asked many of the  
16 people whether they would like to pay the free or  
17 not, I think almost unanimously the answer would be  
18 zero. I think that's the purpose of my legislation  
19 to say the landlord had put the—not for tenant hire,  
20 folks, I'm talking about. I'm talking about if I go  
21 on Yube (sic) Mank (sic) and Streeteasy 50% of the  
22 apartments I read and it's 45 to 50 in different  
23 neighborhoods that is to me actually a limiting  
24 choice, and that is we may have a different opinion  
25 about the choice--

2 GARY MALIN: I certainly get it.

3 COUNCIL MEMBER POWERS: I just wanted to  
4 correct on other thing. Is the idea is this is about  
5 millionaires couldn't be further from the truth, and  
6 any suggestion that we cap it at a certain amount I'm  
7 obviously they add the apartment rate or whatever is  
8 certainly well received here, but I've heard that  
9 from two folks now this is about millionaires. It's--  
10 it's exactly the opposite, but I want to ask Reggie  
11 just a few questions on it. Well, first I wanted to  
12 say on your comments around the legislation that the  
13 state has already passed.

14 REGGIE THOMAS: Yes

15 COUNCIL MEMBER POWERS: I understand your  
16 concerns. I think I'm--I'm I have reasonably--I  
17 reasonably agree with some of them. I don't we're  
18 limited in terms of our capacity based on the state  
19 has already passed legislation about 14 days or to 60  
20 days and understand it, and understand and--but still  
21 look at those in terms of that. To your--to the point  
22 that I read as you said everyone now. I--I don't at  
23 night and do we--if you read the bill today.

24 REGGIE THOMAS: Yes.

25

2 COUNCIL MEMBER POWERS: You're reading  
3 the language as it's written, do you believe the  
4 language of the bill says that the take home pay is  
5 capped?

6 REGGIE THOMAS: So, Council Member  
7 respectfully, I-I've heard you reference this a  
8 couple times, right because maybe you.

9 COUNCIL MEMBER POWERS: [interposing]  
10 Yes, but just, but did he do a year or no? Did he do  
11 that?

12 REGGIE THOMAS: But-but here's why I  
13 can't can't answer yes or not because and this is not  
14 just a draw bill, but this is what countless City  
15 Council bills. There's a difference between what a  
16 bill says in writing versus what it actually does in  
17 the market.

18 COUNCIL MEMBER POWERS: I want to stop  
19 you there. I hear you

20 REGGIE THOMAS: It depends on what the  
21 bill says.

22 COUNCIL MEMBER POWERS: No, no--

23 REGGIE THOMAS: You're 100%--it would be  
24 you're 100% right in the sense that the bill says  
25 that the total in which the commission that could be

2 paid out is not capped. However, what the bill also  
3 says is the most you can get from the renter is one  
4 month and there's a difference between that versus  
5 what happens in the marketplace, and you just heard  
6 that from Gary right now.

7 COUNCIL MEMBER POWERS: I-I understand  
8 and I'm--and I-I agree and I said this to the gentle  
9 many who testified earlier. I see he's still sitting  
10 up there that I understand that outcomes and  
11 intentions can sometimes differ. That's the-

12 REGGIE THOMAS: Absolutely.

13 CHAIRPERSON CORNEGY: --legislative  
14 process.

15 REGGIE THOMAS: Right.

16 COUNCIL MEMBER POWERS: But I wanted to--I  
17 want to reiterate that you have agreed with that  
18 point, and I say that because I do think there have  
19 been discussions and advertisements to the contrary  
20 to that, and nothing for you. I'm saying in general,  
21 and that the intention, the reality and the  
22 legislative intent do differ and do--do take their  
23 diversion path a times--

24 REGGIE THOMAS: Yes.

2 COUNCIL MEMBER POWERS: --but I do want  
3 to be very clear with that, and-and it's on the-the  
4 recognition of bad actors. I've heard a few people  
5 reference and the idea of increasing standards, and I  
6 wouldn't-I'm not-I not one that talks about personal  
7 stories that people have raised to me, but there's  
8 been a few where it feels like there has been a bad  
9 actor involved in a transaction and how-how many  
10 brokers are there in New York City today?

11 REGGIE THOMAS: It varies by census and  
12 the Department State Data. They go by the Greater New  
13 York City are of where-of where the 40 to 50,000 in  
14 terms of REBNY membership, and again, it's one of  
15 those things because we have a code of ethics and co-  
16 broke and things of that nature. There's  
17 approximately 10 or 11,000 I believe REBNY members  
18 that are---

19 COUNCIL MEMBER POWERS: [interposing]  
20 Okay, 10 or 11. So, obviously we all agree there's  
21 some actors in there who are -who are-who are better  
22 and who are worse than that, some who work harder,  
23 some who work less for their-their signs and I  
24 agreed. I'm sorry, I know that we met before, I  
25 forget the name of the woman on the end, but I think

2 I agree that those bringing in the people (sic) and I  
3 are probably some of the better actors because they—  
4 they worked through this process and they've stayed  
5 with it but I have not heard a proposal. I think  
6 maybe one today about increasing the standards or  
7 about vetting out the bad actors, and if that is a  
8 problem that the industry sees as a real problem, I  
9 would hope or expect you to come forward with that.  
10 It's been five or six months. You come forward with  
11 a proposal to address—obviously, when we have  
12 scratched the issues that I've raised, but you come  
13 forward with a proposal to address that, and I, you  
14 know, at least now I've heard that, but I still  
15 haven't seen a proposal. Are there ways you suggest  
16 that the industry even itself or the—a regulatory  
17 institution could address those who are deemed bad  
18 actors like those who are here today who had the  
19 signs up? (sic)

20 REGGIE THOMAS: Yes, Council Member, I  
21 address the—the issue of elevating the bar to get it—  
22 to get a real estate license is something that we've  
23 talked about for a long time, but that's not  
24 something that's under the purview of the Real Estate  
25 Board. That's really something that's under the

2 Department of State. I Think many people in this  
3 room would agree that we would like to see a-a higher  
4 level of accountability among our colleagues, and  
5 that could start at licensing something that we've  
6 talked about amongst ourselves, and may we could work  
7 with you on in the coming months would be a tenants  
8 bill of rights something that very clearly and  
9 transparently proposes a series of basic expectations  
10 that consumers should and would have, and against  
11 what people could be held accountable when they  
12 violate because this is not something that's ever  
13 existed in-in New York and I think we all agree that  
14 we'd like to offer our consumers that assurance that  
15 when they work with one of us a licensee, that they  
16 have a basic expectation of excellence.

17 COUNCIL MEMBER POWERS: Okay, we'll chat.  
18 Thanks. [pause]

19 CHAIRPERSON CORNEGY: I'm sorry. So,  
20 thank you so much for your-for your testimony. We're  
21 going to move to the next panel beginning with  
22 Phillip Johnson, Frank Rizzo, Melissa Gomez, David  
23 Legaz, and Irene Guanill [background comments/pause]

24 COUNCIL MEMBER POWERS: I think the Chair  
25 is just running to the bathroom, but I think we-I'll-

2 I'll-I'll sit in here. I'll take his position for  
3 the time being. Why don't you guys go ahead.

4 FRANK RIZZO: Thank you Council Member,  
5 and thank you Council Members for the opportunity to  
6 speak at this hearing. My name is Frank Rizzo,  
7 broker/owner of Cornerstone Realty and Secretary-  
8 Treasure for the Staten Island Board of Realtors, the  
9 largest trade organization on Staten Island. I come  
10 here today to discuss with you Local Laws 1423, 24,  
11 31, 32, 33 and 99. Under the premise of housing  
12 affordability these laws are being written, and while  
13 we can all agree on the need for affordable housing  
14 and the importance of affordable housing, good laws  
15 are—good laws are not based on headlines or on  
16 Twitter likes. Created affordability based on  
17 arbitrary cost controls of service providers will be  
18 as effective in creating real affordability as in  
19 reigning Council Members' salaries and discretionary  
20 funds would be in balancing the budget of New York  
21 City. Housing prices are based on supply and demand.  
22 Where there is not enough supply in the market prices  
23 will be pushed higher. Nearly 43% of all available  
24 housing units in New York City are rent stabilized or  
25 rent controlled leaving those not fortunate enough—



1 fortunate enough to have one of those units to have  
2 to bid up the available remaining stock. As  
3 construction times in New York City are among the  
4 highest in the nation for planning inspections and  
5 approvals, the root causes of the housing  
6 affordability crisis must be addressed. Streamlining  
7 the DOB, improving the speed of the approval process  
8 does not make great headlines, but creating more  
9 inventory and demand—to meet the demand will make us  
10 great stewards of the city and create efficiency in  
11 the marketplace. I don't speak for everyone that  
12 speaks before me and afterwards, but I think we all  
13 agree on more disclosure for our—for our clients is—  
14 is important, and as a realtor, we have a duty to  
15 disclose. Landlords on Staten Island the vast  
16 majority are mom and pop owners and investors.  
17 These—those who have purchased an investment property  
18 to prepare for their retirement or to supplement  
19 income to create independence and to pass down  
20 generational wealth. In changing the dynamic of how  
21 the agent gets compensated, you are adding the cost  
22 to the landlord who are already assuming risk in the  
23 investment. Last, landlords mitigate their risk by  
24 collecting security deposits and sometimes when  
25

2 tenants are less credit worthy, they take a large  
3 deposit. New York City has some of the highest—the  
4 longest times in the nation for eviction rates, six  
5 months or greater is the norm. What will happen when  
6 this risk is passed on to the landlord? Is it going  
7 to makes cheaper or is it going to make rents more—or  
8 more expensive? The answer is landlords will raise  
9 rents. They'll be forced to. The collateral damage  
10 is that rents are going to be driven higher, and when  
11 mom and pop landlords are already assuming more risk  
12 and faced with the additional cost of hiring  
13 professionals—professional realtors, more likely they  
14 are going to take those—those apartments off market  
15 and do it themselves, and they may not follow the  
16 same ethical standards that real—realtors follow.  
17 So, all—some owners are going to even leave the  
18 market completely, and those who—who do—who do remain  
19 will put their housing stock in fewer hands, and  
20 that's—that's of no benefit to anyone. You know,  
21 I've been blessed to call real estate a career for  
22 the last 15 years and fortunately today, I don't have  
23 to do any apartment—I don't do apartment rentals like  
24 I did when I began my career. And those who are  
25 starting out providing services to people who rent

2 apartments or they're looking for apartments, is a  
3 way to supplement their income while their real  
4 estate business is growing. Our industry is not made  
5 of big conglomerates, they're not made up of private  
6 equity, they're not multi-nationals, but they're  
7 single mothers who are looking for to create  
8 flexibility and independence, the Millennials  
9 starting out of college looking to build a career  
10 defined by their our own self-determination, they're  
11 retirees who are looking for additional opportunities  
12 to keep up with the cost of living in New York City  
13 and they're individuals who have not come from  
14 wealthy backgrounds that are looking to succeed off  
15 the sweat of their own brow. [bell] It is those  
16 lives and incomes and opportunities that are going to  
17 be diminished. The small property owners who sell  
18 because of the cost of regulation unless we forget,  
19 the tenants that are going to inevitably end up  
20 paying more because their rent becomes even higher,  
21 and we can all agree on the need for good—and good  
22 intentions in affordable housing in the New York  
23 City. We can agree on the importance of housing  
24 opportunities for every New Yorker. We have an  
25 opportunity here to work on it, however, without

2 addressing the root causes of the issue, we are only  
3 placing a Band-Aid on a deep incision, and when the  
4 smoke settles and the dust clears, we're going to be  
5 right back here discussing the same topic. [bell]

6           DAVID LEGAZ: Good afternoon. My name is  
7 David LeGaz and I'm the 2019 Secretary-Treasurer for  
8 the New York State Association of Realtors. We are a  
9 not-for-profit trade organization representing more  
10 than 58,000 real estate professionals living and  
11 practicing New York State including approximately  
12 12,000 within the five boroughs. I am also licensed  
13 as a real estate broker practicing in Queens for the  
14 last 23 years, and I'm a retired New York City Police  
15 Officer who served this great city for 18 years.  
16 Intro 1423-A fails to account for the impact that  
17 such a cap would have on the market, quality-for  
18 quality real estate brokers as well as rental costs.  
19 This cap will lead reduce payments to brokers, shift  
20 their way from working with brokers and increase  
21 rents as Gary illustrated before. Realtors are not  
22 responsible for setting rents. The market is. NYSAR  
23 supports letting market forces work in a ways that  
24 produces affordable options for all New Yorkers. Any  
25 proposed cap would amount to punishing brokers for

1 market forces that have led to the rising rents. To  
2 punish realtors for something we have no control over  
3 is unjustified. It is disturbing to think that a  
4 government body will impose a cap on what licensed  
5 real estate professional can earn from a client.  
6 Brokers provide services pursuant to the state issued  
7 license and the laws of supply and demand dictate  
8 what the cost of these services are. If the price of  
9 using a broker is too high for a renter, they can opt  
10 out of using one. If the market for a broker signals  
11 that these costs are too high for the market to bear,  
12 then the brokers will lower their cost without  
13 government intervention. Our members are hard  
14 working professionals mostly middle-class. In fact,  
15 the gross income of a realtor in New York State is  
16 \$30,000 less than the REBNY members and that was in  
17 2016. Legislation represents as direct affront to  
18 the ability of our members to earn a living, and  
19 would cause extensive damage to our profession. We  
20 understand that many government officials want to  
21 address having affordability problems in New York  
22 City. Unfortunately, this legislation simply targets  
23 the very individuals that help renters navigate New  
24 York City's complex market. This legislation simply  
25

2 infringes on the rights of the licensed—of the  
3 licensed real estate professionals to earn a living  
4 while not achieving its desired goal of lowering the  
5 cost for renters, and I think you for the  
6 opportunity.

7           MELISSA GANNA: Hi. My name is Melissa  
8 Ganna (sp?). I'm as CRA at Tessler's Realty. I'm a  
9 member of the Long Island Board of Realtors and the  
10 New York State Association of Realtors. Salus is the  
11 alum, and I also which '80, went to senior (sic)and  
12 in Saint Johns Alum as well. I've based in Queens. I  
13 do charge, quite frankly, I do charge on month's rent  
14 when it comes to the rental broker fee. In Eastern  
15 Queens we work a little bit differently there than  
16 other areas do. What—the reason why I'm here, though  
17 is because when there is any type of legislation  
18 issued by a government body, but it's controlling  
19 what somebody can charge, you have to sit back and I  
20 think anybody in any industry should be looking at  
21 this. When I went to get a divorce and I spoke with  
22 multiple attorneys, everybody had a different fee,  
23 and if were to choose a specific attorney and go with  
24 that attorney, I would have to pay what that attorney  
25 was charging. There is no legislation out there that

2 says an attorney should be charging this or for  
3 example, I pay \$1,500 a month for health insurance.  
4 Nobody is capping what my doctors are charging or  
5 anything like that. You know, when you're looking at  
6 anything that's going to—that's going to introduce  
7 any type of legislation that controls what we're  
8 charging, it makes me sit back and up, sit up and say  
9 wait a minute, the government at this point is  
10 overreaching. We do have an affordability issue, but  
11 there are other things that we have to be looking at.  
12 If you're looking at a \$1.3 million property in  
13 Brooklyn versus a \$1.3 million property in Queens—I'm  
14 using that as examples because of their high property  
15 values. The \$1.3 million property in Queens will  
16 probably pay about \$14,000 a year in taxes whereas  
17 the one in Brooklyn will probably be paying about  
18 \$6,000 a year in taxes. There's a huge disparity in  
19 property taxes. Whenever you're filing anything with  
20 the Department—with the Department of Buildings or if  
21 they do anything, the cost to do any type of business  
22 in the city is astronomical. You know, maybe we  
23 should look at options that if somebody is in housing  
24 instead of getting—instead of doing your rental  
25 vouchers, maybe what we should be doing is turning

2 those houses into condos, and allowing them to  
3 purchase into it. We have to start working on ways  
4 on ways to create—to teach people how to have  
5 generational wealth because we're lacking in that  
6 department. Instead we want to fields like we want  
7 to keep people as tenants and keep them in a rat  
8 race, and what we really should be doing is educating  
9 our children on financial and—and people that are in  
10 the housing because they go through generations.  
11 Let's create a program where they're—we're actually  
12 helping them buy into something for \$100,000. They  
13 get a, you know, and their voucher could go toward  
14 it, and if after 10 years they move or whatever, they  
15 created something that they can pass on to their  
16 family. There have to be other things for affordable  
17 housing, but we're not doing it here, and instead of  
18 having a New York City tax, why don't we take that  
19 away and have a commuter tax because everybody says I  
20 hate being penalized for living and working in New  
21 York City. It's not fair. You know, what--we are  
22 constantly just imposing taxes on our residents, and  
23 that's and that all affects affordability, which is  
24 the reason why I'm saying that, but any type of  
25 legislation, the caps are discussed if there's



2 anything that any free market industry is charging.

3 We should—every—any type of business out there should  
4 be looking at this and be concerned because then the  
5 reality is whose coming next.

6 COUNCIL MEMBER POWERS: Thank you, and  
7 Melissa, I'm still hearing you.

8 MELISSA GANNA: Very good. [laughter]

9 IRENE GUANILL: I'm Irene Guanill from  
10 the Bronx and I represent the Hudson Gateway  
11 Association of Realtors. I'm the 2019 Treasurer I  
12 appreciate the industry's conversation, and thank you  
13 all for your time. The discussion to getting to this  
14 level it's looks and feels like we should have had  
15 more conversations before this, before it got to the  
16 level of the bill. Just today, as I'm not in the  
17 field a tenant wants access to an apartment, two  
18 weeks rent free, a past landlord called to say the  
19 tenant is not paying for the rent. That tenant was  
20 place six years ago. I have to fix that problem.  
21 So, whatever I got paid will cover the payment for  
22 that service. Another tenant yelled at that the  
23 Bronx Works Council that I work with because I work  
24 with domestic violence parents, mothers. She wants  
25 him to do the inspection so I offered to pick him,

2 up, drive him to the property as I have done in the  
3 past. Another tenant did not have the commission or  
4 security. She asked for the monthly payment that she  
5 wants. I allowed her to do it. I'm still waiting  
6 to get paid. Landlords who pay fees or tenants fees  
7 and then it will go back onto the tenant.  
8 Transparency in fees we all want that. Tenant  
9 screening, everything has a fee. I'm not charging  
10 any more than anyone else what the fees costs me to  
11 pay, and many times if they come with their own  
12 credit report, background check and the landlord  
13 accepts them, the I don't have to charge that fee.  
14 For us to have to think twice about what services  
15 we're going to provide, I would do less rental and  
16 just get out of that market. Thank you for your  
17 time.

18 CHAIRPERSON CORNEGY: Thank you.

19 PHILLIP JOHNSON: Hi, my name is Phillip  
20 Johnson, and I have a title here as a licensed real  
21 estate agent. So, thank you for letting speak today.  
22 This proposal if passed will inhibit working class  
23 New Yorkers from earning enough money to pay their  
24 rent, their grocery bills and their childcare costs.  
25 I urge you to find a more effective way to lower

2 housing costs in New York perhaps by building  
3 affordable housing or increasing rental subsidies for  
4 tenants. As someone who represents landlords from  
5 time to time, this misguided bill will measurably  
6 damage my financial ability to take care of myself.  
7 Although Mr. Powers believes that landlords will just  
8 pay me the difference between what I sometimes  
9 collect from a tenant, that is not true. So, last  
10 year my real estate commissions totaled \$31,000.  
11 That's before any of my expenses. So, I know that's—  
12 compared to your salaries of \$148,500 a year, that  
13 you recently increased from \$113,000 just three years  
14 ago, but from that \$31,000, I'm able to pay my rent  
15 for my one room in Downtown Manhattan and I'm able to  
16 pay for health insurance and not rely on any  
17 government programs. I'm very proud of that that I'm  
18 independent. [cheers] So, working on commission  
19 means that none of my monthly income is guaranteed. I  
20 have to pay out of pocket for health insurance. I  
21 don't get vacation days that are paid, I don't get  
22 sick days that are paid, and I don't get the luxury  
23 of having paternity or maternity leave like many  
24 people in New York will have in the future. So,  
25 nevertheless, with this bill Council Member Powers

2 and his colleagues will reduce my income below the  
3 Federal Poverty Line and even New York City's new  
4 Minimum Wage Law. Many of you identify as  
5 progressive politicians. I'm a progressive myself.  
6 However, you will not solve our affordable housing  
7 crisis by placing that burden solely on the backs of  
8 working class New Yorkers. So, regulating your cap  
9 on broker commissions is a destructive government  
10 overreach, and begs the question of what comes next.  
11 Will you tells a family owned corner grocery store  
12 how much they can charge for a carton on milk, right.  
13 Obviously, if a store is charging too much money,  
14 consumers will bring their business elsewhere. Let's  
15 be honest and we agree—we disagree about this,  
16 Council Member Powers. As of this morning, about 49%  
17 of rental listings listed on Streeteasy were no-fee.  
18 People have a choice. A tenant this week came to one  
19 of my listing directly and paid me a 15% fee. There  
20 are many other listings in the neighborhood that he  
21 could have chosen to go to and he still chose my  
22 listing and to pay me the fee. So, obviously unless  
23 he's an illogical actor, he sees some value in the  
24 listing and in my services. Unless you think, Council  
25 Member Powers that all people who pay these fees are

2 illogical, which I'm quite concerned with that idea,  
3 then your-there's plenty of choice in the market.  
4 [bell] So, and then as we've seen this month  
5 landlords are under immense pressure to pay it for  
6 all types of costs already. So, in a situation one  
7 if the landlord does pay the fee to us Council Member  
8 Powers didn't even choose to engage with that very  
9 beautiful poster board about how that will cost  
10 tenants more in the long run, and situation two, if  
11 they don't pay our fee, you're lowering my income and  
12 you're hurting me. In situation one you hurt tenants  
13 because their rents go up. In situation two, you  
14 hurt hardworking middle-class New Yorkers because we  
15 may get evicted. So, when I have my eviction notice,  
16 I'll be coming to see you guys. Thank you so much.  
17 [cheers/applause]

18 COUNCIL MEMBER POWERS: Thank you. I  
19 just want to note milk prices are regulated by the  
20 state I believe.

21 PHILLIP JOHNSON: Well, one example as  
22 you're bringing that up, but a box of cereal with  
23 respect.

24 CHAIRPERSON CORNEGY: Thank you for your  
25 testimony. We're going to call the next panel

1 COMMITTEE ON HOUSING AND BUILDINGS 174

2 beginning with Jacques Abram, Marcia Clark, Christina  
3 Lee Stevens, Angelo Pappalardo, Pappalardo, Maurice  
4 Owen Mashan. [background comments/pause] Ms.  
5 Jolinda Ruth Cojen. Sort of like the lottery. Come  
6 on down. [laughter] I want to thank all of you for  
7 your patience and waiting to testify. Your voices are  
8 very important to hear. So, thank you for your  
9 patience again. So, do we have Maurice, Angela.

10 MALE SPEAKER: Angela.

11 CHAIRPERSON CORNEGY: No.

12 MALE SPEAKER: Angela.

13 ANGELA POPPALARDO: Angela.

14 CHAIRPERSON CORNEGY: I'm sorry, Angela.

15 [background comment]

16 MALE SPEAKER: Alright, I'll take it.

17 CHAIRPERSON CORNEGY: Christina Lay

18 Stevens?

19 CHRISTINA LAY STEVENS: Yes.

20 CHAIRPERSON CORNEGY: Marissa Clark.

21 MARCIA CLARK: Marcia Clark. It's okay.

22 CHAIRPERSON CORNEGY: I'm getting tired.

23 [laughter]

24 MALE SPEAKER: You're doing a good job.

25

2 CHAIRPERSON CORNEGY: Jacques Amram,  
3 Brian Horrigan. [cheers/applause] [laughter] Brian  
4 is very popular. [laughter] Okay. So, I-I ask that  
5 you identify yourself before you begin your  
6 testimony, and you can begin when you're ready.

7 FEMALE SPEAKER: Okay.

8 CHAIRPERSON CORNEGY: Yes, ma'am.

9 JOLINDA RUTH COGEN: Grace and peace  
10 everyone. Life is a fight for territory, and once  
11 you stop fighting for what you want, what you don't  
12 want will automatically take over per my mentor Les  
13 Brown. Let me just give you the who, what, when  
14 where, why and how. Who, I'm the Honorable Jolinda  
15 Ruth Cogen, licensed real estate broker with Douglas  
16 Elmer Real Estate and a community advocate. I'm a  
17 listing agent. If anyone wants a listing, I'm the  
18 person to pick. I'm a 63-year-old senior  
19 entrepreneur, minority woman, business enterprise  
20 owner. I use my God given gifts, talents and ability  
21 at the highest level to help people solve their real  
22 estate problems so that they can be more, do more,  
23 have more and give more. I primarily work at home in  
24 the Boogie Down Bronx, do or die Bed-Stuy and Crown  
25 Heights where I was born and raise.

2 CHAIRPERSON CORNEGY: I do have to remind  
3 you that it is now do or dine Bed-Stuy.

4 JOLINDA RUTH COGEN: [laughter] So, at 63  
5 years old it's do or die. [laughter] I am compensated  
6 for my contribution. My stuff is good. What this  
7 Bill 1423 is, is government attempting to rob and  
8 regulate licensed professionals without probable  
9 cause or a government contract. If you cut my income  
10 by 45%, you put me and other professions who work  
11 with me like lawyers out of business. When—when  
12 tenants seek apartments maybe three to five times in  
13 their lifetimes, they're free to go anywhere.  
14 They're free to choose an agent or not, they pay the  
15 fee for my expertise, the good stuff. My fee is not  
16 three to five times in our lifetime. It is everyday  
17 in our lifetime, it's my livelihood. If the landlord  
18 wants to pass on the fee costs to the tenant, that's  
19 their business. You don't chastise Macy's for  
20 charging handling fees, do you? [applause] Where?  
21 You did not do, City Council, your due diligence like  
22 you were supposed to. I'm—I'm ashamed of you. Okay,  
23 and I rebuke you in the name of Jesus. Now, City  
24 Council, I'm not going to leave you just with a  
25 rebuke. I'm going to give you the opportunity. I



2 forgive you, and you can fix it. Step up to your  
3 master and trash this cap. Drop the mic. [cheers]  
4 [laughter]

5 CHAIRPERSON CORNEGY: Okay. [applause]  
6 Thank you. Harlem is definitely in the house.  
7 [applause/laughter] [background comments]

8 BRIAN HARGAN: I can't follow that, and  
9 it's far too personalized. Good afternoon. My name  
10 is Brian Hargan. I'm the Director of Professional  
11 Development for Buy New York, and as the Director of  
12 Professional Development, I am one of the first  
13 people that new agents meet when they join our firm,  
14 and one of the first questions I posed to them is why  
15 are you making a career change, and what are your  
16 goals in real estate? I always listen closely to  
17 their answers, which range from an interest in New  
18 York architecture and buildings to a sincere desire  
19 to simply help folks find their ideal new home, and  
20 settle into more easily and efficiently than they  
21 otherwise would. These new recruits come from  
22 different background and industries as diverse as our  
23 city itself. There are sometimes young people who are  
24 new to New York, and have big dreams of starting a  
25 new life in the Big Apple. Others come to the end of

2 the road in their previous career, but are not yet  
3 ready or financially able to retire just yet. I met  
4 actors, school teachers, Armed Services veterans,  
5 stay-at-home moms, social workers and graduate  
6 students. I've seen former attorneys and formerly  
7 undocumented first generation immigrants walk through  
8 our doors, all with a share sense of optimism for the  
9 opportunities, which their new professional real  
10 estate endeavors might afford them. Indeed, when  
11 discussing our profession with a colleague recently,  
12 she remarked that ours might be one of the few  
13 industries left New York where the American Dream of  
14 hard work, discipline, dedication and service on  
15 behalf of your constituency clients determines your  
16 level of success, as opposed to family connections,  
17 favors or fancy degrees from elite universities. I  
18 warn new agents that our professional journey is a  
19 marathon and not a sprint, and real estate is more of  
20 a lifestyle than a job. We work early mornings, late  
21 nights, weekends and holidays without the benefits of  
22 a salary, health insurance or paid vacations from the  
23 office at home, on our phones and sometimes from  
24 across the country we do what we need to do to  
25 produce the results for our satisfied clients, and to

2 build our business. We should all—we shoulder all  
3 the risks of upfront marketing costs without any  
4 guarantee of a successful conclusion or return on our  
5 investment. In fact, we often do everything right,  
6 but because of circumstances beyond our control a  
7 deal doesn't close or the desired outcome isn't  
8 achieved, and our efforts and services go completely  
9 uncompensated. [bell] Other times due to challenging  
10 market conditions and inflexible landlord or perhaps  
11 financially unqualified applicants, it's only because  
12 of the skill, knowledge and creative solutions  
13 offered by the agent that a deal does close, and our  
14 clients recognize their agent's integral role in not  
15 just facilitating, but creating a housing opportunity  
16 for them, which would otherwise not have existed.  
17 Unfortunately, if this bill passes, the folks who  
18 will be most affected by this legislation will be the  
19 quintessential professionals who have put in the  
20 time, effort, energy and dedication to learn their  
21 craft and earn consumers' trust over the years.  
22 Without financial incentive to grow a sustainable  
23 business or support their family, the most talented  
24 members of our team will be forced to find other  
25 means of employment, and only those who can't get

2 hired elsewhere or refuse to work hard in other  
3 pursuits will be left behind. Consumers' choice  
4 would suffer, and the elevated level of healthy  
5 competition, which exists now would disappear. To be  
6 unequivocally clear, if this bill passes, public  
7 access to helpful, skillful counsel, and the  
8 professional knowledge of how to access affordable  
9 housing opportunities for New York's most vulnerable  
10 populations of tenants would be vastly diminished,  
11 potentially to the point of a brand new City Council  
12 created housing crisis. Let's not punish consumers  
13 not diminish a talented pool of affordable housing  
14 real estate professionals by limiting their income.  
15 Instead, let's create the most honest, integrity  
16 driven real estate community in the nation right here  
17 in New York through education, oversight, regulation,  
18 transparency, and disclosure so that the good work  
19 that those of us in this room are doing can be  
20 acknowledged and rewarded. Thank you.

21 CHRISTINA LEE STEVENS: Good afternoon.  
22 My name Christina Lee Stevens. I'm a proud realtor.  
23 I belong to the National Association of Realtors who  
24 make sure that we adhere to the Code of Ethics. So,  
25 we have no intention of being the bad guy. I am also

2 a member of the New York State Association of  
3 Realtors. I'm a member of my local Association and  
4 the immediate past president. When Councilwoman Inez  
5 Dickens was speaking, I held back a lot of tears.  
6 She spoke on my behalf. So, now let me tell you a  
7 personal story. Let me walk you through my journey.  
8 I am a real estate broker for over 25 years. I came  
9 into the industry because I love serving people. I  
10 was working in an insurance company, and I saw a  
11 broker. I did not understand why she was always  
12 wearing a green suit, and when she walked in, she  
13 said today is payday. I've been waiting for six  
14 months. So, she understandably obtained that one  
15 commission. So, I became a realtor. I teach real  
16 estate because I have to use that money to pay my  
17 bills, the bills that would allow me to be a realtor  
18 or else. I would not be able to be a realtor. I do  
19 own my own company for over most likely 22 years. I  
20 use that money to place in my children's education  
21 and then it became difficult. A couple of years ago  
22 my income was so bad that I had to get another job in  
23 the hospital just to pay my real estate office bills,  
24 pay my real estate landlord, and also send my son to  
25 high school. After that, my husband decided he was

2 not going seek care for me at all. He was just going  
3 to let me stay open and be there. (sic) My son was  
4 into college. Unfortunately, he had to come back  
5 home. We could not pay his fee. I said to him, go  
6 to real estate school. You will do better than me.  
7 Go to Manhattan. It might be better. So, I was not  
8 able to license my son. He had to work for another  
9 group. My son and his first year made \$2,000. His  
10 second year he made \$600. Now he's depressed. So,  
11 now we have to find a way to send him back to school.  
12 My income last year \$56,000. My expenses, \$51,000.  
13 Figure my income. My husband every day I look at  
14 him, and he tells me I don't know how long I will let  
15 you stay in real estate. Capping my fees would not  
16 be a good thing. For me, I do not charge what you're  
17 talk about. That's history to me. No landlord have  
18 ever paid me. I struggle to find listings. When I  
19 do meet my clients, I disclose. They're fully aware  
20 of what's coming. Now, when I'm lucky, I work for  
21 the city, the city will give me 15%. Now, that's a  
22 great day in my office because we don't know when  
23 it's going to come again. Thank you for your time. I  
24 know that your--your concerns are great, but you  
25 should have really consented with the little people

2 in the Boogie Down Bronx, the small, small real  
3 estate broker suffering like I am. Thank you.  
4 [background comments.

5           MARCIA CLARK: [off mic] Good afternoon,  
6 Chair. Thank you. [on mic] Good afternoon, Chair  
7 Cornegy and City Council Members. My name is Marcia  
8 Clark, a proud member of the Brooklyn Board of  
9 Realtors, and New York State Association of Realtors  
10 practicing in Brooklyn since 1984, and as a real  
11 estate broker since 1990. Reminder that the term  
12 'realtor' is a registered trademark, not a generic  
13 catchall moniker. It identifies real estate  
14 professional who subscribe to a strict code of ethics  
15 as a member of the National Association of Realtors.  
16 Regarding Proposed Introduction No. 1423-A, this  
17 legislation's goal is lowering rental costs in New  
18 York City. I understand that government officials  
19 want to address the housing affordability problems  
20 here, and we should all be actively engaged in that  
21 end. However, this legislation targets the very  
22 individuals that help navigate the complexity of our  
23 housing market. In general, the laws of supply and  
24 demand dictate the cost of services. Caps on fees  
25 are misguided, and counter productive as it may have

2 licensed professionals reconsider their business  
3 model, which may impact the very applicants that are  
4 most in need of our assistance. Realize that agents  
5 are not salaried, expenses are fixed and home sale  
6 commissions are a windfall when they do come. So,  
7 rentals keep most licensed professionals afloat.  
8 Many of our residents choose to use services of real-  
9 of a real estate professional in their search for  
10 rental housing. Due to multiple jobs, limited time  
11 and resources, inconvenient living situations, and  
12 juggling family life, our-our assistance in their  
13 lives is the third leg on their stool. [bell] Having  
14 had an office in East Flatbush and now in Flatbush  
15 where those communities have gone a lot or gone  
16 through a lot of recent change, residential parcels  
17 have sprouted multi-family residences, and their  
18 former occupants cannot afford to live in many units  
19 that are now there. Typically, new building  
20 developers and owners offer no-fee incentives to  
21 attract and fill those units and/or have their own  
22 staff to oversee this process. Therefore,  
23 traditional real estate professionals are not needed.  
24 In co-op and condo buildings, these services are  
25 performed by salaried staff with their sheep of



2 forms, rules and fees so we are not needed there  
3 either. Many tenant applicants that call or come  
4 into my Flatbush Office have a myriad of city  
5 assistance programs, which already provided-provides  
6 incentives for brokers to assist them, and in turn,  
7 owners to consider them. This bill would run  
8 contrary to that aim of finding housing in an already  
9 impossible environment. On behalf of the hundreds of  
10 thousands of real estate professionals throughout New  
11 York State, thank you for the opportunity to be heard  
12 today.

13 ANGELO PAPPALARDO: Good afternoon, City  
14 Council Members, and thank you for giving your time  
15 this afternoon, and allowing us to speak. My name is  
16 Angelo Pappalardo, and I'm here as the President-  
17 Elect of the Staten Island Board of Realtors, a  
18 licensed real estate broker with a small real estate  
19 brokerage, which primarily operates in Staten Island  
20 representing both property owners, purchasers,  
21 landlords and tenants. I've had a license for over  
22 18 years, and advocate for all of these laws myself.  
23 I sit on the Ethics and Professional Standards  
24 Committee on our organization and have for a number  
25 of years, and fully behind supporting ethics and

1 transparency. I would like to thank you again for  
2 allowing us the opportunity to speak. I'm generally  
3 against Proposed Bills 1423, 1424, 1431, 1433 and  
4 1499. First, I would like-like to talk about 1423.  
5 Capping commissions is an assault on a free market  
6 and the ability to earn a living in real estate. As  
7 all other expenses continue to rise in this city,  
8 putting a cap on what I and may other license holders  
9 can earn without capping the expenses that really  
10 impact running a business in New York City seems  
11 counterintuitive. If my expenses continue to rise, I  
12 may have to increase my fee. I've helped a number of  
13 tenants and landlords. Plenty of times both  
14 landlords and tenants have successfully negotiated a  
15 fee without any such law in effect. Next, the  
16 enforcement of said is under 1423. In my experience,  
17 HPD is barely equipped to handle their current  
18 obligations. The language in the bill requires no one  
19 (sic) to establish a violation and who-and who  
20 carries the burden of proof? It is does not give an  
21 impartial precede--procedure to accurately determine  
22 whether someone is at fault. I've also had the  
23 pleasure of dealing with OATH as an advocate. There  
24 are no rules of evidence, and unfortunately usually  
25

2 guilty until proven innocent is the running rule.

3 Secondly, as any independent Council—as with any

4 independent counsel or legal team or has any legal

5 independent counsel or legal team address the

6 investigation, one investigated the constitutionality

7 of mandating these bills. Such limitations imposed

8 in these bills would—would be considered anti-trust

9 and unconstitutional if—if discussed by any other

10 organization. Under 1424, security deposits.

11 Limitations on securities--on security deposits will

12 adverse affect those who many not meet the sum—some

13 credit or income standards that landlords set. I have

14 seen tenants with lower credit scores secure housing

15 by means of putting more money down as security,

16 which convinces a landlord to accept said tenant.

17 Again, thank you for your time.

18 CHAIRPERSON CORNEGY: Thank you for your—

19 for your testimony. We're going to call the next

20 panel.

21 ANGELO PAPPALARDO: Thank you.

22 FEMALE SPEAKER: Thank you.

23 CHAIRPERSON CORNEGY: Starting with

24 August Lee, Jeffrey Medford, Nancy Elton, Robert

25 Breaks. [background comments/pause] Well, let me

2 just call those names again. Robert Breaks, it looks  
3 like or Brooks, Nancy Elton, Jeffrey Medford, Gus  
4 Wade. [background comments] Okay, okay, then. This  
5 looks like Madden Richen-Richenson, last name  
6 Richardson, Thomas Salzano, Thomas Salzano? Tasha  
7 Trice. [background comments/pause] Will Shabat,  
8 Steve Marril Cena. Thank you. I just ask you to  
9 identify yourself before you begin your testimony and  
10 you can begin when you're ready.

11 TASHA TRICE: Okay. Do I press this?  
12 Oh, I'm on already. Okay, [coughs] good evening  
13 [pause] everyone. [laughs]

14 CHAIRPERSON CORNEGY: That was actually  
15 fair as-as bad as I've butchered some of your names,  
16 that was fair.

17 TASHA TRICE: My name is Tasha Trice, and  
18 I am a licensed real estate salesperson here in New  
19 York City, and I have been licensed for the last 12  
20 years. I'm here in opposition of Intro 1423-A. As a  
21 single mother who is currently raising a young man  
22 who I'm putting through college, born and raised in  
23 Harlem who according to the world being born too a  
24 black mother, black single mother would be considered  
25 a statistic according to society. With the salary

2 that I earn from real estate I actually am putting my  
3 son through college. He attends Johnson and Wales  
4 University in Rhode Island. I've had to actually  
5 pull him out of school on a number of occasions  
6 because I wasn't able to actually make ends meet. I  
7 say to the Council Members and the committee, if you  
8 decide to place a cap, and I understand that  
9 Councilman Powers states that it's not a cap. If you  
10 put the onus on the landlords to care for our  
11 commission, that will not only hinder women like  
12 myself from caring for her—her family and children,  
13 it will potentially push other young men of color  
14 into situations where they will be statistics because  
15 they don't have parents who can afford to help them  
16 with this, and I'm sure that you don't want to have  
17 these young men [bell] and/or women running the  
18 streets from a lawless state. I'll—I'll finish up  
19 very quickly. The average—a tenant must earn 40  
20 times the month rent in order to afford an apartment  
21 here in New York City. So, with—let's just use the  
22 example of \$200,00 a month. Forty times the rent a  
23 tenant has to earn 80 times the rent in order to  
24 afford an apartment here in New York City. Now, with  
25 the average real estate commissions being of the

2 rent—the average real estate salary being between  
3 \$50,000 and let's just say \$65,000 a year, my-my  
4 tenants, my clients earn more money than I do. Let's  
5 be honest. They also have money in the bank than I  
6 do. I also understand that this is a choice that I've  
7 made, but this is my third career as someone else has  
8 said—has stated. I'm a woman of a certain age. So,  
9 this is my third career. The caps are not a good—  
10 it's—it's not a good fit, and the woman—as Ms.  
11 Jolinda said, you guys did not do your due diligence.  
12 You just basically just, you know, took a few  
13 complaints, you rant with the ball because you wanted  
14 to satisfy, and this is with all due respect, you  
15 wanted to make someone happy. Well, by singing off  
16 on this bill, not only will you make those happy, but  
17 I'm going to end up Legal Aid Society of the woman  
18 who said that she fights—that she fights for  
19 homelessness. Now, if we're here to help and to fix  
20 the homeless problem, if you put a cap on our  
21 commissions, then you will be adding to that. We  
22 will all potentially become homeless, and you'll have  
23 another issue on your hands. So, I think you for  
24 your time, and humbly ask that you reconsider this.  
25 I thank you.

2 CHAIRPERSON CORNEGY: Thank you for your  
3 testimony.

4 COLIN MEDFORD: [off mic] Hi. Is this on?  
5 Okay. Hi, my name is Colin Medford. [background  
6 comments] You can't hear? [on mic] Can you hear me  
7 now? Great. Thanks, Les. Alright, I'm here with  
8 Citywide Apartments. I'm going to be speaking on  
9 behalf of my boss who was not able to get in today. A  
10 lot of what has been said that—a lot has already been  
11 touched on, kind of the points that I want to make.  
12 So, it's been a long day. I'll try to make this  
13 brief, alright? Alright, my name is Michael Jacobs,  
14 the founder and owner of a boutique brokerage with  
15 approximately 20 agents. I spent 15 years building  
16 Citywide Apartments. My brokerage will potentially  
17 go out of business if bill 1423 is passed. Needless  
18 to say, this will have a massive negative impact on  
19 my life and those of all the agents that work with  
20 me. I was very lucky enough to have a chance to  
21 speak with Austin Branford earlier this week. Based  
22 on my conversation with him, the stated goal the bill  
23 1423 is attempting to achieve is to lower upfront  
24 cost for renters in New York City. While on the face  
25 this seems like an noble cause, in reality this bill

2 will do little to affect upfront cost for those who  
3 are in most need of assistance. Rather, the result  
4 will more likely be that a small percentage of  
5 potential renters will benefit from reduced upfront  
6 cost while many more will be forced to deal with all  
7 the unintended adverse consequences of this bill.

8 The overwhelming majority of those who paid broker  
9 fees need and want the services that a broker  
10 provides and are happy to pay the resulting fees.

11 For all the renters who do seek out a broker and need  
12 their assistance in locating an apartment the  
13 following four bad things will happen if this bill is  
14 passed. (1) The level of service, [bell] time and  
15 effort and energy a broker can devote to any single  
16 client will drop dramatically. Rents will go up if  
17 brokers are unable to charge—are unable to charge  
18 market rate fees on apartments that. Landlords will  
19 be able to rent these units more easily, and will  
20 receive multiple applications for apartments, which  
21 will 100% drive by himself. [bell] Unethical  
22 business practices will increase. Rental agents will  
23 have a much larger incentive to do side deals with  
24 clients who are willing to pay higher fees, which  
25 will both hurt the brokerage they work for, and all



2 prospective renters. And then finally, top performers  
3 and best in class will seek alternative means of  
4 employment. Those who are best at helping clients  
5 find apartments that meet all their criteria  
6 regarding price size, vocation, et cetera and those  
7 that charge the highest fees. If a top performer  
8 cannot charge market rate fees, they will leave the  
9 industry, which will negatively impact the level of  
10 service to renters. Thank you for your time.

11 NANCY ELTON: [coughs] Hi. My name is  
12 Nancy Elton. I am a licensed real estate salesperson.  
13 I work with Anchor Associates, and I'm going to try  
14 and speak quickly. Bear with me. I am like a lot of  
15 people here today that didn't intend to speak, but  
16 was very inspired and feel very passionate about the  
17 topic, and feel that I needed to communicate with  
18 you, and I appreciate the--the intentions, and I  
19 appreciate the level of--of real honest listening that  
20 we've received to day. So, thank you for that. One  
21 of the things that--that I want to start out by saying  
22 is that I don't think there's a single person that  
23 has been here today that doesn't believe that people  
24 are entitled to affordable housing. We think it's a  
25 problem. It's an issue. We--we don't think anyone,

2 you know, should have to be homeless. We don't think  
3 anyone should have to be taken advantage of by-by a  
4 real estate agent or a management company or anyone  
5 else. We believe in doing good, excellent work for  
6 out clients. A question was asked by the chairman  
7 earlier that I found interesting. You were asking  
8 about 30, you know, if people were--the rent--the  
9 phrase that you used was 'rent burdened' where they  
10 had to pay over 30% of their income in rent. If that  
11 is the threshold, we are rent burdened. We--we are  
12 New York City residents. We pay taxes, we contribute  
13 to New York City commerce, we, too are tenants, and I  
14 can tell you that I will lose my rent stabilized  
15 apartment if--should this go through because I will  
16 not be able to pay the rent. So, it's unfortunate,  
17 but I do believe that there has been insufficient  
18 education on the issue. We would like to help you.  
19 We are happy to educate you. Any of our function  
20 (sic) would welcome you to speak with us, come to our  
21 brokerage firms, meet with our brokers because I  
22 don't think you're aware of--of the process of the  
23 dedication, of the knowledge, and the continuing  
24 education that we go through to provide excellent  
25 service and value. [bell] With all due respect,

2 this legislation is rife with unintended  
3 consequences. You are targeting the wrong entities.  
4 It has an unexpected, unintended effect on our  
5 finances, our tax income to the city and I certainly  
6 hope that this isn't being used as stand-by  
7 legislation to create optics with voters. If-if true  
8 results are desired, then we need to have a different  
9 approach, and we want to help you with this. We are  
10 not the 1% of 1% that you see on TV. We are  
11 entrepreneurs. We are all managing our own  
12 businesses. Our income is 100% commission. We have  
13 no guarantee of income. I'm sure many of us have  
14 worked for two days to two weeks with clients that  
15 have not transpired into anything. There—regardless  
16 of the amount of work, no sick day, no family leave,  
17 no health insurance. I'm right now paying close to  
18 \$1,200 a month in insurance fees because I need a hip  
19 replacement. My hip has been broken for three years.  
20 I've been walking on it, and with insurance  
21 challenges, not your problem and not ours here today,  
22 but there are all sorts of issues with that, and I  
23 have to pay that to be able to get to the hospital  
24 and doctors that I need. But I also haven't been  
25 able to get it done because my ability to work and

2 income is reduced because of my injury and at the  
3 same time I can't bank enough money that will allow  
4 me to take the four to eight weeks off of recovery  
5 time needed because I won't be able to work during  
6 that period of time. Real estate is the most  
7 democratic profession that this city offers. People  
8 of any background, any level of educate-education---  
9 [weeping] Pardon the passion, sorry--any country of  
10 origin, any age, any sexual orientation can with hard  
11 work come and be successful in real estate. Why  
12 limit the opportunities for people to come in and  
13 pull themselves up by their bootstraps and have an  
14 O'Neill's from day one to come in with hard work and  
15 determination to earn a living and be a contributing  
16 taxpayer to this city. Council Member Powers, I  
17 think it's been raised so the ridiculous fees that  
18 you mentioned in terms of move-in fees and move-out  
19 fees and-and application fees and everything else,  
20 those will lead to collapse, and we-we have said and  
21 I believe Jeff mentioned as well those fees, and  
22 those are mostly what you see on Streeteasy. They're  
23 either directly from landlords and large management  
24 companies or they're co-ops and condos. So, that  
25 particular search engine that you're looking at has a

2 high concentration of that. That's why you're seeing  
3 it, and all of those fees are determined by the co-  
4 ops themselves, and the managing agent. Those are  
5 the people that I really encourage you to look at and  
6 to see where that can be regulated because a lot of  
7 the managing agencies and co-op fees, we can't even  
8 fully explain to our clients. They don't make sense.  
9 So, we would—we would welcome your investigation into  
10 those fees. In terms of affordable housing, we do  
11 need affordable housing. We also need to redefine  
12 what that is where affordable studios in somebody 421  
13 buildings aren't \$3,000 studios. That's not helping  
14 your people either. We want to see affordable housing  
15 in this city for people of low-income, or people that  
16 are hardworking people who work 24 hours a day, 7  
17 days a week. I'm emailing people at 11:30 last night  
18 have the ability to earn a living wage. I really was  
19 jealous of the people that earned \$15 an hour when  
20 that increase went through because there have been  
21 many times where I haven't earned that. I've had to  
22 live on \$1.99 eggs from Walgreens and 19 cent bananas  
23 from Trader Joe's. Also, I came to this industry  
24 after a successful career in Corporate America. I  
25 worked as a Human Resources Executive for investment

2 banks, but after the 2008 crisis when there many  
3 layoffs and I was one of those people that was  
4 helping as an agent of as layoff, laying off people  
5 not something that I was proud, but that was my job  
6 to do. I did it with integrity, which was the only  
7 way that I felt that I could do it, but I am—was a  
8 woman well over 40 at the time and with tremendous  
9 skill. I was not able to get job at half my previous  
10 salary because no one would hire me. They didn't  
11 believe that I would welcome the opportunity to have  
12 a job at a lower salary, and people do not hire even  
13 Human Resources is the worst offender, and we all  
14 know that regardless of it being legal, there's  
15 tremendous age discrimination and Human Resources is  
16 just like everyone else, and I was not able to get a  
17 job in my chosen profession. So, real estate found  
18 me. I didn't find real estate, but I am proud to be a  
19 member of this community where we do excellent work  
20 for our clients where I also do this job at age 57  
21 and know that I can do this for the rest of my life.  
22 It is not a limiting opportunity. So, where—this is  
23 the most democratic of professions where people can—  
24 can earn a living, provide to our community. I don't  
25 understand why we're targeted. CPAs are not required

2 to charge only one amount to do a tax return. They  
3 can charge anything. I can be \$140, it can be  
4 \$4,000. Attorneys-attorneys are not required to  
5 charge the same exact fee for the same service. You  
6 know, for the same representation. If that were  
7 true, then every single person should be represented  
8 by a public defender and there should, you know, and  
9 have, you know, equa-equanimity across the board.  
10 Why are you doing it to a profession where people we-  
11 we work hard, we come to this, many of us come after  
12 first and second careers. We want to do good work.  
13 We are people that want to do good work for our  
14 clients. We work with honesty, integrity. We  
15 believe in transparency. We support you in that, and  
16 as I said, let's figure out how to do that the  
17 Department of State requirement where we have to  
18 disclose to people [bell] whether or not we are  
19 working for the landlord or working for the tenant.  
20 I believe in that. I am proud to be able to tell  
21 people that. I tell them it's because there has been  
22 confusion in the past as to who you're representing  
23 in the market. We want you to know, we want to be  
24 transparent, and I am sure I am like many, many  
25 agents here who already offer clients a one-month fee

2 because it's much better to get one month's fee that  
3 100% of nothing. [bell] Alright. So, we are already  
4 doing that to have that flexibility and negotiation  
5 opportunity is essential. I'm—I'm wrapping up, Mr.  
6 Chairman. I'm sorry and--

7 CHAIRPERSON CORNEGY: No, I feel your  
8 passion.

9 NANCY ELTON: --Yeah and I--and I just  
10 want to let you know that we--we--we do want to work  
11 with clients and negotiate with them. We are not the  
12 people that your legislation is targeting. We want  
13 those bad actors out of--out of our industry. We want  
14 to show our--our license, we want to show our REBNY  
15 card, we want to do good work, and have excellence,  
16 and that's why most of us that are making enough  
17 money are doing it because we get referral business  
18 from the clients who are--have been proud to pay our  
19 fees, and are happy to introduce other people to us.  
20 Thank you so much for your time. I appreciate it.

21 CHAIRPERSON CORNEGY: Thank you, and just  
22 on the record, thank you for representing us over 50  
23 folks so well. [laughter]

24 NANCY ELTON: Thank you. [background  
25 comments] [laughter]



2 GUS WADE: Hi. My name is Gus Wade. I'm  
3 a licensed real estate salesperson, and I want to  
4 first say I appreciate your guys' patients. I know  
5 it's sitting up there and listening, and I really  
6 feel listened to and that's a real that's been lost.  
7 I think in politics is the art of listening. So  
8 thank you for that, and I also want to thank the  
9 folks who showed who are advocating for homeless  
10 people, broke people, people who are struggling to  
11 get into housing, and I would say all of us without a  
12 doubt support those efforts to make that happen. The  
13 challenge is and listen, I love—I got—I got to just  
14 tell you, I love New York. I got of the train in  
15 1974. I had a crazy uncle who had a Haagen Dazs Ice  
16 Cream store in Christopher and Bleeker. I was a  
17 blonde headed, blue eyed kid from Connecticut. My  
18 first person I met in New York was a 6 foot 6 drag  
19 queen on roller skates and in a Fairy God Mother  
20 outfit, and-and I said I got to move there, man.  
21 This is my town, and I got out of high school and  
22 moved here to become an actor, and-and, you know, I  
23 wish back then, and I found my lease from 1981. I  
24 rented a—I was making 400 bucks a week as short order  
25 cook at my father's restaurant, and I rented a studio

2 at 163 West 79<sup>th</sup> Street for \$321 a month, and I wish  
3 there was a way that we or you could bring back those  
4 days. I wish there was a way that we could bring  
5 back the days where someone could move to New York and  
6 want to be an actor and get a job flipping hamburgers  
7 and could live—afford to live here, but those days  
8 aren't here now, and this doesn't do anything to  
9 solve that, and so, you know, as I—as I looked  
10 through this, I just wanted to bring up a few things  
11 that hadn't been said before as solutions. I think  
12 we would all support—you want to make it so that  
13 there's a link on every ad to the Department of State  
14 that shows our record with the Department of State  
15 that shows we're legitimate, that shows we don't have  
16 complaints against us that shows that we've never  
17 been brought up against charges. You want to have a  
18 line to REBNY and an explanation of what REBNY is and  
19 why that's important. I think that the more  
20 transparency if you want to have transparency around  
21 the broker fee in the ad. That is absolutely fine,  
22 and—and would be something that I would be all for,  
23 and here's the other thing. The rich folks are going  
24 to be fine. They rich folks are going to be no  
25 problem. It's the poor people that are going to

2 suffer. How many times have you taken out someone  
3 because you felt bad for them because they had a  
4 \$1,700 budge and you knew you were going around for a  
5 month and put \$3 or \$400 in your pocket? And you  
6 said, you know what? I like that person. I'm going  
7 to work with them because, you know what, the Goldman  
8 Sacks guy that's coming in I'm going to be able to  
9 charge him 15% because he's making \$600,000 a year  
10 and I'm going to be able to balance out my income  
11 because I'm going to work with people who don't have  
12 a lot of money, and once in a while I'll get lucky  
13 with people who do have a lot of money. The other  
14 thing that concerns me about this is I can already  
15 hear the confusion from the public when I tell them  
16 that I charge a 15% broker fee to work with them,  
17 when they say to me but I thought it was illegal to  
18 charge more than one month because that's what the  
19 public is going to hear, and that's what the  
20 corporations are going to hear that we are able to  
21 charge 15 and 13.5 and 15% to what the corporations,  
22 the Goldman Sachs of the world are going to hear is  
23 guess what, broker fees are only a month now. That's  
24 all we're paying you, and they're going to try to  
25 squeeze the fees down. So, for all of those reasons,

2 I'm against this legislation, and thank you for  
3 listening.

4 CHAIRPERSON CORNEGY: Thank you for your  
5 testimony.

6 WILL CHABEAUX: Good afternoon. [coughs]  
7 My name is Will Chabeaux, and today I'm reading  
8 testimony on behalf of Paraag Sarva who is the CEO  
9 and co-founder of the insurance company Rhino. My  
10 name is Paraag Sarva and I'm the CEO and Co-founder  
11 of Rhino. Our mission is to make rents more  
12 affordable and easy by replacing security deposits  
13 with low-cost insurance. Our elected officials at the  
14 state level and members of this body have been hard  
15 at work to address obstacles to secure affordable  
16 housing faced by millions of New Yorkers. In New  
17 York City renters are facing unprecedented financial  
18 challenges. Millennials under 35 have median savings  
19 of just \$1,500 while they're faced with an average  
20 rent of price in New York City of \$3,500 per month,  
21 and these prices continue to grow every year.  
22 Upfront costs mostly in the form of traditional  
23 security deposits are the primary barrier to many  
24 looking for a home. The current model of paying  
25 traditional security deposits continues to lock up

1 millions of hard earned cash from everyday New  
2 Yorkers—New Yorkers, a staggering \$507 million in  
3 2016 alone according to a report released by  
4 Comptroller Scott Stringer last year. Security  
5 deposits make up as much of 50% of moving costs with  
6 most of it locked away in escrow accounts and nearly  
7 zero percent interest. Steep security deposit costs  
8 prevent New Yorkers from upgrading their living  
9 situations, moving neighborhoods and saving for the  
10 future. While the proposal in the City Council would  
11 specifically cap brokers fees, in recent laws passed  
12 Albany capped security deposits to one month's rent,  
13 most New Yorkers already only pay one month's rent as  
14 a security deposit. So the typical New Yorker  
15 wouldn't see much of an impact from this proposal.  
16 People simply don't have the savings to keep deposits  
17 locked up for no good reason when they have to pay  
18 off student debt or health bills, secure childcare or  
19 invest for the future. Technology and innovation are  
20 creating new opportunities to replace the old way of  
21 doing business and reduce transaction costs.  
22 Specific to the—specific to rental transactions,  
23 break through in insurance over the last three years  
24 have made it possible to replace the age-old cash  
25

2 security deposits [bell] that are burdens for both  
3 renters and landlords with affordable insurance  
4 programs. The insurance assumes the risk and  
5 guarantees the repair of damages of unpaid rent  
6 coverage that is so essential for the landlord while  
7 lifting the burden from renters upfront and allowing  
8 them to instead pay a low monthly premium. To  
9 further help renters, the City Council should pass a  
10 bill that requires landlords to offer renters an  
11 insurance option instead of the cash security deposit  
12 to secure their homes. There are already forward  
13 thinking landlords who provide an alternative choice  
14 to the traditional security deposit, but as you know,  
15 the housing affordability crisis is an urgent problem  
16 for New Yorkers [bell] and we can't wait idly for the  
17 entire the real estate industry to catch up to this  
18 practice that has such significant benefits for those  
19 struggling to find a home today. We need legislation  
20 to provide an immediate solution to this problem. We  
21 look forward to working together in the future to  
22 ensure that housing is affordable and accessible to  
23 all New Yorkers. Thank you.

24 CHAIRPERSON CORNEGY: So, we've come to  
25 the end of this hearing. I want to thank you all for

2 your testimony. I want to thank you for your  
3 patience. I need to let you know that it was  
4 important to hear every single voice. For those  
5 people who didn't get into, I'm—I'm surely  
6 disappointed as well, but we only have a certain  
7 amount of capacity in building. It had nothing to do  
8 with anything other than capacity and trying to  
9 manage a very large crowd of people, but I think your  
10 represented those people who weren't able to get in  
11 very, very well. Thank you so much. [background  
12 comments] You can clap now. [applause]

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C E R T I F I C A T E

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



Date July 11, 2019