1 COMMITTEE ON HOUSING AND BUILDINGS 1 2 CITY COUNCIL CITY OF NEW YORK 3 ----- Х 4 TRANSCRIPT OF THE MINUTES 5 Of the 6 COMMITTEE ON HOUSING AND BUILDINGS 7 September 23, 2019 8 Start: 10:33 a.m. Recess: 11:22 a.m. 9 10 250 Broadway-Committee Rm, 16<sup>th</sup> Fl. HELD AT: 11 B E F O R E: ROBERT E. CORNEGY, JR. Chairperson 12 COUNCIL MEMBERS: FERNANDO CABRERA 13 MARGARET S. CHIN 14 RAFAEL L. ESPINAL, JR. MARK GJONAJ 15 BARRY S. GRODENCHIK FARAH N. LOUIS 16 BILL PERKINS CARLINA RIVERA 17 HELEN K. ROSENTHAL RITCHIE J. TORRES 18 19 20 21 22 23 24 25

1	COMMITTEE ON HOUSING AND BUILDINGS 2
2	APPEARANCES (CONTINUED)
3	Patricia Zafiriadis
4	Associate Commissioner of Housing Incentives with The New York City Department of Housing Preservation and Development, HPD
5	Melanie La Rocca
6	Commissioner of the New York City Department of Buildings, DOB
7	Gus Sirakis
8	First Deputy Commissioner of the New York City Department of Buildings, DOB
9	Max Bookman
10	Attorney Representing the New York City Hospitality Alliance
11	
12	Richard Nagin Licensed Department of Buildings Filing representative
13	
14	Arie Isaacs Senior Code and Zoning Manager at Howard Zimmerman Architects
15	Tom Waters
16	Policy Analyst to the Community Service Society Of New York
17	Ellen Davidson
18	Staff Attorney with the Legal Aid Society
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1	COMMITTEE ON HOUSING AND BUILDINGS 3
2	[gavel]
3	CHAIRPERSON CORNEGY: Good morning
4	everyone, I'm Council Member Robert Cornegy, Chair of
5	the Committee on Housing and Buildings. We're here
6	today to hold a hearing on three bills that effect
7	New Yorkers in a variety of ways. These, these
8	include Intro 1545, which will restrict alcohol
9	advertisements near schools, Intro Number 790, which
10	will prohibit multiple for rent signs on a property
11	and Intro 1710, which would extend the city's J-51
12	tax incentive program until 2020. Today we will hear
13	from the Department of Buildings, the Department of
14	Housing Preservation and Development and Department
15	of Finance as well as from members of the real estate
16	industry, health advocates and other interested
17	members of the public about these bills. Intro Number
18	1545 sponsored by Council Member Andy King and co-
19	sponsored by myself bars certain signs that advertise
20	alcoholic beverages within a certain radius of K
21	through 12 schools. Underage drinking is an issue
22	across the nation and in New York City. Youth who
23	drink alcohol are more likely to suffer health and
24	other potentially long-term consequences. Increased
25	exposure to alcohol advertising has been shown to

1	COMMITTEE ON HOUSING AND BUILDINGS 4
2	result in more favorable attitudes towards alcohol
3	and to a greater likelihood of drinking alcohol
4	especially among young people. In addition, these
5	types of advertisements tend to target students in
6	neighborhoods of color. Through this legislation we
7	hope to limit youth exposure to alcohol advertising
8	near schools and decrease underage drinking. Intro
9	790 sponsored by Council Member Van Bramer seeks to
10	limit excessive for rent signage. Excessive for rent
11	signage can create eyesores, exacerbate vacancy
12	concerns and in some instances cause pedestrian
13	obstructions. Finally, Intro 1710 sponsored by
14	Council Member Richards extends the J-51 tax
15	abatement, an exemption program until June 30 <sup>th</sup> ,
16	2020. This program in a is an important tool in
17	preserving affordable housing in New York while
18	incentivizing the repair and maintenance of existing
19	housing. Through the J-51 program property owners
20	receive a tax exemption or abatement for
21	rehabilitation or conversion of multifamily housing.
22	While the… while the property is in the program
23	existing real estate taxes are reduced or eliminated,
24	tenants of these buildings receive rent stabilized
25	leases while the J-51 benefits are enforced. I'd like

COMMITTEE ON HOUSING AND BUILDINGS
to thank my fellow committee members who are here
today, and we'll hear from the sponsors of propose...
the sponsor of proposed Intro 1545, Council Member
King first.

COUNCIL MEMBER KING: Good morning, thank 6 7 you Mr. Chair, I appreciate your time and effort and energy to tackle this, this issue that we're having 8 in the city of New York with our young people. I know 9 as a former professional athlete alcohol was not part 10 of the equation, it was water and Gatorade. As a 11 12 former basketball player myself, the Chair of 13 Juvenile Justice and a youth developer today I do 14 understand certain messaging when children are 15 developing can be critical to their success or their demise and I think alcohol is one of those things 16 that should be forbidden around any schools that's 17 18 why after seeing a big massive sign being advertised with a basketball and Jack Daniels in front of a high 19 20 school, a middle school and an elementary school I say how dare those in the business who all think this 21 2.2 is okay messaging for our children. So, I'm thanking 23 everyone today, I'm asking my colleagues to sign onto this because alcohol we know kills, we know guns 24 kill, we know smoking kills, we know all kind of bad 25

1	COMMITTEE ON HOUSING AND BUILDINGS 6
2	activities kills but alcohol is one of the number one
3	diseases that hurt families each and every day. So, I
4	thank you again for partnering up and listening to
5	everyone's conversation, I'm hoping the
6	administration is on board because this is one of the
7	best ways that we can save our children's life during
8	their early stages of education. Thank you.
9	CHAIRPERSON CORNEGY: Thank you, we'd
10	like to now hear from Council Member Donovan Richards
11	from the great borough of Queens.
12	COUNCIL MEMBER RICHARDS: The best
13	borough of Queens.
14	CHAIRPERSON CORNEGY: So, you always got
15	to go too far man.
16	COUNCIL MEMBER RICHARDS: Well good
17	morning, thank you Chair Cornegy for holding this
18	important hearing. Today we are hearing my bill,
19	Intro 1710 which would extend the J-51 tax abatement,
20	an exemption program into June $30^{th}$ of 2020. More
21	than ever in time as we witness the affordability
22	crisis and substandard living conditions tenants
23	endure it is critical that programs such as J-51 are
24	reaching the right pockets of the city. Tenant
25	protections and enforcement is critical to ensuring
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1	COMMITTEE ON HOUSING AND BUILDINGS 7
2	that this tax abatement isn't being utilized to
3	circumvent taxes at the expense of tenants in
4	desperate need of repairs in their residential
5	dwellings. It is my hope that as we look to extend J-
6	51 that we strengthen and seek to close any loopholes
7	so that we can accomplish the mission this abatement
8	seeks to address, that is simply to ensure tenants
9	can live with dignity and respect they rightfully
10	deserve. Once again Mr. Chairman thank you and I look
11	forward to hearing from the administration.
12	CHAIRPERSON CORNEGY: Thank you Council
13	Member Richards. I'd like to remind everyone who'd
14	like to testify today to please, please fill out a
15	card with the Sergeant, we'll be sticking to a two
16	minute clock for all public testimony and now we'll
17	administer the oath of we will administer the oath
18	to the administration before their testimony. Good
19	morning.
20	PATRICIA ZAFIRIADIS: Good morning.
21	MELANIE LA ROCCA: Morning.
22	COMMITTEE CLERK: Do you affirm to tell
23	the truth, the whole truth and nothing but the truth
24	in your testimony before this Committee and to
25	respond honestly to Council Member questions?
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1	COMMITTEE ON HOUSING AND BUILDINGS 8
2	PATRICIA ZAFIRIADIS: Yes, I do.
3	GUS SIRAKIS: Yes.
4	COMMITTEE CLERK: Thank you.
5	COUNCIL MEMBER RICHARDS: They can begin.
6	CHAIRPERSON CORNEGY: You can begin your
7	testimony at any time.
8	PATRICIA ZAFIRIADIS: Good morning Chair
9	Cornegy and members of the Housing Committee… the
10	Committee on Housing and Buildings. My name is
11	Patricia Zafiriadis and I'm the Associate
12	Commissioner of Housing Incentives with the city New
13	York City Department of Housing Preservation and
14	Development also known as HPD. Thank you for the
15	opportunity to testify on Introduction 1710 sponsored
16	by Council Member Richards. This bill would extend
17	the J-51 benefit program that is available for the
18	rehabilitation and upgrade of New York City's housing
19	stock. The J-51 program has played a significant role
20	in the improvement of New York's housing stock since
21	the program's inception during the 1950s. The New
22	York State J-51 tax benefit program is a property tax
23	abatement and or an exemption given to residential
24	apartment buildings for certain alterations or
25	improvements. Boiler or window replacements are

1 COMMITTEE ON HOUSING AND BUILDINGS 9 2 common types of eligible work. After doing the rehabilitation work owners are eligible for a J-51 3 tax abatement and in certain cases a J-51 tax 4 exemption as well. The abatement is an actual 5 reduction in the amount of tax an owner pays and is 6 related to the cost of work. The exemption ensures 7 that the owner doesn't have to pay taxes on the 8 increase in value resulting from the rehab work. All 9 J-51 recipients receive abatements, but exemptions 10 are only issued in cases where the Department of 11 12 Finance determines that the J-51 eligible renovation 13 will lead to an increase in assessed value. The extension of the J-51 program is an important piece 14 15 in the city's interest in providing safe, habitable 16 and affordable housing to residents of New York City 17 and the administration supports the Council's 18 reauthorization of this tax benefit program. Thank you again for the invitation to testify on this bill, 19 20 I look forward to answering any questions you may 21 have. 2.2 CHAIRPERSON CORNEGY: Commissioner I just 23 want to thank you for the brevity in your testimony ... 24 [cross-talk] 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	PATRICIA ZAFIRIADIS: You are very
3	welcome… [cross-talk]
4	CHAIRPERSON CORNEGY:this morning, it
5	is very, very refreshing for a Monday morning, thank
6	you.
7	PATRICIA ZAFIRIADIS: It's my pleasure.
8	MELANIE LA ROCCA: Good morning,
9	unfortunately I won't be as brief, but I'll try to
10	read faster. Good morning Chair Cornegy and members
11	of the Committee on Housing and Buildings. I am
12	Melanie La Rocca, the Commissioner of the New York
13	City Department of Buildings. I'm joined today by Gus
14	Sirakis, my First Deputy Commissioner and together
15	we're pleased to be here to offer testimony on two of
16	the bills before the committee today regarding
17	signage. Signs including accessory signs and
18	advertising signs must comply with requirements in
19	both New York City building code and the New York
20	City's zoning resolution. The regulations in the
21	building code address permitting and structural
22	issues and the regulations in the zoning resolution
23	address issues including permissible service area,
24	projection and height. Collectively these regulations
25	exist to protect the public from dangerous or

1	COMMITTEE ON HOUSING AND BUILDINGS
2	illegally installed signs and to reduce visual
3	clutter. As such the Department takes seriously its
4	obligation to enforce these laws. With that being
5	said Local Law 28 of 2019 instituted a moratorium
6	which will run until February 2021 on the issuance of
7	violations for accessory signs which are also
8	referred to as business signs. The Department
9	recognizes that educating the business community
10	regarding applicable laws and regulations is critical
11	and is conducting outreach to small business owners
12	so that they know exactly what they need to do to
13	bring their signs into compliance. This outreach
14	includes direct mailings to businesses who have
15	received violations from the Department for illegally
16	installed signs and direct out, outreach to these
17	businesses by our community engagement staff. We will
18	also encourage… excuse me, we also encourage small
19	businesses to visit our borough offices on Tuesday
20	nights during our open house where they can receive
21	one on one advice from department experts on signage
22	issues or any construction projects they are
23	planning. We thank this committee for its partnership
24	on behalf of the small business community and look
25	forward to updating this committee further on the
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1 COMMITTEE ON HOUSING AND BUILDINGS 2 implementation of this law. The first bill before the committee, Intro 17 ... excuse me, Intro 790 would 3 prohibit the placement of more than one ground or 4 wall sign advertising the availability of retail or 5 commercial space for rent on each side of a vacant 6 7 commercial or mixed-use building. We would like to discuss this bill further with this committee and 8 with its sponsor to better understand the issue its 9 seeking to resolve and to craft a careful solution ... 10 carefully ... a careful solution to such issue. Our 11 concern is that the ... this bill could have unintended 12 13 consequences of resulting in additional enforcement 14 actions being taken by the Department against 15 businesses and residential buildings seeking to rent 16 their vacant space and reactivating that segment of 17 streetscape. Additionally, we are concerned about 18 making it more difficult to operate a business in New York City by adding another layer of regulation. 19 20 Finally, this Committee should be aware that depending on the content of these signs, the 21 2.2 Department may be unable to take enforcement action 23 until local ... until the Local Law 28 moratorium on the issuance of violations that I previously, previously 24 mentioned has been concluded. The next bill before 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	the committee, Intro 1545 would prohibit advertised
3	alcoholic advertisements on an outdoor sign with,
4	within 500 feet of any direction of a school.
5	Research suggests that greater exposure to alcohol
6	advertisement can increase the likelihood of underage
7	alcohol consumption and encourage heavier alcohol
8	consumption. For these reasons the administration
9	banned alcohol advertising on city property earlier
10	this year and we are fully supportive of this bill as
11	it reaffirms the administration's position on alcohol
12	advertising. Thank you for the opportunity to testify
13	today.
14	CHAIRPERSON CORNEGY: Commissioner La
15	Rocca although you said your testimony was a little…
16	was longer it still pales in comparison to some
17	testimonies we've been we've heard that are six and
18	seven pages, so I thank you as well for the… [cross-
19	talk]
20	GUS SIRAKIS: Six and seven… [cross-talk]
21	MELANIE LA ROCCA: Thank you… [cross-
22	talk]
23	CHAIRPERSON CORNEGY:for the [cross-
24	talk]
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	MELANIE LA ROCCA:and you are very
3	welcome.
4	CHAIRPERSON CORNEGY: For your brevity as
5	well. As a true testament to me, me being apologetic
6	about taking up so much time and being late I am
7	going to forego my round of questions and allow my
8	colleagues to ask questions first because they've
9	been here for quite some time so we're going to begin
10	with Council Member
11	[off mic dialogue]
12	CHAIRPERSON CORNEGY:Council Member
13	Cabrera.
14	[off mic dialogue]
15	CHAIRPERSON CORNEGY: Nice haircut by the
16	way… [cross-talk]
17	COUNCIL MEMBER CABRERA: I just have one
18	question and, and maybe this could have been also
19	directed to the sponsor of the bill but when you look
20	at Intro 790 and thank you Mr. Chair for allowing us
21	to go first, that's… [cross-talk]
22	CHAIRPERSON CORNEGY: I also made a
23	comment about your very youthful looking haircut.
24	COUNCIL MEMBER CABRERA: Oh, thank you
25	sir. Thank you, thank you, you're too much but in, in

1 COMMITTEE ON HOUSING AND BUILDINGS 2 regards to Intro 790 I'm just curious when it comes to LED signs would that be ... would you see that as 3 applicable to ... because in an LED sign you will have 4 multiple, you know like advertisement taking place 5 every so many seconds, how would you understand ... 6 7 [cross-talk] Sure, so L, LED or 8 MELANIE LA ROCCA: illuminated signs are in fact considered signs so 9 10 that would be an area of enforcement the department 11 could do. 12 COUNCIL MEMBER CABRERA: But if this bill 13 were to pass, right and I'm a business owner and I 14 want to have ... you know I want to have three different 15 advertisements taking place, you know I don't want to 16 mention any specific companies but company A, company 17 B, then advertising company three or product and so 18 forth, would this bill obligate the business owner just to advertise just one product? 19 20 MELANIE LA ROCCA: So, 740 would... is specific as written as specific to the placement of 21 2.2 signs advertising the availability of retail or 23 commercial space within a vacant commercial or mixed use property so in the example you're giving that 24 would constitute a sign if it were advertising a good 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	or service that was not available at that location,
3	that would be considered signage, that would be
4	covered under current rules.
5	COUNCIL MEMBER CABRERA: Okay. Alright,
6	alright, thank you so much.
7	CHAIRPERSON CORNEGY: No problem [cross-
8	talk]
9	COUNCIL MEMBER CABRERA: I appreciate
10	your answer.
11	CHAIRPERSON CORNEGY: Council Member
12	King.
13	COUNCIL MEMBER KING: Thank you
14	Commissioner, I appreciate your level of support for
15	our legislation, it gives me hope that we can get
16	this actually passed and done because it seems that
17	we're on the same track with the city as well with
18	other advertisement on city properties. My question
19	would be to you is this, I'm not even sure that this
20	goes far enough as far as the 500 square feet whether
21	it's from the property line of from the door but I
22	will look to figure out with the committee on how do
23	we make sense of it whether it starts from the door
24	of a school, for me I would say property lines of a
25	school. One of the things I have a big question and I

1 COMMITTEE ON HOUSING AND BUILDINGS 2 will ... I will ask you for the record, I know as far as the legislation how it's written it says those 3 businesses ... excludes those businesses who have their 4 license through the New York State liquor authority, 5 my concern with that as well even if a bodega can 6 7 advertise a corona sign if I come outside a high school and the bodega is right across the street from 8 a high school it's the same advertisement so it kind 9 of defeats the bill of the purpose of trying to have 10 that point of advertisement cease to exist, what 11 12 would be your response in figuring out how do we 13 manage that? 14 MELANIE LA ROCCA: So, twofold with 15 respect to the distance, so you're correct to point 16 out the legislation is silent to the way in which 500 17 feet from the advertisement should be calculated and 18 we would look forward to working with the Committee in order to ensuring that the legislation is clear 19

20 because our goal is to ensure that we are effectively 21 and uniformly applying the same standards across the 22 city. For the second point, I, I would say this, 23 you're correct, again the law does create an 24 exemption for establishments that are licensed by the 25 state for either the sale or manufacturing of

1	COMMITTEE ON HOUSING AND BUILDINGS
2	alcoholic beverages. This department stands ready to
3	enforce this law should it move forward and we stand
4	ready to play our role in ensuring the safety and
5	wellbeing of children and so I would leave that
6	conversation respectfully to the committee but know
7	that we're ready to, to move forward with the
8	enforcement.
9	COUNCIL MEMBER KING: Thank you, thank
10	you for those answers, thank you Mr. Chair.
11	CHAIRPERSON CORNEGY: Council Member
12	Richards.
13	COUNCIL MEMBER RICHARDS: Thank you Mr.
14	Chair and just a few questions. So, I wanted to hear
15	a little bit more about how many buildings receive J-
16	51 benefits between 2018 and 2019.
17	PATRICIA ZAFIRIADIS: Sure, thank you for
18	that question. According to the most recent DOF tax
19	expenditure report from fiscal year 2019 which is
20	calculated in units, over 103,000 units citywide
21	receive a J-51 tax exemption and over 359,000 units
22	citywide receive a J-51 tax abatement. I want to note
23	that these numbers are from a snapshot in time so
24	they may include both new buildings in the program
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	and those that entered the program over a decade ago
3	but are still receiving J-51 benefits.
4	COUNCIL MEMBER RICHARDS: And can you
5	just break down, how do you track and how could
6	tenants track if their buildings are taking advantage
7	of J-51?
8	PATRICIA ZAFIRIADIS: Sorry, just to
9	understand the question, how will tenants know
10	[cross-talk]
11	COUNCIL MEMBER RICHARDS: What is the
12	process for informing tenants?
13	PATRICIA ZAFIRIADIS: Sure, so J-51 is,
14	is a tool that's out there to give relief to
15	homeowners looking to do work on their buildings and
16	improve conditions and it also in rental buildings
17	provides tenants with greater protections. To apply
18	for J-51 that process occurs after the completion of
19	work and what we do once we verify the work has been
20	done is we also make sure that the units are
21	registered with the state as rent stabilized, rent
22	stabilization [cross-talk]
23	COUNCIL MEMBER RICHARDS: So DHCR,
24	correct?
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	PATRICIA ZAFIRIADIS: Yes, correct, DHCR
3	[cross-talk]
4	COUNCIL MEMBER RICHARDS: Uh-huh [cross-
5	talk]
6	PATRICIA ZAFIRIADIS:rent stabilization
7	is one of the strongest tools for tenant protections
8	that are out there and we take compliance very
9	seriously so we make sure that the units are
10	registered and only then are benefits given to the
11	building and then the state will manage the annual
12	registration thereafter.
13	COUNCIL MEMBER RICHARDS: And are tenants
14	informed is I guess the question I'm asking that
15	[cross-talk]
16	PATRICIA ZAFIRIADIS: Well as part of the
17	process tenants would execute a lease that's rent
18	stabilized but again tenant protection you know rent
19	stabilization is one of the strongest protections
20	that are out there, and it's overseen by the state
21	not by HPD.
22	COUNCIL MEMBER RICHARDS: And so, the
23	city… and I would assume you would have some interest
24	in… ensuring that those units stay rent stabilized
25	so… [cross-talk]

1	COMMITTEE ON HOUSING AND BUILDINGS
2	PATRICIA ZAFIRIADIS: We absolutely
3	[cross-talk]
4	COUNCIL MEMBER RICHARDS: So [cross-
5	talk]
6	PATRICIA ZAFIRIADIS:take compliance
7	with the program very seriously, we have this
8	administration has inserted some of the most
9	aggressive compliance tactics out there for tax
10	incentives programs, we've taken unprecedented steps
11	to ensure buildings follow all tax benefit and
12	abatement requirements working at the front of the
13	process and monitoring the buildings throughout, we
14	are absolutely invested in, in [cross-talk]
15	COUNCIL MEMBER RICHARDS: Right and what
16	are the ramifications if someone takes advantage of
17	this and perhaps tries to get rid of rent stabilized
18	apartments and have you found any cases of that
19	happening and what, what are the ramifications?
20	PATRICIA ZAFIRIADIS: Sure, give me one
21	moment okay, so as I've mentioned compliance and
22	enforcement is a top priority for us, we have a unit
23	at HPD that's focused on this function, they are
24	ready at any time to handle any referrals of
25	noncompliance, what they would essentially do after a
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	building is given the opportunity to cure is initiate
3	revocation proceedings and we're actually in process
4	right now with revoking the benefit on a property.
5	COUNCIL MEMBER RICHARDS: Right and how
6	many have been found to be in noncompliance, do you
7	have those numbers?
8	PATRICIA ZAFIRIADIS: For the J-51
9	program… [cross-talk]
10	COUNCIL MEMBER RICHARDS: Yes [cross-
11	talk]
12	PATRICIA ZAFIRIADIS:I don't have those
13	numbers there but as I mentioned we have a unit that
14	was created within the past two years that is focused
15	on this function for all of our tax incentives
16	programs and they've done a, a lot of work in
17	ensuring the operationalizing normal compliance
18	proceedings and they are at the ready to take any
19	referrals of noncompliance.
20	COUNCIL MEMBER RICHARDS: And just go
21	through what are some of the improvements that a
22	landlord could take advantage of when they do… when
23	they take advantage of J-51.
24	PATRICIA ZAFIRIADIS: What kind of work?
25	COUNCIL MEMBER RICHARDS: Yes.

1	COMMITTEE ON HOUSING AND BUILDINGS
2	PATRICIA ZAFIRIADIS: Sure. Give me one
3	moment. Okay. So, J-51 covers a variety of work from
4	major capital improvements to moderate
5	rehabilitations to limited conversions only with
6	substantial government assistance. The… by far the
7	most common scenarios we see are major capital
8	improvements and that includes the type of work that
9	would fall under what you would expect; boiler,
10	burner, windows, roof, waterproofing, point,
11	electrical, rewiring, elevators, that sort of thing.
12	So, J-51 is really an important tool in ensuring
13	housing quality is maintained throughout the city
14	while also ensuring tenant protections are put in
15	place for renters.
16	COUNCIL MEMBER RICHARDS: And how does
17	HPD once again ensure that these things are
18	happening, do you come and inspect or is it self-
19	certification, how do… [cross-talk]
20	PATRICIA ZAFIRIADIS: Sure… [cross-talk]
21	COUNCIL MEMBER RICHARDS:how, how
22	[cross-talk]
23	PATRICIA ZAFIRIADIS: Sure, we have
24	[cross-talk]
25	

1 COMMITTEE ON HOUSING AND BUILDINGS 2 COUNCIL MEMBER RICHARDS: ...would you ... 3 [cross-talk] PATRICIA ZAFIRIADIS: ...a variety of ways, 4 let me just take you through the application process 5 a little bit. Okay. So... applications are filed after 6 7 work is done, there are a variety of different things that we do but if for example the work exceeds 10,000 8 dollars we will do an in place ... an inspection of the 9 work to make sure the work was done but as normal 10 course of business for every... any project we also 11 12 review CPA certifications of the work and complete 13 the application and as I mentioned we ensure that the 14 units are registered and rent stabilized before we 15 enact the benefits. 16 COUNCIL MEMBER RICHARDS: And take me 17 through where has this tax abatement been utilized 18 the most, can you speak of ... [cross-talk] PATRICIA ZAFIRIADIS: Sure... [cross-talk] 19 COUNCIL MEMBER RICHARDS: ...geography of ... 20 PATRICIA ZAFIRIADIS: Sure, I can 21 2.2 definitely do that. Let's see, according to the DOF 23 tax expenditure report in fiscal year 19 we saw 27 percent of the abatements in Brooklyn and in Queens, 24 26 percent of the abatements in the Bronx and 19 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	percent of the abatements in Manhattan with one
3	percent in Staten Island. For exemptions it was a
4	little bit different, we saw 22 percent of exemptions
5	in Manhattan, 48 percent in the Bronx, 20 percent in
6	Brooklyn and eight percent in Queens and one percent
7	in Staten Island. So, there's a mix throughout the
8	city but I will say that geographic use generally
9	tracks with the type of housing stock that is more
10	prevalent in these boroughs so where you see more
11	multi house… family house… buildings, larger
12	buildings you will see more exemptions and
13	abatements. The exception that I will note is that
14	there are certain properties in Manhattan south of
15	110 <sup>th</sup> Street that are ineligible for the program.
16	COUNCIL MEMBER RICHARDS: And New York
17	City is a big place so when you read off the boroughs
18	that's great
19	PATRICIA ZAFIRIADIS: Yeah
20	COUNCIL MEMBER RICHARDS:but I, I'm
21	interested in you digging a little deeper and I guess
22	that today I'm not expecting you to go through every
23	community in New York City… [cross-talk]
24	PATRICIA ZAFIRIADIS: Right, right
25	[cross-talk]
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	COUNCIL MEMBER RICHARDS:but we want to
3	ensure that obviously this incentive is being
4	utilized in places especially where the housing stock
5	is in most need of rehabs, right, so how do you
6	ensure that that is happening?
7	PATRICIA ZAFIRIADIS: Yeah, I, I mean I
8	think our goals are the same Council Member, we think
9	it's a really important tool to ensure housing
10	quality throughout the city, I don't have the data on
11	a more granular level available to me but I'd be glad
12	to continue a… [cross-talk]
13	COUNCIL MEMBER RICHARDS: I would love
14	to… [cross-talk]
15	PATRICIA ZAFIRIADIS:conversation
16	[cross-talk]
17	COUNCIL MEMBER RICHARDS:see that
18	before we proceed and I think I'm and, and just go
19	through your outreach strategy, how do building
20	owners find out that this that they're eligible for
21	a J-51?
22	PATRICIA ZAFIRIADIS: Sure
23	COUNCIL MEMBER RICHARDS: What is your
24	HPD's outreach strategy?
25	

1	COMMITTEE ON HOUSING AND BUILDINGS
2	PATRICIA ZAFIRIADIS: Sure, as I
3	mentioned before owners general submit a J-51
4	application after they complete their work, all of
5	the information and the full process and application
6	forms can be found on HPD's website and also by
7	calling 212-863-5517, J-51 is a program that has been
, 8	in existence for quite a long time but our website is
9	there with full information and we're always happy to
10	talk to people further who are interested in the
11	program.
12	COUNCIL MEMBER RICHARDS: And so, you
13	don't do any direct mail or any of that to building
14	owners to let them know?
15	PATRICIA ZAFIRIADIS: At this time, we do
16	not.
17	COUNCIL MEMBER RICHARDS: And, and let
18	and let me ask you this, when you find out perhaps a
19	building is in major disrepair or there's a certain
20	amount of complaints like I'm assuming lodged against
21	certain residential buildings would you then offer
22	them this incentive or how does that work?
23	PATRICIA ZAFIRIADIS: No, that's, that's
24	a good question, I, I want to emphasize that J-51 is
25	just one of many tools in HPD's toolbox for ensuring

1	COMMITTEE ON HOUSING AND BUILDINGS
2	housing quality throughout the city and ensuring the
3	viability of quality affordable housing, we have a
4	number of different programs that we can engage with
5	property owners with and so much of that information
6	is available on our website but we would really
7	encourage property owners with needs to engage with
8	us so we can take a holistic look and, and talk about
9	what the right fit would be for different financing
10	programs we offer and so forth, J-51 again is one of
11	many tools.
12	COUNCIL MEMBER RICHARDS: Alright, I look
13	forward to working with you closer on this and
14	[cross-talk]
15	PATRICIA ZAFIRIADIS: Thank you… [cross-
16	talk]
17	COUNCIL MEMBER RICHARDS:thank you for
18	your testimony, thank you Mr. Chair.
19	PATRICIA ZAFIRIADIS: Thank you so much.
20	CHAIRPERSON CORNEGY: Thank you, I'm
21	going to just give some context to why 790 in
22	particular I'm sorry, 1545 is so important to me. In
23	another life I was responsible for conducting with
24	students an alcohol outlet density survey for
25	Brooklyn and Manhattan where we GIS mapped signs or

1	COMMITTEE ON HOUSING AND BUILDINGS
2	advertisements, alcohol advertisements and then did
3	a did a commercial overlay, proximity to schools,
4	proximity to churches, proximity to recreation
5	centers and it was it was pretty bad at that time
6	and this was maybe two decades ago and I'm not… I'm
7	not at liberty to mention the companies because there
8	were two companies that were very egregious in their
9	advertising and I was actually personally sued so I
10	can never mention their names in public, big shout
11	out to the legal system in New York that didn't allow
12	me to do that but so, it's, it's incredibly
13	important to, to, to begin to make some steps towards
14	remedying it so, does, does the city collect data on
15	advertisements of alcoholic beverages that are near
16	schools and if so what are the findings?
17	MELANIE LA ROCCA: So, we don't currently
18	collect that data as there is no prohibition against
19	around that content however we do know of certain
20	locations where signage exists so currently outdoor
21	advertising companies are required to register signs
22	with the Department that are either 900 feet from an
23	arterial highway or 200 feet from a park so we are
24	aware of a certain universe.

1	COMMITTEE ON HOUSING AND BUILDINGS
2	CHAIRPERSON CORNEGY: Also, if I'm not
3	mistaken didn't the MTA have regulations put in for
4	advertisements on the trains and in subways?
5	MELANIE LA ROCCA: Correct, the MTA
6	banned advertisement of alcohol, alcoholic beverages
7	in 2018 so that is in existence currently.
8	CHAIRPERSON CORNEGY: Right, so this we
9	feel like this is obviously inconsistent with what
10	the city has already done to some degree to make sure
11	that our, our children at least are safe from
12	targeted advertisement and that's what kind of we
13	called it, was it was pretty targeted based on
14	proximity to schools, parks, recreation centers so
15	there's already been some work done around it, we
16	think the bill goes a little bit further, its not a
17	panacea obviously to get rid of all because we have
18	you know as long as we have the internet and as long
19	as we have television and radio that's a whole nother
20	medium but from the city's concern we feel like this
21	bill would, would [cross-talk]
22	MELANIE LA ROCCA: Certainly [cross-
23	talk]
24	CHAIRPERSON CORNEGY:at least be
25	helpful in, in shaping the way advertisement to

COMMITTEE ON HOUSING AND BUILDINGS
minors or targeting advertise... targeted advertising
is dealt with.

4 MELANIE LA ROCCA: We very much agree, I mean for the reasons you laid out obviously the 5 Department of Buildings is not the public health 6 7 expert but certainly there has been research to show the correlation between the two and, and certainly 8 you're right to, to point out to the MTA and the 9 Mayor's, obviously the Mayor's executive order 10 earlier this year establishing the same prohibition 11 12 so we are ... we are fully supportive.

13 CHAIRPERSON CORNEGY: So, thank you so 14 much for your answers, I believe there are no more 15 questions we're going to move to the, the, the 16 general panels, thank you so much for your time and 17 your commitment to these bills.

18 PATRICIA ZAFIRIADIS: Thank you. CHAIRPERSON CORNEGY: So, the first panel 19 20 is Max Bookman, Arie Isaacs and I think that's Ritchie Nalan, so sorry, Nagin [sp?], sorry, Mr. 21 2.2 Nagin. Yes, are you... are you a doctor? 23 RICHARD NAGIN: No. 24 CHAIRPERSON CORNEGY: Because that's a doctor's handwriting, I'm just teasing ... 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	[off mic dialogue]
3	RICHARD NAGIN: I, I can do it… write
4	neatly if I take my time
5	CHAIRPERSON CORNEGY: I know we don't
6	allow for you to take your time around here, no
7	taking your time in this place.
8	[off mic dialogue]
9	CHAIRPERSON CORNEGY: Sure, yeah. So,
10	once you've made yourselves comfortable, we are going
11	to begin your testimony, I ask that you state your
12	name in totality for the record and then you can
13	begin your testimony. I'm sorry, we do have you on a…
14	we changed it to a three-minute clock
15	MAX BOOKMAN: Oh, very nice, okay, I got
16	to come up with an extra minute to… what, what I want
17	to say. Thank you… [cross-talk]
18	CHAIRPERSON CORNEGY: Yeah, it goes it
19	goes really quickly so…
20	MAX BOOKMAN: Thank you Mr. Chairman. My
21	name is Max Bookman, I'm an attorney, I represent the
22	New York City Hospitality Alliance which is a not for
23	profit trade association that represents our eating
24	and drinking establishments in New York City and when
25	I'm not wearing that hat my firm represents several

1 COMMITTEE ON HOUSING AND BUILDINGS 2 hundred on a yearly basis bars and restaurants, hotels in alcohol licensing matters, we're considered 3 a specialist in the field of alcohol licensing 4 regularly giving educational classes to other lawyers 5 and to restaurants and bars in the field of alcohol 6 7 licensing so on behalf of the alliance which is the hat that I'm wearing today I first want to thank you 8 Mr. Chairman for the opportunity to speak and for 9 your advocacy for our small business community, we've 10 worked with you on many matters in the past and we 11 12 count you as an ally and so we thank you for your 13 leadership for matters important to our industry. And 14 so in that spirit of friendship when we disagree we 15 let you know and this is a bill that I think in, in 16 broad principle everybody could agree that underage 17 drinking is something that we stand against and the 18 alliance certainly does that's why when we worked with the NYPD to come out with this booklet, best 19 20 practices for night life establishments which is now in it's third year, we devoted an entire section to 21 age verification to combat underage drinking. I want 2.2 23 to make two brief points today which I hope you'll consider, and I hope Committee Counsel will take into 24 consideration as you further consider this bill. One 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	is a legal point and the other is more of a policy
3	point. So, the legal point is that there is some
4	fairly established case law already which limits the
5	city's ability to restrict what liquor licensed
6	businesses licensed by the state liquor authority can
7	do. In the field of alcohol regulation the city has
8	had laws that have been struck down in the past when
9	it's interfered what the ABC what the ABC law allows
10	and so I provide those citations in our comments and
11	I hope you'll take a look at them because we do have
12	concerns that this law would be preempted by the… by
13	the state ABC law which relates to the second point
14	which I want to make which is more of a policy point.
15	I think the, the bill sponsor and I heard your words
16	Mr. Chairman, we agree that the type of alcohol
17	advertising that you have in mind is not something
18	that's appropriate for children but what I don't want
19	to sweep up is our small businesses who also have
20	valid reasons to want to advertise in their
21	neighborhoods and so if you think of for a moment,
22	you know an Italian restaurant that wants to do a
23	billboard that shows people sitting around the dinner
24	table and maybe one of the parents in the billboard
25	is enjoying a glass of wine, currently under the way
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	we read the, the bill that could be interpreted we
3	think to be prohibited and I don't think that's
4	really what anyone's intent is and we would certainly
5	hope that there could be clarifying language in there
6	so that our small businesses that do hold liquor
7	licenses or beer and wine licenses can still be able
8	to advertise to their communities and with ten
9	seconds to go.
10	CHAIRPERSON CORNEGY: So, be, before we
11	move on though I think that's an interesting point
12	and its still subtle nuances because certainly the
13	bill doesn't seek or, or would not like to have
14	unintended consequences where it damages a small
15	business's ability to advertise, I my intent and
16	understanding of intent of the bill was those alcohol
17	sponsors and the large ads that they place, I won't
18	mention their names in this context but that are
19	that are displaying ads that, that are clearly
20	designed to capture the attention of a younger
21	demographic is what we are referring to but we… I
22	will gladly look closely at the bill to make sure
23	that it doesn't have a disproportionate negative
24	impact on small businesses, mom and pops as you've
25	mentioned.
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	MAX BOOKMAN: Thank you for that
3	clarification Mr. Chairman and we're happy to work
4	with you… [cross-talk]
5	CHAIRPERSON CORNEGY: No, no, no, it's
6	[cross-talk]
7	MAX BOOKMAN:on that language [cross-
8	talk]
9	CHAIRPERSON CORNEGY:it's those subtle
10	nuances that we need to, to, to make sure that we're,
11	we're aware of [cross-talk]
12	MAX BOOKMAN: And that's why we're here
13	[cross-talk]
14	CHAIRPERSON CORNEGY: Right thank you.
15	MAX BOOKMAN: Thank you sir.
16	RICHARD NAGIN: Hello, my name is Richard
17	Nagin, I'm a licensed Department of Buildings Filing
18	Representative. I'm here to help you to an egregious
19	thing happening at the Building Department.
20	CHAIRPERSON CORNEGY: Did, did you just
21	say help me to?
22	RICHARD NAGIN: I'm going to help you to
23	it, yes.
24	CHAIRPERSON CORNEGY: Alright.
25	

1	COMMITTEE ON HOUSING AND BUILDINGS
2	RICHARD NAGIN: You know what I mean.
3	Anyway… [cross-talk]
4	CHAIRPERSON CORNEGY: I just I just
5	enjoy that, go ahead, I'm sorry.
6	RICHARD NAGIN: The, the DOB [cross-
7	talk]
8	CHAIRPERSON CORNEGY: I'll, I'll give you
9	another 30 seconds for just helping me through
10	something.
11	RICHARD NAGIN: Thank you. The DOB has
12	instituted this new system of filing where the intent
13	is to pretty much stop people from meeting face to
14	face where everything is done online and instead of
15	improving what they already had to do this they
16	started a whole new system which is stupid, their
17	public portal if you go to print an application the
18	printing overlaps, their answer is well log in and
19	you can print the PDF, I said what about the general
20	public, oh, they can register for an account and when
21	you go to file something it's costing the people
22	it's costing the developers and the contractors and
23	everybody a, a an exorbitant amount of money. For
24	instance, if you wanted to build a one story
25	warehouse the old way you filed the new building

1 COMMITTEE ON HOUSING AND BUILDINGS 2 application that would cover the construction, structural, plumbing, mechanical, curb cut and the 3 4 construction expense and then a separate application for the paving, now everything is six separate 5 applications; the new building, the old system and 6 7 the other work types a separate application with separate filing fees, with record management fees 8 which was supposed to be to cover the cost of 9 scanning stuff even though everything is uploaded. 10 The system doesn't work, there are ... they know it 11 12 doesn't work, their answer is well fill out this form 13 and we'll get back to you in two days like when an 14 owner logs in they have to be registered, they log 15 in, it comes up with their main company name but 16 every building is owned by a separate entity but 17 there's no way to change the entity name and their 18 answer is well the owner can change his company name and his... and, and they just ... it's just like not 19 working and instead of trying to fix it they just 20 21 keep adding more staff and from what I gather the 2.2 Buildings Department people hate it, the filing reps 23 hate it, everybody hates it but for some reason they keep forging ahead and it's just not working and you 24 got to do something to, to stop them. 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	CHAIRPERSON CORNEGY: So, that, that
3	particular insight is important to me… [cross-talk]
4	RICHARD NAGIN: Yes… [cross-talk]
5	CHAIRPERSON CORNEGY:the, the, the new
6	Commissioner has committed to making corrections in
7	areas of efficiency and effectiveness, right, so we
8	all have a the I think we all have the same goal;
9	I'd like to hear from you after your testimony about
10	how we could possibly [cross-talk]
11	RICHARD NAGIN: I, I'd be… I'd, I'd love
12	to meet with you… [cross-talk]
13	CHAIRPERSON CORNEGY: Okay [cross-talk]
14	RICHARD NAGIN: In fact, I've, I've
15	emailed the building department complaining and the
16	new commissioner included [cross-talk]
17	CHAIRPERSON CORNEGY: Uh-huh [cross-
18	talk]
19	RICHARD NAGIN:and I got a warning
20	letter that I was being unprofessional because I was
21	complaining.
22	CHAIRPERSON CORNEGY: Well I don't I
23	don't know if you use HIP in it or… [cross-talk]
24	RICHARD NAGIN: No… [cross-talk]
25	

1 COMMITTEE ON HOUSING AND BUILDINGS 2 CHAIRPERSON CORNEGY: ...so, I don't ... 3 [cross-talk] 4 RICHARD NAGIN: I was ... I was very polite. CHAIRPERSON CORNEGY: So, listen I, I 5 certainly would like to hear some good... [cross-talk] 6 7 RICHARD NAGIN: Yeah, so why don't ... why don't we... [cross-talk] 8 9 CHAIRPERSON CORNEGY: ... no nonsense ... 10 [cross-talk] RICHARD NAGIN: ...I'll, I'll get in touch 11 12 with your legislative director and we'll ... [cross-13 talk] 14 CHAIRPERSON CORNEGY: Right, he's right 15 there. 16 RICHARD NAGIN: Yeah, we'll, we'll set up 17 a meeting. 18 CHAIRPERSON CORNEGY: Okay. 19 RICHARD NAGIN: Great. 20 CHAIRPERSON CORNEGY: Alright ... [cross-21 talk] RICHARD NAGIN: Okay, great... [cross-talk] 2.2 23 CHAIRPERSON CORNEGY: Thank you Mr. Nagin... [cross-talk] 24 RICHARD NAGIN: ...thank you. 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	CHAIRPERSON CORNEGY: You, you don't have
3	to leave yet.
4	RICHARD NAGIN: No, I'm cool.
5	CHAIRPERSON CORNEGY: Alright, but we can
6	move onto the… [cross-talk]
7	RICHARD NAGIN: Yeah [cross-talk]
8	CHAIRPERSON CORNEGY:the next
9	testimony.
10	ARIE ISAACS: Hi, good morning, my name
11	is Arie Isaacs, I too am a class two code and zoning
12	representative in New York, I work for Howard, Howard
13	Zimmerman Architects as, as their Code and Zoning
14	Manager, I also am here to just state in front of the
15	Council some of the concerns that I and a number of
16	expeditors have in New York about the new DOB Now
17	system, that's the official name DOB Now, the, the
18	fact that filing representatives such as myself are
19	not officially able to file jobs with the city of New
20	York as per as per this new system only the
21	architect or engineer of record is allowed to
22	formally do that, that's a change in procedure that
23	makes things more difficult for all parties involved.
24	In addition as sort of a general request my hope is
25	that the, the DOB will enlist the assistance of
I	

1	COMMITTEE ON HOUSING AND BUILDINGS
2	filing representatives like myself, those of us who
3	do this every day for a living since we are the ones
4	who are working with the system it would make sense
5	to me that we, we should have some input and some
6	involvement in its construction, in its operation and
7	my hope is that the city will give some consideration
8	to allowing that to happen. Thank you.
9	CHAIRPERSON CORNEGY: So, we had a
10	conversation with the former Commissioner and now the
11	current Commissioner and with all due respect to her
12	and in her absence I don't remember the exact answer
13	that she gave to me for why the change was made but
14	if you would reach out to my office we can continue
15	this dialogue. So, you should know that whatever
16	level of success we've had as an office has been
17	based on having these conversations often, so I'd
18	like to hear from you formally. I, I it works better
19	for me if you submit to me recommendations [cross-
20	talk]
21	ARIE ISAACS: Sure… [cross-talk]
22	CHAIRPERSON CORNEGY:I because I'm,
23	I'm, I'm dually bound to turn your concerns into
24	recommendations, into policy and legislation so if
25	you could help me skip one of those steps by just

1 COMMITTEE ON HOUSING AND BUILDINGS 2 giving me the recommendations, I would greatly 3 appreciate it. 4 ARIE ISAACS: Sure. 5 CHAIRPERSON CORNEGY: Thank you... [cross-6 talk] 7 ARIE ISAACS: Thank you. CHAIRPERSON CORNEGY: Thank you. Thank 8 you so much for your testimony, we're going to move 9 to the next panel which is Ellen Davidson and Tom 10 Waters. So, we'll get ... 11 12 [off mic dialogue] 13 CHAIRPERSON CORNEGY: You too, thank you. 14 [off mic dialogue] 15 CHAIRPERSON CORNEGY: So, again I just 16 ask that you submit your names in totality for the 17 record and then you can begin your testimony whenever 18 you'd like. Sorry, Ellen Davidson, 19 ELLEN DAVIDSON: 20 Staff Attorney with the Legal Aid Society. 21 TOM WATERS: Tom Waters, Housing Policy 2.2 Analyst to the Community Service Society of New York. 23 Thank you for this opportunity to testify on J-51, 24 did the same thing seven or eight years ago the last time it was renewed and much of what I want to say is 25

1 COMMITTEE ON HOUSING AND BUILDINGS 2 the same as then. J-51 is an extraordinarily 3 expensive program and its costs have run away from its benefits because many provisions of it don't, 4 don't fit the present-day reality of housing in New 5 York City. The, the program from its beginning in the 6 7 50's was changed many times over the years to sort of broaden its sweep and make more and more improvements 8 to buildings eligible for the benefits of J-51, that 9 stopped in the 90's but the program continued to grow 10 tremendously as real estate activity in the city 11 12 increased and I believe the J-51 benefits were given 13 to more and more improvements that would have been 14 made without the incentive undermining the efficiency 15 of the program. You can get the flavor of that by, by 16 looking at figure one in my ... in our testimony that, 17 that shows what's happened over the last 18 years, 18 it's on page three, which is that of the four components of the program that are analyzed 19 20 separately by the Department of Finance in their report on tax expenditures, two of them are, are 21 2.2 shrink are going down and two of them are exploding 23 upwards, it's the abatements, the abatement component of the program that is shrinking and the exemption 24 component that is increasing and that's happening 25

1	COMMITTEE ON HOUSING AND BUILDINGS
2	regardless of whether you're talking about rental
3	apartments or condos and co-ops. I think the reason
4	for that it certainly isn't because anyone decided
5	that they thought there should be more exemptions and
6	fewer abatements nor is it because anyone anticipated
7	the kinds of changes that happened and thought that a
8	shift from abatements to exemptions would be a good
9	response to that and designed it into the program but
10	this was not intentionally designed into the program
11	I'm certain. Instead its just because of intended
12	consequence of provisions that were intended to
13	target the program so exemptions are not available
14	if… you can't get exemptions in Manhattan below
15	Harlem, well more and more of the high end
16	development of the city is outside of Manhattan below
17	Harlem and that's why exemptions are exploding.
18	Should I keep going?
19	CHAIRPERSON CORNEGY: Yes.
20	TOM WATERS: Abatements are limited by
21	the value of the property and the number has not been
22	updated over the years so it's a the, the, the limit
23	for property value that the abatement applies to is
24	getting lower and lower relative to values in the
25	city and therefore it's getting more restrictive. So,
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1	COMMITTEE ON HOUSING AND BUILDINGS
2	those, those the nobody these things are supposed
3	to be targeting the incentive to buildings with low
4	income tenants who really need the incentive to get
5	decent conditions but it's not working anymore
6	because the city has changed since the last time
7	these provisions were updated and it has an
8	unintended result of shifting from abatements to
9	exemptions an unintended result of letting this
10	program grow faster than it needs to and in fact
11	abatements are the better targeted part of the
12	program and exemptions are the less well targeted
13	part so it's getting less well targeted in addition
14	to those problems. And I'll, I'll stop there.
15	CHAIRPERSON CORNEGY: Thank you.
16	ELLEN DAVIDSON: And from the Legal Aid
17	Society one of the things that we wanted to talk
18	about was the lack of enforcement that has gone on
19	with the J-51 building. I listened to the Deputy
20	Commissioner's testimony about their great
21	enforcement unit, we represent a building in Queens
22	which received the J-51 benefit starting ten years
23	ago and the landlord did indeed say I'm going to
24	register the units, he registered ten units in his
25	build in his 110 unit building as rent regulated and

1 COMMITTEE ON HOUSING AND BUILDINGS 2 those ten tenants got access to SCRIE and DRIE benefits but the clients that we represented had no 3 access to any benefits because they were told they 4 were not regulated because HPD was unable to simply 5 go from seeing that ten units were registered to 6 7 seeing that their own system said that this was 110 unit building so it's been our experience that 8 there's no enforcement of the regulation. In my 9 testimony I talk about how the city talks ... talked to ... 10 lawsuit about how unimportant the rent regulation 11 12 part of the statute was and how they didn't see any reason to enforce it and in addition the point of J-13 14 51 is to lessen the increase that tenants get for 15 major capital improvements because a landlord can get 16 both the J-51 benefit and a major capital improvement 17 benefit and the way it is supposed to work is the 18 tenants get a 50 percent of the major capital improvement that is approved by HCR but as you could 19 20 see from HPD's testimony there's not a lot of conversations going on between the city and the 21 2.2 state, they both have their own ... so, there's no 23 mechanism to ensure that a building that gets a J-51 that HCR knows that the building is getting a J-51 24 and therefore the tenant gets the benefit of the 25

1 COMMITTEE ON HOUSING AND BUILDINGS 2 reduction in the MCI increase and so from our perspective to the extent that this, this, this 3 program is renewed it should have additional 4 enforcement mechanisms in it to make sure that the ... 5 very important tenant protections that the agency 6 7 talked about are actually protections tenants receive. 8

9 CHAIRPERSON CORNEGY: So, those, those 10 amendments and or adjustments to what we spoke about 11 today of the bill, you know the extension itself have 12 you documented that somewhere outside of your 13 testimony because obviously I'm going to go back over 14 your testimony in particular but... [cross-talk]

15 ELLEN DAVIDSON: Sadly I think we, we did 16 not know that J-51 was coming up for renewal, we, we 17 are happy to work ... we're happy to work on if we had 18 more time, recommendations that could be part of changes to the law, we, we found out that this was on 19 20 the agenda about a week and a half ago and it just didn't give us enough time to produce anything but I, 21 2.2 I think we'd love to work with you and to come up 23 with ways of, of making this program better. 24 CHAIRPERSON CORNEGY: So, I'm not the

25 bill sponsor but as the Chair of the Committee I'd be

1	COMMITTEE ON HOUSING AND BUILDINGS
2	interested to hear those recommendations so to the
3	extent that you could put it together, you know
4	relatively quickly. This is this is a hearing and
5	this is actually what hearings are designed to do so
6	I if you could get that to me sooner than later I'd
7	greatly appreciate, even, even a rudimentary document
8	to, to have us look at it to make sure that we're
9	making you know that the intended purpose of the
10	extension meets the needs and the goals, right,
11	that's, that's [cross-talk]
12	ELLEN DAVIDSON: Yeah [cross-talk]
13	TOM WATERS: Yep [cross-talk]
14	CHAIRPERSON CORNEGY:the goal here so
15	[cross-talk]
16	TOM WATERS: Yeah, we can do that. Also,
17	I did do a report in 2012 on J-51 which is on the CSS
18	website and I can I can send a send you a copy as
19	well.
20	CHAIRPERSON CORNEGY: If you if you do
21	that, I'd greatly appreciate it… [cross-talk]
22	ELLEN DAVIDSON: Because you had
23	recommendations in it?
24	TOM WATERS: Yes.
25	

1	COMMITTEE ON HOUSING AND BUILDINGS
2	CHAIRPERSON CORNEGY: I would I would
3	appreciate that.
4	COUNCIL MEMBER PERKINS: Mr. Chair.
5	CHAIRPERSON CORNEGY: Yes, sir.
6	COUNCIL MEMBER PERKINS: I'd appreciate
7	it as well if you get something that you can share
8	with, with me as well. Thank you.
9	CHAIRPERSON CORNEGY: Okay, so what,
10	whatever… I'll commit to you that whatever they're
11	able to, to turn around for us we will definitely
12	share with the Committee and we have some of the most
13	capable council in this committee so I'd really
14	appreciate if you could get that to me sooner than
15	later.
16	COUNCIL MEMBER PERKINS: Great.
17	CHAIRPERSON CORNEGY: Thank you and I'll
18	talk to the bill sponsor as well.
19	ELLEN DAVIDSON: Thank you.
20	COUNCIL MEMBER PERKINS: Thank you.
21	CHAIRPERSON CORNEGY: Thank you so much
22	for your testimony. So, in the record landmark
23	hearing we are about to close, do you have any
24	comments Council Member?
25	

1	COMMITTEE ON HOUSING AND BUILDINGS
2	COUNCIL MEMBER PERKINS: I'm glad we had
3	this opportunity to go through this, it's, it's been
4	very timely for… as far as I'm concerned, and we look
5	forward to moving forward with it and making
6	something happen.
7	CHAIRPERSON CORNEGY: Housing and
8	Buildings is adjourned.
9	[gavel]
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## <u>C E R T I F I C A T E</u>

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.



September 30, 2019

Date