

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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December 13, 2018
Start: 10:38 a.m.
Recess: 1:34 p.m.

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
Bill Perkins
Carlina Rivera
Helen K. Rosenthal
Ritchie J. Torres
Jumaane D. Williams

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

Rick Chandler, Commissioner NYC Department of Buildings

Patrick, Wehle, Assistant Commissioner of External Affairs, NYC Department of Buildings

Salvatore Agostino, Building Marshal
NYC Department of Buildings

Maria Torres Springer, Commissioner
NYC Department of Housing, Preservation & Development

Anne Marie Sanitago, Deputy Commissioner for
Enforcement and Neighborhood Services
NYC Department of Housing, Preservation & Development

Casey Adams, New York City Department of Consumer
Affairs

Michael McKee, Resident of 233 West 21st Street,
Chelsea and Treasurer of the Tenants Political Action
Committee

Kat Meyers, Legal Aid Society

Laura Escuela, Staff Attorney, Tenants Rights
Coalition at Legal Services NYC

Emily Goldstein, Director of Organizing and Advocacy,
Association for Neighborhood and Housing Development
or ANHD

Alex Militic, Appearing for: Dick Gottfried,
Assemblymember

Lyric Thompson

Greg Pacana

Jose Aldez, Professional Pianist

Jerry Kivitzsky General Counsel, PM Legal, Process Servers

Gail Kagan, Past President, New York Professional Process Service Association and Current Legislative Chair

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

2 [gavel]

3 CHAIRPERSON CORNEGY: Good morning
4 everyone. I'm Council Member Robert Cornegy, Jr.
5 Chair of the New York City Council's Committee on
6 Housing and Buildings. I'm joined today by fellow
7 committee member Fernando Cabrera, and today we'll
8 hear testimony from the various city agencies charged
9 with enforcing laws that protect tenants as well as
10 members of the real estate industry, tenant advocates
11 and other interested members of the public regarding
12 tenant displacement and our ongoing affordable
13 housing crisis. We'll also hear testimony regarding
14 a package of 18 bills aimed at preventing tenant
15 displacement by punishing predatory landlords,
16 addressing the Housing Court eviction machine and
17 ensuring that the Administration does its part to
18 prevent the harassment and mistreatment that forces
19 tenants out of their homes. In New York City we're
20 working tirelessly to address our ongoing housing
21 crisis by pursuing every avenue to create and
22 maintain affordable housing. However, as detailed in
23 an eye-opening series published by the New York Times
24 in May of this year, many building owners are working
25 directly against these efforts frequently using

2 immoral and aggressive methods to raise rents and
3 remove tenants entirely. These method range from
4 lying about making housing improvements for higher
5 rents to crafting inequitable buyout offers for
6 unwitting tenants or harassing tenants with actions
7 that threaten their health and safety. For example,
8 at 25 Grove Street a new owner began gutting
9 apartments without permits. One tenant told the
10 times that a saw came directly through their floor.
11 Eventually, so much dust had erupted—erupted within
12 the building that tenants were forced to wear masks
13 in their homes. Shockingly, the result dust
14 violation was eventually dismissed. 632 Sterling
15 Place where a new owner used a buy-out offer to
16 convince a tenant to move out. They never paid her.
17 This owner proceeded to gut the building with tenants
18 inside, turning off the heat and removing an entire
19 staircase. Eventually, remaining tenants moved to a
20 hotel with the city's help and taxpayer dollars. One
21 family stayed at this hotel for over a year until the
22 city tried to move them to a homeless shelter at
23 which they were able to find an apartment that
24 unfortunately cost three times their previously
25 regulated rent. 600 Lincoln place where a new owner

1 raised the rent to the point of deregulating units
2 claiming that over \$40,000 of building improvements
3 justified the drastic increase. However, the Times
4 reported that the proof of these improvements was
5 riddled with errors. For example, the owner claimed
6 to have redone the closets in one unit, but the
7 apartment in question had no closets. To make
8 matters worse, predatory landlords have two key
9 advantages in their fight against affordable housing.
10 First, they have the advantage of working within a
11 system that assists them in their efforts. New York
12 City's Housing Court system, which was created to
13 protect tenants from dangerous conditions has
14 devolved into a deeply flawed structure that favors
15 the interest and savvy of certain building owners and
16 their attorneys when—who often rely on tenants lack
17 of counsel and information. While the Council
18 passed—while the Council passed a landmark right to
19 counsel legislation in August of 2017, the New York
20 Times reported earlier this year that process servers
21 are not serving these tenants. Some tenants did not
22 even know that they had been evicted until the
23 marshal showed up at their door. How can tenants
24 use our right to counsel resources when they do not
25

2 even know that they're being taken to court? We need
3 to ensure that tenants facing Housing Court
4 proceedings have an opportunity to defend themselves.
5 Predatory landlords have the additional advantage of
6 working within a city that often sadly provides
7 inadequate oversight. The Administration must do
8 more to ensure that vulnerable tenants are protected.
9 Last session the Council made great strides in
10 addressing these forms of tenant harassment while
11 passing the Stand for Tenant Safety package,
12 expanding the definition of harassment and requiring
13 a certificate of no harassment as a condition of
14 obtaining a permit. The bills in this package seek
15 to plug enforcement holes by addressing the methods
16 that the worse building owners undertake to
17 effectively evict tenants, and providing the
18 Department of Buildings with tools to enforce
19 existing laws and protect tenants who are subject to
20 dangerous construction conditions. Thank you to the
21 Administration for being here to testify on these
22 bills and thank you to the housing advocates in
23 attendance. While the city is doing all it can to
24 protect affordable housing in the city, the state
25 needs to take action on this issue. Earlier this

2 year, we passed Resolutions 326, 328, 331, 332 and
3 339, which call upon on our colleagues in Albany to
4 pass legislation that would limit the ability of
5 landlords to increase the rents of rent regulated
6 units. We also passed Resolution No. 327, which
7 calls on the State Legislature to expand the statute
8 of limitations rent overcharges and Resolution No.
9 325, which calls on the State Legislature to repeal
10 the laws that limit the ability of the city to
11 regulate our own residential rents. Finally, we
12 passed Resolution No. 340, which calls on the State
13 Legislator to pass—Legislature to pass legislation
14 that would extend race—rent stabilization to
15 unregulated apartments. We're hopeful that these
16 efforts in conjunction with the bills that we're
17 hearing today work to dismantle predatory practices
18 and protect the city's affordable housing. With
19 that, I'd like to remind everyone who would like to
20 testify today to please fill out a card with the
21 Sergeant. We'll be sticking to a 2-minute clock for
22 all public testimony, and now we'll have the
23 Administration affirm their testimony.

24 LEGAL COUNSEL: We're going to swear.

25 Raise your right hands, please. Do you affirm to

2 tell the truth, the whole truth and nothing but the
3 truth in your testimony before this committee, and
4 respond honestly to Council Member questions?

5 COMMISSIONER CHANDLER: I do.

6 PATRICK WEHLE: I do.

7 LEGAL COUNSEL: Okay.

8 CHAIRPERSON CORNEGY: I'd like to
9 acknowledge the presence of both Rafael Espinal and
10 Carlina Rivera, oh, and Mark Levine. Before you
11 begin your testimony, we received cards from the
12 Administration, but it doesn't have everyone. So, if
13 you could just identify yourself for the record prior
14 to your testimony, I'd appreciate it. Thank you.

15 COMMISSIONER CHANDLER: Okay, good
16 morning Chair Cornegy and members of the Housing and
17 Buildings Committee. I am Rick Chandler,
18 Commissioner of the New York City Department of
19 buildings. I'm joined by Patrick, Wehle, Assistant
20 Commissioner of External Affairs and the Department's
21 Buildings Marshal Salvatore Agostino as well as my
22 colleagues from HPD. We're pleased to update this
23 committee on the work that the department has been
24 doing to protect tenants in buildings under
25 construction and to offer testimony on 12 of the

1 bills before the committee today. Before I begin, I
2 would like to thank the City Council and the tenant
3 advocacy community include the Stand for Tenant
4 Safety Coalition for their partnership in this
5 important work. The use of construction to harass
6 tenants is an absolutely dreadful practice and the
7 department takes seriously its obligation to work
8 with our partners in government to hold recalcitrant
9 landlords accountable to the fullest extent of the
10 law. Thanks in part to the work of the City Council
11 and the tenant advocacy community, we've made
12 significant strides in protecting tenants and holding
13 landlords accountable, and with your continued
14 support additional progress will be made to
15 effectively combat the problem. The department
16 values its participation in the Tenant Harassment
17 Prevention Taskforce, the partnership of city and
18 state agencies, which was created to investigate and
19 bring enforcement actions against landlords who
20 harass tenants by creating unsafe living conditions.
21 Separately the department partners with the
22 Department of Housing, Preservation and Development
23 to perform inspections. Over the last two years both
24 on its own and with the taskforce, the department has
25

performed 2,300 inspections and issued more than 1,600 summonses. Additionally, the department revokes or suspends the licenses or filing privileges of construction professionals who use construction to harass tenants. Finally, the department continues to work with its prosecutorial partners including the State Attorney General and District Attorney's offices to bring criminal and civil actions against landlords for endangering and harassing tenants. Resulting from the department's investigations, cases involving several owners have been referred to the State Attorney General's Office and are in various stages of prosecution. These investigations have resulted in unprecedented penalties for bad actor landlords including jail time. In addition to its participation in the taskforce, the department is hard at work implementing and enforcing a dozen laws enacted in 2017, which are intended to combat this very issue. Over the past year, the department has prioritized its inspection of work without a permit complaints in multiple dwellings. Those complaints deemed immediately hazardous receive an inspection within 12 hours and all others receive an inspection within 10 days. Required—we've required more

2 detailed tenant protection plans, made them available
3 on our website and requiring—and required posting
4 notice of their availability within buildings. We've
5 performed proactive inspections of work requiring a
6 tenant protection plan, performed more frequent
7 audits of professional certified work—professionally
8 certified work and occupied multiple dwellings and
9 further reduced the ability of bad actor landlords to
10 professionally certify their work, applied greater
11 scrutiny of contractors who perm work with a permit
12 and performed proactive inspections of their work.
13 We've ensured that the Safe Construction Bill of
14 Rights is posted within buildings so tenants are
15 aware of the work occurring in their building, and
16 how it might impact them. We've launched the Office
17 of the Tenant Advocate, which serves a resource to
18 help tenants understand the laws that govern
19 construction and to investigate complaints of
20 construction as harassment. The OTA accomplishes
21 this through monitoring compliance with tenant
22 protection plans and facilitate inspections of
23 complaints concerning construction as harassment.
24 The OTA also works closely with the department's
25 Buildings Marshal to coordinate inspections, enforce

1 tenant protection plans, penalized predatory
2 landlords and make referrals to criminal law
3 enforcement. While these laws have significantly
4 improved protection for tenants, the department
5 believes that more can be done to ensure no tenants
6 including those in rent regulated units slip through
7 the cracks. The department is integrating data it
8 receives from New York State Homes and Community
9 Renewal regarding the rent regulation status of
10 buildings into its systems. Owners of buildings that
11 contain occupied dwelling units subject to rent
12 regulation will no longer be allowed to proceed with
13 an application for construction document approval to
14 the department if the information they submit is not
15 consistent with the HCR data the department has on
16 file. This measure will prevent owners of rent
17 regulated buildings from getting construction permits
18 if they submit false statements to the department
19 regarding either the rent regulation or occupancy
20 status of their buildings. I'd like to turn now to
21 the bills before the committee today starting with
22 the three that relate to Tenant Protection Plans or
23 TPPs. The department is largely supportive of Intro
24 1107, which would shift the burden of creating and
25

2 submitting a TPP to the department from owners to
3 contractors. Given that contractors are performing
4 the work, they are in a far better position than
5 owners to determine the means and methods from
6 protecting tenants from construction. The department
7 believes more can be done to ensure compliance with
8 TPPs and suggests amending this bill to allow, to
9 also require that TPP be subject to frequent
10 inspections by department approved third-party
11 inspectors. These inspections could occur throughout
12 the duration of construction work, and would be in
13 addition to the proactive and complaint based
14 inspections the department already performs. This
15 bill and the amendments we are proposing will further
16 improve TPP quality and compliance. Intro 1278 would
17 require that the department ensure that specific
18 components of TPPs meet certain standards in the
19 Construction Codes. Additionally, the bill requires
20 that the department perform inspections of 20% of the
21 sites with TPPs within seven days after the
22 commencement of work, and perform additional
23 inspections every 120 day until work for which the
24 TPP is required is completed, and with 72 hours of
25 receipt of a complaint concerning such work. The

2 department is supportive of the provisions in this
3 bill that call for greater scrutiny of TPPs. As for
4 the additional inspections required by this bill, as
5 an alternative the department supports the
6 inspections we are suggesting as a amendments to
7 Intro 1107, which would be in excess of those
8 required under this bill. Intro 1280 would require
9 that TPPs identify the total number of units in a
10 building and the total number of occupied units in
11 such buildings. This bill also increases the
12 penalties for a false filing related to a new
13 building alteration or full demolition permit or for
14 failure to file a TPP where such TPP is required to a
15 minimum of \$10,000 for a first offense and a minimum
16 of \$25,000 for a subsequent offense. The department
17 is supportive of including the total number of units
18 in a building and the total number of occupied units
19 in such buildings on TPPs as this would increase the
20 information available to tenants. The department
21 also supports increasing penalties for failure to
22 file a TPP. However, given that false filings can
23 include what amount to clerical errors the department
24 does not support increasing penalties for all
25 incorrect information on a construction document

1 particularly if it is an isolated incident rather
2 than a pattern of deception. The next four bills
3 relate to false statement on applications and
4 construction documents submitted to the department.
5 Intro 1171 would require that the department conduct
6 an audit of a building owner's portfolio to determine
7 if any additional false statements have been made
8 when it discovers that such owner has made a false
9 statement to the department on a construction
10 application. The department would also be required
11 to notify other agencies including the Department of
12 Investigation and HCR when it discovers a false
13 statement. This bill would also require that the
14 department audit applications submitted by owner-
15 building owners who file for more than five post-
16 approval amendments and that finally the department
17 audit 25% of buildings on HPD's Speculation
18 Watchlist. The department is largely supportive of
19 this bill. Currently, when the department discovers
20 that a false statement has been made with respect to
21 the rent regulation status of a building, the
22 department already reviews the building owner's
23 portfolio to determine if any additional false
24 statements have been made with respect to other
25

buildings in such owner's portfolio. Furthermore, as discussed previously, the department's efforts to integrate HCR data into its systems will prevent owners of rent regulated buildings from getting construction permits if they submit false statements to the department regarding either the rent regulation or occupancy status of their buildings. The department is certainly supportive of sharing information with its partner agencies where it discovers a false statement related to the rent regulation status of the building and already does so regularly. [siren] Regarding PAAs changes are common as a job progresses. The PAA process allows applicants to make minor changes or to correct errors in applications of construction documents submitted to the department, which in turn allows the department to maintain accurate records of construction jobs and ensure compliance. As such, the department does not believe that PAAs are an appropriate indicator of harassment, and does not want to discourage applicants from filing PAAs when necessary. Finally, the department supports auditing buildings including on HPD's Speculation Watch List to determine if any false statements have

2 been made with respect to applications for
3 construction submitted for such buildings. Intro 1275
4 would require that depart—the department deny permits
5 for a building for one year when it discovers that
6 false statement regarding the occupancy status of the
7 building has been made to the department or where a
8 work without a permit violation is issued to such
9 building. The department requires permit applicants
10 to identify both the number of dwelling units in a
11 building and the number o occupied dwelling units in
12 a building. This information is then populated on
13 building permits. The number of occupied dwelling
14 units may change over time as new tenants move into
15 the building or existing tenants move out, which
16 makes verifying the number of occupied dwelling units
17 very challenging. Furthermore, as discussed
18 previously, the department's efforts to integrate HCR
19 data into its systems will prevent owners of rent
20 regulated buildings from getting construction permits
21 if they submit false statements to the department
22 regarding either the rent regulation or occupancy
23 status of their buildings. For these reasons, the
24 department is not supportive of the bill's provision
25 related to false statement as it relates to occupancy

2 status. Additionally, the department does not
3 support denying permits for buildings that have
4 previously received the work without a permit
5 violation. Such an approach effectively prevents bad
6 actors from coming into compliance and makes
7 continued non-compliance the only path available to
8 them. Absent the department's scrutiny, this work
9 can put tenants and the public in harm's way. To be
10 clear, we are not suggesting that bad actors who
11 perform unpermitted work do not deserve to be
12 punished, we can and do hold these bad actors
13 accountable. Our concern with this bill is that it
14 may worsen the problem it seeks to solve. Intro 1277
15 would require that the department perform inspections
16 before approving an application for construction
17 documents where such application indicates that the
18 building that is the subject of such application is
19 unoccupied. The state purpose of this inspection is
20 to ascertain the occupancy status of such buildings.
21 While the department recognizes the importance of
22 ascertaining the occupancy status of the building, we
23 are not supportive of this bill given that its
24 approach would add questionable value and strain the
25 department's limited resources. An application for

2 construction document approval does not guarantee
3 that the department will approve such application, and
4 what's more—and what's more the issuance of a permit
5 does not guarantee that the property owner will
6 actually conduct any work. Accordingly, many of the
7 proposed inspections will add no value for the
8 tenants. Furthermore, as discussed previously, the
9 department's efforts integrate HCR data into its
10 systems will prevent owners of rent regulated
11 buildings from getting construction permits if they
12 submit false statements to the department regarding
13 either their rent regulation or occupancy status of
14 their buildings. Intro 1279 would require that the
15 department audit 20% of Certificates of Correction of
16 immediately hazardous violations filed with the
17 department such audit must include an inspection by
18 the department to ensure that the conditions subject
19 to the Certificate of Correction have has been
20 corrected. The department takes very seriously
21 conditions that result in the issuance of immediately
22 hazardous violations, and such conditions are
23 reinspected every 60 days unless a Certificate of
24 Correction is submitted to the department. Building
25 owners typically have 40 days to correct a condition

2 that resulted in a violation being issued. The
3 department received approximately 19,000 Certificate
4 of Correction for immediately hazardous violations
5 last year. As a matter of practice the department
6 already audits the Certificates of Correction that
7 are submitted and is, therefore, supportive of the
8 intent of this bill. The next five bills focus on bad
9 actors. Intro 975 would require that the department
10 deny permits where a building has multiple housing
11 maintenance code or construction code violations.

12 The department would be required to make the
13 determination that a building with fewer than 35 unit
14 has three or more violations per unit, and that a
15 building with greater than 35 units has two or more
16 violations per unit. With some exceptions the
17 department supports denying permits to bad actors and
18 is doing so in a way that it believes is more
19 effective than the proposal offered in this bill.

20 Local Law 160 of 2017 requires the department to deny
21 or revoke permits for owners who have accumulated
22 more than \$25,000 in debt to the city. The
23 department believes this is a better approach than
24 what is provided for in this bill, and that it
25 prevents bad actor landlords from pulling permits

2 that makes exceptions for affordable housing projects
3 permits for the purposes of correcting outstanding
4 violations and for units owned as cooperatives or
5 condominiums. Intro 977 would require that the
6 department sanction registered design professionals
7 where such professionals have submitted two
8 professionally certified applications for
9 construction document approval to the department that
10 contain errors that resulted in a stop work order.
11 Additionally, Intro 1241 would require that the
12 department sanction all of the registered design
13 professionals working for a firm where one of such
14 firms registered design professionals is sanctioned
15 by the city. Additionally, the department would be
16 required to report this information to the City
17 Council on an annual basis. The department already
18 sanctions registered designs professionals who have
19 submitted two professionally certified applications
20 for construction document approval to the department
21 that contains errors that result in the revocation of
22 an associated permit. The department is supportive
23 of Intro 977 as it would reinforce the department's
24 existing authority and practice. Where the
25 department appreciates—while the department

2 appreciates the intent of Intro 1241, which is to
3 prevent registered design professionals who have been
4 sanctioned by the department from continuing to do
5 business with the department, the department would
6 like to discuss this bill given that it may not
7 always be appropriate to impute the sanctions imposed
8 on a registered design professional to other
9 registered design professionals employed by the same
10 firm. Further, imputing sanctions to other
11 registered design professionals employed by the same
12 firm presents due process concerns for the
13 department. The department takes its obligations to
14 address bad actors seriously and is aggressive in
15 utilizing existing tools to ensure that those who are
16 found to have engaged in actions that violate the law
17 are held accountable. Intro 1247 would require the
18 department to provide copies of summonses to all
19 tenants living in the building to which such
20 summonses have been issued. This bill also requires
21 the department to provide such tenants with
22 information about the adjudication process. The
23 department issues over 150,000 summonses a year.
24 While the department supports the goal of sharing
25 this information with tenants, providing a copy of

2 such summonses to each tenant living in the building
3 at which such summons have been issued is not
4 practical given that we have limited resources that
5 would be far better directed toward investigating
6 problems who are on construction sites. Further,
7 information pertaining to a summons issued by the
8 department is already available on the department's
9 website. Tenants are already able to see information
10 pertaining to the violation issued including any
11 applicable ECB hearing dates and times. Therefore,
12 the department does not support this bill as drafted,
13 but looks forward to discussing other ways to
14 increase awareness around summonses to tenants likely
15 requiring that such summonses be posted within a
16 building until they are resolved. Intro 1257 would
17 require the department to issue a stop work order
18 where a permit holder refuses to grant the department
19 access to the property for which a permit has been
20 issued for the purposes of conducting an inspection.
21 While the department understands the intent of 1257
22 it does not support this bill as it is unnecessary.
23 The department already has the authority to address
24 the concern this bill is intended to address, and
25 utilizes such authority as appropriate. Thank you

2 for your attention and the opportunity to testify
3 before you today, and we welcome any questions you
4 may have.

5 CHAIRPERSON CORNEGY: Thank you.

6 COMMISSIONER SPRINGER: Good morning,
7 Chair Cornegy and members of the Committee on
8 Housings and Buildings. My name is Maria Torres
9 Springer. I'm the Commissioner of the Department—the
10 New York City Housing, Preservation and Development,
11 and I'm here today to testify on Intros 1279, 1274
12 and 59, 515, 1242 and 30. I'm also joined here today
13 by Anne Marie Sanitago, who's our Deputy Commissioner
14 for Enforcement and Neighborhood Services. We know
15 that everyday New Yorkers continue to feel the strain
16 of extraordinary market pressures. Some have the
17 added pressure of bad landlords who illegally deny
18 essential services, create unsafe or intolerable
19 living conditions or otherwise try to force them t o
20 leave their buildings or surrender their rights. The
21 de Blasio Administration has made protecting tenants
22 a core part of its strategy to confront the
23 affordable housing crisis. These bad actors may use
24 multiple angles to exploit the system, and for that
25 reason the administration has worked in partnership

2 with the City Council and partners with various
3 branches of government to tackle the issue with a
4 comprehensive multiple-pronged approach. As a city,
5 we are focused on keeping people in their homes and
6 neighborhoods by closing loopholes in rent regulated
7 laws at the state level creating and preserving
8 historic numbers of affordable homes through a
9 variety of tools, empowering tenants with more
10 resources, aggressively enforcing city codes and
11 utilizing all of our partnerships to create data
12 driven innovative tools targeted at stopping
13 harassment before it starts. The Council, of course,
14 has been an invaluable partner in every step of this
15 work. We thank everyone, the Housing and Buildings
16 Committee and also Speaker Johnson for his continued
17 leadership on this issue. HPD is in the business of
18 protecting tenants, and our work is a critical piece
19 of this aggressive approach to combatting tenant
20 harassment. I'd like to take a few minutes to speak
21 to each of these efforts further. First,
22 strengthening the state's rent regulation laws. Core
23 to this effort, of course, is strengthening the state
24 laws on rent regulation. As rent regulation comes up
25 for renewal in Albany next year, the de Blasio

2 Administration will fight for vital reforms to retain
3 the stock of rent regulated apartments, ensure
4 current tenants are secure in their homes and protect
5 the benefits of rent regulation for future tenants.

6 These reforms include (1) and being high rent vacancy
7 decontrol. The city is calling for the elimination
8 of vacancy decontrol. Currently, a vacant apartment

9 with a rent of \$2,733 per month may be deregulated
10 and gives bad landlords a target to aim for when

11 considering how to gain the system. (2) And being
12 the vacancy allowance. The city is calling for the

13 elimination of the 20% increase in monthly rent when
14 tenants vacate an apartment. This allowance has

15 created strong incentives for bad actors to pressure
16 tenants out of their home in the hopes of faster

17 rising rents. (3) Limiting individual apartment
18 improvement and major capital improvement increases.

19 The city is calling for reforms on how landlords can
20 use permanent rent increases for building wide or

21 individual apartments. These increases are used as a
22 mechanism to drive up legal rents to reach the

23 threshold for rent deregulation. Reforming our
24 state's rent laws is vital for New York City

25 residents to continue to exercise their choice to say

2 in neighborhoods they call home. We know that the
3 City Council shares the same goal and we look forward
4 to working together to fight for all New Yorkers in
5 2019. The quote/unquote "Year of the Tenant." For
6 us, however, every year is the year of the tenant.
7 We are always thinking about the needs of both today
8 and for the future. For that reason, HPD will need
9 adept nimbleness to respond to the bad actors when
10 they try to exploit the new laws that come out of
11 Albany in 2019. It will be critical to ensure that
12 the rent reg laws in Albany fulfill the goals that we
13 laid out, which include constant assessment of any
14 unintended consequences that may arise. We must be
15 both responsive and proactive to the changing facets
16 of tenant harassment. Next, creating and preserving
17 existing affordable housing. Keeping the New York
18 affordable is important part of the goal to give
19 tenants the choice to stay in their homes. I'm
20 pleased to say that last fiscal year, HPD financed
21 the development and preservation of more than 32,000
22 affordable homes, and in the last fiscal year,
23 breaking an all-time record previously set in 1989.
24 In total the Administration has financed over 109,000
25 affordable apartments under Housing New York. We

1 achieved these overall numbers while exceeding our
2 commitment to providing housing for the lowest income
3 New Yorkers, something that we know is a priority for
4 the City Council as well. In 2017, the Mayor
5 committed to historic investment over the remainder
6 of the Housing New York Plan to ensure that 25% of
7 our production is for extremely low-income and very
8 low-income New Yorkers. To date, we have exceeded
9 even this revised commitment. Last year for
10 instance, 57% of the housing we created or preserved
11 served individuals making less than \$37,000 per year
12 or \$47 for a family of three. To date, 40% of all of
13 the housing we have created or preserved is for
14 extremely low and very low-income New Yorkers, and
15 85% of the entire plan serves low-income residents.
16 The cornerstone of the Mayor's Housing Plan continues
17 to be the preservation of affordability in existing
18 buildings many of which are in need of physical and
19 financial systems or facing aspiring protections.
20 Last year the city used a wide array of programs
21 and tools to extend affordability and finance needed
22 improvements in nearly 23,000 homes. To date, more
23 than 76,000 homes have been preserved through Housing
24 New York, securing greater affordability for tenants
25

2 in financing building wide and apartment level
3 repairs to ensure the long-term quality of that
4 housing. The city also utilizes voucher programs
5 distributed at all levels of government and the NYC
6 Rent Freeze Program in rent regulated units, which
7 include SCRIE and DRIE whenever possible. These are
8 important benefits so that our most vulnerable New
9 Yorkers can stay in their homes in the city that they
10 love without the fear of being displaced by
11 escalating rents. The next strategy Empowering
12 Tenants with more resources. The city does extensive
13 outreach in education to ensure tenants especially
14 those in rent regulated units understand the rights
15 and the responsibilities. The Mayor's Tenant Support
16 Unit or TSU these are specialists from the Mayor's
17 Public Engagement Unit who are on the ground citywide
18 conducting proactive outreach to tenants to inform
19 them of their rights, identifying housing related
20 issues, document building conditions and connecting
21 tenants to free services like legal assistance in
22 order to mitigate displacement, landlord harassment
23 and facilitate home related repairs. Since its
24 creation in 2015 and through November of 2018, TSU's
25 specialists who collectively speak over 12 languages

1 have done outreach to over 365,000 tenants across New
2 York City. The Council and the Administration, of
3 course, have also unprecedented steps in recent years
4 to better even the playing field for tenants. The
5 Universal Access to Counsel team also part of the
6 Mayor's Public Engagement Unit conducts proactive
7 outreach to tenants with cases in Housing Court to
8 connect them to free legal assistance through HRA's
9 Office of Civil Justice. Since beginning outreach in
10 2018 through November—through November 2018, this
11 office has mad over 45,000 outreach attempts to
12 tenants in 15 zip codes where the program is
13 currently active, and there—this is bearing fruit all
14 of this effort. Since 2013, there has been a 27%
15 drop in evictions. Today, 30% of tenants who appear
16 in eviction cases in Housing Court are represented by
17 counsel compared only to 1% in 2013. HPD also holds
18 events in resource fairs, distribute essential tenant
19 guides such as the ABCs of Housing Widely and now due
20 to the support of many elected officials has a mobile
21 van that travels throughout the city providing
22 information and services directly to tenants in their
23 communities. Every summer we also partner with the
24 City Council on a program called HPD in Your District
25

2 where representatives from our Office of Enforcement
3 and Neighborhood Services spend a day in Council
4 Member's District Offices providing one-on-one
5 education and assistance to tenants and owners, and
6 we're certainly looking forward to continuing that
7 program in the summers to come. Next, Enforcing the
8 City's Codes. In addition to the efforts DOB spoke
9 of in the earlier testimony, HPD aggressively
10 enforces the City's Housing Maintenance Code by
11 responding to complaints, conducting inspections and
12 issuing violations with a variety of partners. In
13 Fiscal Year 18 for instance we attempted more than
14 700,000 inspections and issued more than 522,000
15 violations. We also utilize a variety of targeted
16 programs so that we can direct our resources to our
17 most problematic buildings. For example through the
18 Alternative Enforcement Program we work with severely
19 distressed multiple dwellings to provide additional
20 support in addressing violations and qualifying
21 conditions for health and the safety of tenants. Our
22 Underlying Conditions Program allows COMMISSIONER
23 CHANDLER: I think we've answered this question in
24 previous testimony, but we're happy to discuss it
25 further. It's that we're response -we're complaint

2 driven and when our inspectors attempt to get in,
3 they will revisit at a different time of the time and
4 a different time of the week and make a second
5 attempt, and then if that is unsuccessful, then
6 depending on the condition that we see that might be
7 indicative of—of a violation, then we will seek to
8 get an access warrant.

9 CHAIRPERSON CORNEGY: So, just so I'm
10 clear, is it the—it's it DOB and HPD's policy to upon
11 not being able to gain entry make an appointment to
12 try to get back?

13 COMMISSIONER CHANDLER: Well, with our—
14 whenever we attempt and we can't get in, we leave a
15 notice asking—with phone numbers and contact
16 information and saying that we would like to get
17 access and that we need to get access and we seek to
18 have someone reach out to us.

19 CHAIRPERSON CORNEGY: So—I'm—so I'm not
20 really clear if there's a solid process for
21 appointments going forward or if there's a—we just
22 want to get to being able to—obviously the safety
23 issue is sometimes a concern, and we respect the idea
24 that you can identify or an inspector can identify
25 the level necessary. I just—I just don't know as the

2 Chair the--the various levels that escalate an
3 appointment or to entry that's assisted by law
4 enforcement or what---what's the actual process.

5 SALVATORE AGOSTINO: So, Mr. Chair, as
6 the Commissioner mentioned our process is we make
7 two--two attempts to perform that inspection, and if
8 the--if the--if no access is available, the inspection--
9 the complaint is closed out. If there are additional
10 complaints, we'll go and perform additional
11 inspections. That being said, we regularly have
12 conversations with tenants, and it tenants have the
13 ability to provide us with access, we share
14 information and phone numbers. We try and arrange it
15 such that the tenant is available to allow our
16 inspectors to actually access the building.

17 CHAIRPERSON CORNEGY: So, you--so you do
18 consider tenants an access point if necessary?

19 ASSISTANT COMMISSIONER WEHLE: Absolutely.

20 CHAIRPERSON CORNEGY: Okay. So, who at
21 HPD is responsible for ensuring maintenance
22 complaints result in inspections?

23 COMMISSIONER SPRINGER: We have a--the
24 largest department in our--at the agency is the
25 Department of--It's the Office of Enforcement and

2 Neighborhood Strategies, which is led by Deputy
3 Commissioner Anne Marie Santiago. The vast majority
4 actually of our workforce is dedicated to this
5 critically important work. We have to 300 inspectors
6 and about 30 or 40 supervisors. It is a well
7 coordinated system to ensure that our enforcement of
8 the Housing Maintenance Code, which includes a very
9 rigorous process for identifying issues and units in
10 buildings issuing violations following those
11 protocols happens, and so it's within the Office of
12 Neighborhood Services that all of that work happens.
13 They all report to Anne Marie Santiago, and that
14 office now is a direct report to me, which had not
15 been the case previously.

16 CHAIRPERSON CORNEGY: So, similarly I-I
17 ask-I submit the same question to DOB. Who at DOB is
18 responsible for ensuring construction complains in
19 residential buildings result in inspections?

20 COMMISSIONER CHANDLER: Our Deputy
21 Commissioner for Enforcement Tim Holden oversees a
22 variety of different units that are headed by
23 assistant commissioners, and also our Office of the
24 Building Marshal. So those are the--those are the

2 different divisions within the Office of Enforcement
3 that respond to complaints.

4 ASSISTANT COMMISSIONER WEHLE: And I
5 think I--if I may, Mr. Chair, I forgot to announce
6 myself for the record earlier. I'm Patrick Wehle
7 Assistant Commission for External Affairs at
8 Buildings. So, as it relates to harassment we have a
9 process in place by which all of these complaints are
10 referred to our Office of the Building Marshal, and
11 the inspectors and investigators within that office
12 have the experience, the expertise to handle these
13 types of complaints, and over time I think we've made
14 some progress in prioritizing those inspections. All
15 complaints related to harassment are now prioritized
16 by the Buildings Department. So depending upon the
17 severity of that complaint, inspectors, investigators
18 with the Marshal's office will get out there either
19 right away or say two to three days.

20 CHAIRPERSON CORNEGY: Thank you. In the
21 interest of time and I know my colleagues have other
22 hearings on their dockets. I would like to open the
23 line of questioning to my colleagues beginning with
24 Ritchie.

2 COUNCIL MEMBER TORRES: Thank you, Mr.
3 Chairman. First, I want to thank Commissioner Torres
4 Springer for your collaboration around the
5 Speculation Watch List, and actually I feel like
6 that's going to be a powerful tool for proactive code
7 enforcement, and I actually want to thank the
8 Buildings Department. I-I-you know, as you know I
9 partnered with Housing Rights Initiative to publicly
10 fault the Buildings Department for a lack of
11 information sharing, automated information sharing
12 between the Buildings Department and DHR, and so I'm
13 actually happy to see that you're going to have a
14 system in place that's going to allow for—so if—if—if
15 there is a discrepancy between DHCR data and the
16 Section 26 of the PW1, the build—the building
17 information testimony is going to halt the
18 application?

19 COMMISSIONER CHANDLER: That's correct.
20 We think that's going to launch this month. It's
21 been—we've been doing that manually, but we want to
22 add that other layer of automation so that that's
23 going to be happening later this month.

24 ASSISTANT COMMISSIONER WEHLE: And so
25 Council Member Torres the—the tool of which you speak

2 that will be in place before the month is out, and as
3 you—as you explained, when we receive applications
4 our system will automatically check with the data
5 that we've received from HCR to determine both the
6 rent regulation and occupancy status of that
7 building, and if the information does not reconcile,
8 that job gets stopped in its tracks. So permits will
9 not be issued under those circumstances.

10 COUNCIL MEMBER TORRES: So, you're going
11 to have a system in place for halting applications,
12 right, and preventing the issuance of permits, but
13 what about, you know, I can imagine a falsification.
14 One case of falsification could be the product of a
15 sincere error, but if you have an applicant who has a
16 pattern and practice of falsifying legal instruments,
17 which is what a building permit or an application is,
18 even if you're stopping their application, are there
19 going to be consequences for the falsification
20 itself?

21 ASSISTANT COMMISSIONER WEHLE:
22 Absolutely. So if there's a pattern or a practice of
23 these falsification our Building's Marshal's Office
24 and others within the apartment will take a broader
25 look at that owner and their portfolio. So, for

2 example, in these types of situations our work isn't
3 just limited to the one particular building where
4 this falsification let's say has been presented. We
5 take a broader and more holistic look, and look at
6 the buildings with the entire--of the entire portfolio
7 and depending on what we find there could be
8 violations, stop work orders, referrals for criminal
9 prosecution and the like as was happening previously.

10 COUNCIL MEMBER TORRES: So, if--they are
11 going to be under my bill if there are five cases of
12 falsification. I mean one case of falsification that
13 would trigger an audit. What's the practice of DOB
14 at the moment?

15 ASSISTANT COMMISSIONER WEHLE: So, the
16 practice right now is two examples would result in
17 additional scrutiny and audit by the department. So
18 that provision of your bill we do support, but the--
19 the part about the PAAs and five PAAs resulting in an
20 audit, we don't think that's an appropriate indicator
21 of harassment. PAAs are filed routinely at the
22 Building's Department. We get many thousands of
23 them, therefore, more--

24

25

2 COUNCIL MEMBER TORRES: [interposing]

3 What--what if you have an applicant with an unusually
4 high number of PAAs, that it's just outside the norm?

5 ASSISTANT COMMISSIONER WEHLE: Yeah.

6 COUNCIL MEMBER TORRES: Shouldn't we be
7 examining those more closely?

8 ASSISTANT COMMISSIONER WEHLE: It
9 depends--

10 COUNCIL MEMBER TORRES: [interposing]

11 Like you and I can negotiate whether 5 is the right
12 number, but to say we should not consider PAs at all
13 strikes me as--

14 ASSISTANT COMMISSIONER WEHLE: Even of
15 itself it may not be an appropriate indicator of
16 harassment, but for--depending on the scope of the job
17 and the size of the job, depending on the number of
18 documents that are filed including PAAs, and how
19 they're filed and what's contained in them, they may
20 be reason to pursue further action and investigate
21 across the--

22 COUNCIL MEMBER TORRES: [interposing] So,
23 you agree in principle that if you have an unusually
24 high number of PAAs, and we can negotiate what that
25 number is or should be, then it should be subject to

2 an audit. Your wider portfolio should be subject to
3 an audit.

4 ASSISTANT COMMISSIONER WEHLE: Perhaps
5 yes. I think we have to discuss a little further in
6 terms of what that looks like but yes perhaps.

7 COUNCIL MEMBER TORRES: Okay, it seems to
8 me the Buildings Department has two forms of enhanced
9 scrutiny right. You could either subject someone to
10 an audit, which is a form of enhanced scrutiny, or
11 you can strip an applicant of self-certification
12 privileges. Like how often do you audit the wider
13 portfolio of an applicant? How many—do you know the
14 exact number of cases in which you've done that?

15 ASSISTANT COMMISSIONER WEHLE: [pause] So
16 in terms of the—the number of audits that we perform,
17 I can tell you that it's certainly something we do
18 quite regularly. I don't have the exact number of
19 times in which we're auditing a particular building
20 or a portfolio building under at--

21 COUNCIL MEMBER TORRES: [interposing] A
22 portfolio wide audit?

23 ASSISTANT COMMISSIONER WEHLE: Yeah, I
24 can't tell you the exact number, but it's something
25 we do with some regularity.

2 COUNCIL MEMBER TORRES: But you would
3 describe it as a common occurrence?

4 ASSISTANT COMMISSIONER WEHLE: I would
5 say so yes, and we can get back to the committee with
6 numbers in terms of exactly what that looks like.

7 COUNCIL MEMBER TORRES: And-and how often
8 do you strip applicants of self-certification
9 privileges?

10 ASSISTANT COMMISSIONER WEHLE: So, as it
11 relates to the discipline side, year to date there
12 have been 22 design professionals who've had—who have
13 been disciplined and that often times results in the
14 stripping of their professional certification
15 privileges or their ability to file with the
16 department in its entirety.

17 COUNCIL MEMBER TORRES: How many
18 applicants?

19 ASSISTANT COMMISSIONER WEHLE: There have
20 been 22 design professionals hear to date who have
21 had their privileges suspended or revoked?

22 COUNCIL MEMBER TORRES: And what about
23 the actual developers? Are you only faulting the
24 design professionals? What if—what if a developer is
25 consistently associated with falsified building

2 permits at what point do you hold the developer
3 accountable? [background comments/pause]

4 ASSISTANT COMMISSIONER WEHLE: As it
5 relates to owners and developers, many of the-the
6 construction documents that are filed with us the
7 POBIs, will, in fact, result for referrals to the
8 larger task force.

9 COUNCIL MEMBER TORRES: So would that be-
10 so if-if-okay so you'll refer an owner to the larger
11 task force. What about fines? Because I noticed DOB
12 earlier in the year she had about \$250,000 in fines
13 against Christian (sic) Companies. How often do you
14 take that kind of course of action?

15 ASSISTANT COMMISSIONER WEHLE: That's
16 sort of the-that' the standard practice. So in sort
17 of the way things work within the Building Code, it's
18 the owner of the building who has the obligation to
19 ensure that their building is maintained in the code
20 and a zoning compliant manner, and that applies to
21 all types of things including harassment related
22 issues as well. So, violations generally speaking are
23 issued to the owner.

24 COMMISSIONER CHANDLER: And we publish
25 that information monthly. Our enforcement efforts

2 along with the violations, a lot of violation data
3 and a lot of our correct-certificate of correction
4 that information is issued monthly.

5 COUNCIL MEMBER TORRES: And how effective
6 are you—and I—I guess collection is the baileywick of
7 the Department of Finance, but if—if an owner is
8 chronically violating your rules yet failing to pay
9 their debt obligations to the city, does DOB withhold
10 the building permit until those debts are paid?

11 ASSISTANT COMMISSIONER WEHLE: Yes, we
12 are. So a law that was acted, enacted in the prior
13 tenant harassment package last year we're in the
14 process of implementing, and so this month we'll
15 begin sending revocation notices to owners who have a
16 combined total of \$25,000 or more in debt to the
17 city. So, yes we have a practice of doing that, and
18 we're going to begin implementing that this month.

19 COUNCIL MEMBER TORRES: Okay, and I guess
20 at what-what's the trigger, what's the threshold for
21 it?

22 ASSISTANT COMMISSIONER WEHLE: \$25,000 or
23 more in debt the city.

24

25

2 COUNCIL MEMBER TORRES: And do you know-
3 do we know the number of delinquents that would
4 affect?

5 ASSISTANT COMMISSIONER WEHLE: We can
6 provide that information a little later this month
7 when we complete our work.

8 COUNCIL MEMBER TORRES: Okay. Now I take
9 it that DOB supports the notion of applying the audit
10 requirement to those on the speculation watch list?
11 Is that--?

12 ASSISTANT COMMISSIONER WEHLE: That is
13 correct, absolutely.

14 COUNCIL MEMBER TORRES: Do you believe
15 those on the speculation watch list should continue
16 to enjoy self-certification privileges?

17 COMMISSIONER CHANDLER: I think absent
18 anything that would indicate that they are non-
19 compliant, I think yes they should. I think that-I
20 think the Speculation Watch List is a great tool for
21 us to do just that, watch, and if we see that there's
22 improper activity then perhaps expand our-the
23 investigation of your portfolio.

24 COUNCIL MEMBER TORRES: And-and I had a
25 member of the audience ask me about extending the

2 audit requirement--and this will be my final
3 question--to buildings on the AEP list, the
4 Alternative Enforcement Program list. I guess how
5 does HPD and DOB feel about applying the requirement
6 to AEP buildings? It makes sense to me, but I'd be
7 curious to hear your thoughts.

8 ASSISTANT COMMISSIONER WEHLE: I mean I
9 think we'd be happy to discuss that--

10 COMMISSIONER CHANDLER: [interposing]
11 Yeah, we ought to discuss that.

12 ASSISTANT COMMISSIONER WEHLE: --with the
13 Council and with HPD.

14 COMMISSIONER CHANDLER: Happy to do that.

15 COUNCIL MEMBER TORRES: Any thoughts from
16 HPD?

17 COMMISSIONER SPRINGER: The--the spirit of
18 closely monitoring those buildings we already do and
19 it's the--the basis for AEP, and so what we would
20 have to evaluate is whether this additional step is
21 duplicative of what we're already doing because they
22 are in AEP. If it is not--

23 COUNCIL MEMBER TORRES: But--but with
24 respect, Commissioner, HPD is not auditing the
25 portfolio of a property for DOB violations, right?

2 That's a DOB function so-so I-I don't see why it
3 would be duplicative.

4 COMMISSIONER SPRINGER: Well, that's the
5 question to be answered and so we'd be more than
6 happy, Council Member, to take an extra look at that.
7 As I—as I began, we—we agree in spirit. We just want
8 to make sure, and this is more of a global point for
9 sure on all of the bills that—that implementation of
10 each and every one of them is one that meets whatever
11 the under—underlying joint goal is that we have, and
12 is not duplicative of anything else that is
13 happening.

14 COUNCIL MEMBER TORRES: Okay, that's the
15 extent of my questioning and thank you, Mr. Chair.

16 CHAIRPERSON CORNEGY: Thank you. I just
17 want to for the record I refer to my colleague before
18 his questioning ad Richie. I meant Council Member
19 Torres. [laughter]

20 COUNCIL MEMBER TORRES: [off mic] I've
21 been called worse.

22 CHAIRPERSON CORNEGY: We—we now have
23 questions from Council Member Carlina Rivera.

24 COUNCIL MEMBER RIVERA: Carlina, please.
25 [laughter] So, thank you so much for being here.

2 This is clearly a big deal. In my—you know, I have a
3 housing background. I come from providing tenant
4 services at a community based organization in which,
5 you know, the East Village and Lower East Side is
6 clearly a neighborhood that has undergone a lot of
7 change, a lot of change, a lot of displacement, and
8 the horror stories from tenants on harassment and
9 what they're going through, construction as
10 harassment, frivolous litigation, deprivation of
11 services. All very, very serious, and I know that you
12 take your work very seriously. So I thank you for
13 being here and testifying. So the tenant protection
14 plans, you know, are one way or one tool that we use
15 to make sure that residents feel safe in their own
16 buildings whether it's during construction or
17 renovation of—or the long-term tenants who know that
18 those units are—are being speculated long and every
19 square inch and especially in Manhattan, you know,
20 wants to be built and so I—I heard your testimony and
21 apologies for having to step out. There are hearings
22 going on at the same time, and that you support and
23 specifically with DOB that you support some parts of
24 the—of the bill but not the bill in its entirety, and
25 I'm talking about Intro 1278, which—which I have—

2 which I have introduced. So, let's talk a little bit
3 about Tenant Protection Plans. Does DOB conduct
4 random inspections when a building has a Tenant
5 Protection Plan?

6 ASSISTANT COMMISSIONER WEHLE: So, the
7 law now requires—the answer is yes the law now
8 requires the Buildings Department to proactively
9 inspect occupied multiple dwellings with Tenant
10 Protection Plans.

11 COUNCIL MEMBER RIVERA: So how many stop
12 work orders were issued by DOB for buildings that did
13 not have a Tenant Protection Plan, and on average how
14 long does a stop work order last for this type of
15 violation>

16 ASSISTANT COMMISSIONER WEHLE: I can
17 provide you with the number of stop work orders we've
18 issued generally. I don't have that information
19 specific for TPPs. Sal, do you have the census to
20 what the--[background comments] So, we don't track
21 it that way. I have stop work—stop- work orders.
22 Bear with me here. Sorry. I'll get—I'll get you that
23 information in just a moment, but—so we currently—we
24 currently perform proactive inspections, and if in
25 the event Tenant Protection Plan has not been filed

2 or if it's insufficient, as a matter of practice we
3 stop the job.

4 COUNCIL MEMBER RIVERA: So, do tenants--
5 do--do TPPs regularly go beyond the requirements for
6 the plans that are outlined in the Building Code.
7 [coughs]

8 ASSISTANT COMMISSIONER WEHLE: Well,
9 there's certainly--

10 COUNCIL MEMBER RIVERA: [interposing] If
11 you could talk a little bit about what are in these
12 plans because for--for me and a lot of my colleagues,
13 the complaints that we get around--around dust and
14 debris, and--and pests, which I know can go to
15 different agencies, all of that is a serious public
16 health issue. So, if you can talk a little bit about
17 what information does DOB require, and then whether
18 they go beyond the typical requirements.

19 ASSISTANT COMMISSIONER WEHLE: So, as a
20 general matter the TPPs are required to provide the
21 means and method for protecting tenants against
22 construction and our Code provides several different
23 criteria that needs to be achieved. It includes
24 things like structural stability, egress, health
25 requirements. A recently enacted Local Law expands

2 the TPP further to capture essential services as
3 well, heat and hot water, and so our plan examiners
4 when they receive one review the TPP that's been
5 filed against what the code requires, and recently
6 enacted legislation requires the TPP to provide it
7 with a greater level of specificity. Sort of the
8 problem we had previously was a lot of these clever
9 applicants were just more or less copying and pasting
10 language from the Administrative Code, which isn't
11 helpful at all. So, we now require that these TPPs
12 require a level of specificity that's specific to the
13 scope of work that's happening within the building.

14 COUNCIL MEMBER RIVERA: So do you—do you
15 support the Intro 1278. I'm—I try to go through
16 your—the recommendations based on Intro 1107 and
17 [coughs] I'm just trying to figure out wholeheartedly
18 whether you support the bill, and whether—what are
19 the things that are holding you back? Are they—are
20 they the costs that are associated with the bill?

21 ASSISTANT COMMISSIONER WEHLE: So there
22 are—as we understand it, there are two parts to the
23 bill. One—one part requires greater scrutiny of the
24 Tenant Protection Plan, and the bill outlines a
25 number of ways in which that additional scrutiny is

2 performed. We support that. You know, that's a
3 wonderful idea and we support that. The second
4 portion of the bill calls for heightened inspections
5 of the Tenant Protection Plan. Currently, some of
6 those provisions for heightened inspections we're
7 currently meeting. So, for example, when we receive
8 a complaint concerning a Tenant Protection Plan, we
9 are out there performing that inspection with 72
10 hours as the legislation requires. However, what we
11 think is a better approach generally than what your
12 legislation is requiring would be to require special
13 inspections of the Tenant Protection Plan. So,
14 currently the department performs inspections of TPPs
15 not just based on complaints that we receive, but
16 also inspections in a proactive fashion as well, and
17 what we'd like to see happen is also in addition to
18 that work to make the Tenant Protection Plan subject
19 to what we call special inspection, which means to
20 have a third party who's registered, who's licensed
21 by the Buildings Department require that third party
22 to regularly perform inspections of the Tenant
23 Protection Plan. So they would show up and inspect
24 prior to the work commencing on a weekly basis
25 throughout the duration of the construction. In the

2 even they see something wrong with the Tenant
3 Protection Plan that third party who's recognized by
4 us would be required to inform us so we can go out
5 and immediately perform inspections, issue
6 violations, whatever action is appropriate, and that
7 third-party special inspection specter would have to
8 be required to perform follow-up inspections as well
9 to make sure whatever conditions we issued a
10 violation would be corrected. So, we think our
11 proactive and complaint based inspections as a
12 department with our inspectors coupled with these
13 third-party special inspectors-inspections will go a
14 long way to improving the quality and enhancing that-
15 the quality of CPPs and ensuring they they're
16 actually adhered to and complied with.

17 COMMISSIONER CHANDLER: Council Member,
18 we issued 11,804 Stop Work Orders last year and so
19 far year to date 10,153.

20 COUNCIL MEMBER RIVERA: How is that in
21 compared to previous years?

22 COMMISSIONER CHANDLER: I'll have to get
23 back to you prior to '17. I just have the data for
24 the last two years. This year and the previous year.

2 COUNCIL MEMBER RIVERA: Sounds like an
3 impressive number but I mean—

4 COMMISSIONER CHANDLER: It's a lot.

5 COUNCIL MEMBER RIVERA: -but consider-it
6 does sound like a lot. I think, you know, with the—
7 with the bill, I think what's so important is-is the
8 timing. So, your recommendation I'm happy to-to talk
9 about on how we can improve, you know, my bill or any
10 of the other Council Members, but the timing of
11 every-of everything is so important because you can
12 make a complaint and not get the inspector out, and
13 not get a violation issued, and by that time you're
14 one week, two weeks, three weeks in. You know,
15 you're trying to organize your building. You're
16 getting community based organizations involved and
17 it's just so urgent because if you're, you know, an
18 elderly person or you have a baby, you know, this
19 dust and this debris could really, really be a
20 serious issue. So, I'm-I'm interested in-in
21 discussing how we could work together. I just-you
22 know the Department of Buildings, you know,
23 historically as a former tenant organizer I know
24 we've had our challenges, so I'll-I'll take your

2 recommendations. I'm happy to discuss going forward
3 and thank you, Mr. Chair for the time.

4 CHAIRPERSON CORNEGY: Thank you. So, I-I
5 would like to identify a particular--some particular
6 pieces of the legislation. Right now Intro 977 a
7 Local Law to amend the Administrative Code of the
8 City of New York in relation to mandatory sanctions
9 for submitting incorrect professional certified
10 applications for construction document approval. I
11 believe that Council Member Torres may have touched
12 on it, but I'd like for you to walk us through how
13 DOB determines which applications for construction
14 document approval are audited.

15 ASSISTANT COMMISSIONER WEHLE: So that
16 happens in a number of ways. First is through a
17 random audit. So, we have a target where we randomly
18 audit 20% of these professionally certified
19 construction applications. But it doesn't stop
20 there. We also apply a risk model. So, based on say
21 for example known bad actors we'll pull out jobs that
22 are within the--within--that are professionally
23 certified and pull them out for auditing as well.
24 So, it's random, and we also apply a risk based
25 approach as well.

2 COMMISSIONER CHANDLER: In 17 and 18, how
3 many professional certified applications for
4 construction document approval did DOB receive that
5 have incorrect information? [pause]

6 ASSISTANT COMMISSIONER WEHLE: I think
7 we're going to need to get back to you in a moment or
8 later today.

9 CHAIRPERSON CORNEGY: So, so, so getting
10 back to me, also could you get back to me on, you
11 know, what were the--what was the fallout, and/or
12 repercussions for those once you've identified them?
13 So, it's a double question to get back to me on. So,
14 the number and then what were the repercussions?

15 ASSISTANT COMMISSIONER WEHLE: So, in
16 terms of the repercussions when we randomly audit
17 these professionally certified jobs or we apply a
18 risk model, and we--we find problems with the filing,
19 the first step in the process is the applicant gets--
20 gets what we call a Notice of Intent to Revoke, and
21 we give them a period of time to correct whatever
22 flaws were in the--in the application. In the vent
23 they fail to do so, or do so incorrectly, the next
24 step in the process would be revoke permits and issue
25 a stop work order.

2 CHAIRPERSON CORNEGY: And again, Council
3 Member Torres asked this, but I don't know if I got
4 it, or understand the—the answer to it. Are there
5 any sanctions imposed on an applicant whose DOB
6 receive—who—when DOB receives the false information
7 on an application for a building permit?

8 ASSISTANT COMMISSIONER WEHLE:
9 Absolutely. So, they've—the sanctions that they can
10 receive include having their privileges to
11 professionally certify suspended or revoked, and the
12 more egregious cases they can have their privileges
13 to file with the department as a whole suspended or
14 revoke.

15 CHAIRPERSON CORNEGY: So, if falsified by
16 an individual, is it generally the case that such
17 individual was working alongside others who knew of
18 the falsification. Like do—do you drill down that
19 deep or is it just the organization and that's it?

20 SALVATORE AGOSTINO: Salvatore Agostino
21 from the Department of Buildings. So, just to make
22 sure I understand your questions are you asking the—
23 if an individual an architect or an engineer or a—or
24 a property owner?

2 CHAIRPERSON CORNEGY: An architect or
3 any-or engineer.

4 SALVATORE AGOSTINO: So, one of the parts
5 of the bill if an architect or engineer is
6 disciplined or loses their privileges, the other
7 professionals in that organization cannot be
8 automatically disciplined due to due process
9 concerns. They are entitled to a hearing, and we
10 would have to prove or have evidence that other
11 individuals other licensed architects or engineers
12 were also engaged or involved in either the
13 falsification or the misconduct. So, the misconduct
14 of one cannot be attributed to another without
15 definite evidence and proof.

16 COMMISSIONER CHANDLER: I think your
17 point though, Mr. Chairman is I don't think it's a
18 one-person offense. I-I agree with you. At least I
19 think where you're-where you're going with this
20 question is I think that there are multiple parties
21 who are very much aware of the plan to do something
22 that that's inappropriate, and as Sal just mentioned,
23 it's---it's hard to prove that. That's-that's our
24 problem.

2 ASSISTANT COMMISSIONER WEHLE: And just
3 to add to that, as well, one of the things that we do
4 is look for linkages, right. S o sometimes you'll
5 have a known bad actor who regularly works with other
6 types of know bad actors. So, for example a design
7 professional who regularly works with a certain type
8 of contractor. So, if you identify a particular
9 design professional who is having problems and
10 requires discipline, all work broadens out not just
11 again to just all buildings within the portfolio
12 that's being worked on, but also amongst other types
13 of professionals who work with that particular
14 individual.

15 COMMISSIONER CHANDLER: That's part of
16 our data approach because we see some of the same
17 names popping up. So, we're working to refine our
18 models to be able to make those links. If you see
19 some type of contractor where-is-are they with the
20 same architect and so on. So, that's-we think we're
21 improving our ability to identify those folks, and
22 then that's when we're doing more proactive
23 inspections.

24 CHAIRPERSON CORNEGY: So, it doesn't
25 thrill me, but the-the idea that you would have seen

2 a particular architect and a particular contractor
3 who work together on previous situations. To the
4 extent that you can't answer the question, would
5 there be potentially an investigation into any
6 dealings that they're having together going forward?

7 SALVATORE AGOSTINO: Yes, absolutely and
8 that is a common practice and a tactic that we use
9 when we find a contractor, architect or property
10 owner that are involved with a group of other
11 entities that are involved in misconduct, we will
12 open investigations on the related parties, audit
13 their jobs, perform sweep inspections on either—all
14 their properties and all the permits that they have.
15 That's a common tactic that the agency has used for
16 many years. Yes.

17 CHAIRPERSON CORNEGY: Thank you. Council
18 Member Levine.

19 COUNCIL MEMBER LEVINE: Thank you, Chair
20 Cornegy and—and hello, Commissioners. I want to ask
21 you about Intro 1274, which I'm pleased to be the
22 lead sponsor of. This would require that landlords
23 provide a rent history when new tenants move in.
24 This is so critical because of the frequency of fraud
25 and new tenants who are not well versed in their

2 rights might not know to ask for that that rent
3 history and many never realize that they were being
4 overcharged or may not realize until after the four-
5 year window has passed, and so this bill is an
6 attempt to level the playing field for every single
7 tenant not just those who are well informed, has the
8 power of this information. I-I gather from your
9 remarks that-that the administration supports this
10 bill. Is that right?

11 COMMISSIONER SPRINGER: That's correct.

12 COUNCIL MEMBER LEVINE: Okay, that's
13 great. I have heard from advocates who-who while
14 supportive of this bill worry that HCR is so lax in
15 its enforcement of-of state rules that rent history
16 is provided so tenants could themselves be
17 inaccurate, and that there are not good mechanisms to
18 catch that and to enforce that. I realize I'm asking
19 you about state policies here, but if you could
20 comment on the extent to which you see that as a real
21 risk.

22 COMMISSIONER SPRINGER: I think it's
23 important that while we support the bill, we-do
24 confront how it gets implemented, and that-the issue
25 of credibility of the information that's provided. I

2 certainly don't want to speak for HCR. We do work
3 collaboratively I sharing information working on the-
4 the joint task force, and though they're-I do know
5 there's a real commitment, but I do think it's
6 important for us to work together to make sure that
7 not just on the implementation of this bill that we-
8 that it is something that can be effective, but
9 likely more generally as the rent laws expire next
10 year and we fight the fight together in Albany to
11 make sure that we're also considering what it means
12 for new laws, modified laws to be enforced properly.

13 COUNCIL MEMBER LEVINE: Well, if-if we
14 get our wish and we for example do away with vacancy
15 decontrol, the stakes for this bill 1234 are even
16 higher because there will be even more cases where
17 new tenants are moving in to apartments, which remain
18 under regulation right now because of the giant
19 loopholes of decontrol. Often [coughs] when new
20 tenants move in, they're, in fact, not under
21 regulation any more. So, [coughs] I feel that-that
22 this bill is potentially even more important if we
23 get our-our ambitious [coughs] excuse me-reform
24 agenda implemented. But just to-to understand
25 correctly, while DHCR would be responsible or HCR

2 would be responsible for the integrity of the
3 information and these histories, the provision of the
4 histories would be overseen by the city, and that
5 landlords who fail to provide the histories, would be
6 sanctioned by the city, by HPD. Is that correct?

7 COMMISSIONER SPRINGER: Not having looked
8 at closely the-the-the language of the bill, that's
9 the-that would be a topic that we'd really have to
10 make sure that we're understanding because the-as
11 with all of these, it's not just whether it achieves
12 the intended goal, but whether we believe there will
13 be--enforce-the right enforcement mechanism. So, the
14 information, of course, doesn't come from HPD. It
15 comes through HCR. We would-we would really want to
16 understand what the repercussions are on the-for
17 owners for not doing this, and whether we do have the
18 ability and capacity to enforce in a way that gives
19 the bill teeth, and so I think that would be a
20 subject of-of further conversation between us.

21 COUNCIL MEMBER LEVINE: Right because
22 the-the very tenants we're trying to help are
23 probably also not going to get word of the passage of
24 Intro 1274 and, therefore if their landlord fails to
25

2 provide them this history, might not know to contact
3 the city to report that.

4 COMMISSIONER SPRINGER: I think there is—
5 between the—the bills that were passed last the Stand
6 for Construction Safety, which we really hope an—and
7 believe will make a difference, this package of
8 bills—and—and frankly whatever comes from the work we
9 will all do together in Albany. I thin there's a real
10 need to make surf that we are continuing our joint
11 efforts on—on educating renters about--every variety
12 of renter about their rights. One of the main goals
13 of the new Tenant Anti-Harassment Unit at HPD, which
14 we are staffing up. We announced it a few months
15 ago, and we'll—we're currently hiring for all of the
16 positions is to make sure that as the different laws
17 change that we are providing the sufficient
18 information collateral working with the City Council
19 to renters in the city because it can be—there's—
20 there's a lot of information and first and foremost
21 is making sure that we are educating tenants about
22 their rights, and so whether it's this bill or others
23 here, I think that's also a fruitful place for us to
24 work together to make sure that the information gets
25 out.

2 COUNCIL MEMBER LEVINE: Okay, thank you.

3 I-I appreciate the Administration's support of the
4 bill, and it's very clear that implementation here is
5 going to be complicated but critical that we do it
6 right both to ensure the integrity of the information
7 that's on these histories when they're provided to
8 tenants and, of course, to ensure that the tenants
9 themselves receive—actually receive the histories and
10 I look forward to working with—with you to hammer out
11 those details. Thank you and thank you Mr. Chair.

12 CHAIRPERSON CORNEGY: Thank you. Intro
13 1171—I'm sorry. Intro 1258 a local law to amend the
14 Administrative Code of the city of New York in
15 relation to main—mandating audits of the records of
16 process servers. What agency reviews the records of
17 process servers?

18 COMMISSIONER SPRINGER: We are joined her
19 by Casey Adams from the Department of Consumer
20 Affairs to help with the—these questions.

21 CASEY ADAMS: Thank you. Council Member,
22 DCA licenses process servers in New York City so we
23 would be responsible for—for audits and we do conduct
24 audits now. The Administrative Code gives us that
25 authority.

2 CHAIRPERSON CORNEGY: Has DCA or any
3 other agency caught a person falsifying documents or
4 lying about having served court papers? If so, how
5 many times has this occurred and what's the penalty
6 for this type of action?

7 CASEY ADAMS: So, we do issue violations
8 process servers. That would include not only lying
9 on those documents, but also failing to comply with
10 the applicable laws and rules for service. That is
11 one of the things that we are—that they're required
12 to do under current laws and rules. I'm going to
13 give you some numbers about violations. For the past
14 two years we've issued 177 violations for a total of
15 470 individual charge counts and that covers the
16 gamut of misconduct. As I said, sort of general non-
17 compliance with service standards, failure to
18 maintain records, which could indicated that the
19 records were—may have evidenced some impropriety had
20 they been kept. We can't—we don't know that for
21 sure, but it could suggest that, and number of other
22 violations like failure to conduct monthly reviews
23 that are required and on the agency side to put
24 together a compliance plan to ensure that their
25 individual process servers are in compliance as well.

2 In addition, we have—when we deny a process server
3 renewal or initial license, we put that information
4 along with the—with the underlying facts that they
5 rise to denial on our website. So, since 2014 we
6 have denied five individuals and—and one process
7 server agency. We've also revoked a—a license, and
8 the revocation—the difference there is just that the
9 revocation occurs during the license term as opposed
10 to when the person comes back in for renewal. So,
11 that information is available on our website so the
12 public can look and see if the person that was
13 involved in their case was subject to discipline and—
14 and what the nature of that discipline was.

15 CHAIRPERSON CORNEGY: So, the five
16 individuals that you've identified who were denied--

17 CASEY ADAMS: Uh-hm.

18 CHAIRPERSON CORNEGY: --what were the
19 circumstances around that denial? Were they similar?
20 Was it a—was—was it an offense that's duplicative
21 like--?

22 CASEY ADAMS: The most common violations
23 that we see are failure to—are recordkeeping issues.
24 So, our process servers are very closely regulated in
25 terms of their—their records they have to keep. So,

2 DCA regulations and laws require process server to
3 actually have GPS device and to log any time that an
4 attempt to that service is made, and those records
5 have to be kept in both bound paper form as well as
6 electronically and the—and DCA can audit those
7 records. So, often what we find is that someone has
8 failed to keep those records and, therefore, we will
9 issue a violation. In terms for the specifics for
10 those individuals I can provide those denial letters,
11 which lay out everything that they did. Again, those
12 are available to the public so people can—if they
13 have an issue with this individual they will have
14 documentation from the department laying out why that
15 person was not found fit to hold a license from DCA.

16 CHAIRPERSON CORNEGY: So, having a
17 conversation with some of the governing bodies
18 related to process servers--

19 CASEY ADAMS: Uh-hm.

20 CHAIRPERSON CORNEGY: They've indicated
21 that there —the recordkeeping system is antiquated
22 and onerous. What's your response to that, and
23 you've identified the—the process by which it takes
24 place. For me it seems overwhelming, but that's been

2 one of the claims on a process server's side is that
3 it's onerous and antiquated, the system.

4 CASEY ADAMS: Correct. I just—I want to
5 make clear that you're talking about licensed process
6 servers themselves have said that the systems are.
7 Yeah, so, I—there is—as I said, there are two
8 different ways that these records must be kept both
9 in electronic and in written form, and I think that
10 the—these systems reflect the intent of the Council
11 when these laws were passed back in 2010 to require
12 extensive record keeping as a backstop against misuse
13 of process servers as a tool for tenant harassment,
14 and so we are, you know, we're open to discussions
15 with our licensees as we are in every category about
16 how to strike that balance between effective
17 regulation and not imposing a burden that's not
18 necessary on a regulated industry, but we think that
19 the—the extensive recordkeeping requirements here are
20 sort of part and parcel of the—of the program as it
21 was constructed by the Council and implemented by
22 DCA.

23 CHAIRPERSON CORNEGY: In 2017, how many
24 Housing Court respondents faced eviction based on
25 failure to appear in court?

2 CASEY ADAMS: And so, DCA would not be
3 part of that information. I believe we did get
4 information from our sister agency HRA. I'll defer.

5 COMMISSIONER SPRINGER: That's right. So
6 the information on that specific question the—the
7 court statistics show that just over half of all non-
8 payment cases received a court date would suggest
9 that the remainder of those cases the tenants do not
10 respond, and if there are more specifics, we'd be
11 happy to work with our colleagues at HRA to—to dive
12 deeper into that particular issue.

13 CHAIRPERSON CORNEGY: Has DCA or any
14 other agency done a review on whether papers were
15 properly served to these respondents? So, of those
16 that I've identified or you've identified as failure
17 to appear, did—did anyone do a deeper dive to see if
18 that was base on whether or not papers were properly
19 served?

20 CASEY ADAMS: We have not done a review
21 of the full failure to appear default decision
22 population. I will say that we—as part of our
23 regulation and process servers they are required to
24 notify DCA where a traverse hearing occurs, which is
25 a hearing in Housing Court at which the sufficiency

2 of service would be disputed. In addition, we make—
3 we receive complaints through a number of different
4 channels from the process servers themselves who are
5 required to submit notice of those hearings. We also
6 make available complaint forms for legal advocates
7 and judicial officials to submit a notice of those
8 hearings to us. So, DCA is not the forum were
9 sufficiency is service for a Housing Court matter
10 would be adjudicated. However, if there is a failure
11 of sufficiency of service, and that is adjudicated in
12 the proper forum, then that process server can be
13 subject to DCA fines, which run from \$700 to \$1,000
14 for failing to comply with the applicable laws and
15 rules.

16 CHAIRPERSON CORNEGY: In 2017, how many
17 housing court cases were dismissed due to improper
18 service?

19 CASEY ADAMS: We don't have that
20 information because again we're not the—we're not the
21 agency where those violations would be adjudicated.
22 We can follow up with the appropriate entities and
23 get back to you.

24 CHAIRPERSON CORNEGY: So, you may not
25 have the answer to this question, but it's one that's

2 kind of swimming around in my head. Do courts
3 proactively review whether service was proper or does
4 improper service have to be raised as a defense by a
5 respondent?

6 CASEY ADAMS: I---

7 CHAIRPERSON CORNEGY: [interposing] So,
8 what-what triggers--

9 CASEY ADAMS: I'm not a housing attorney.
10 So I don't-I hesitate to answer that question, but
11 I'm sure that some of the advocates here have more
12 intimate knowledge of Housing Court procedures. I
13 believe that in general the -a traverse hearing only
14 occurs when the issue is raised by respondent's
15 attorney.

16 CHAIRPERSON CORNEGY: So, I started to
17 yell out is there a housing attorney in the house,
18 but I'm pretty sure there is. They're all--

19 CASEY ADAMS: [interposing] I'm sure
20 that--

21 CHAIRPERSON CORNEGY: [interposing] Yes.

22 CASEY ADAMS: --we've got some.

23 CHAIRPERSON CORNEGY: Any more questions?

24 So, I want to thank you for your testimony. We're
25 going to hear now from some advocates. I do ask that

2 if the Administration is able to stay, but before you
3 leave, I am concerned—1258, where does the
4 Administration stand on—on that particular piece of
5 legislation. And we can start with DCA.

6 CASEY ADAMS: Sure. So, we submitted
7 formal testimony, which you have—should have in front
8 of you. I think we agree with the goal to closely
9 regulate process servers and ensure that in
10 particular in housing matters there are protections
11 in place. We are concerned that the mechanism in this
12 bill, the random audit mechanism is not the most
13 effective approach for these types of matters. There
14 is some information in there about why, but in
15 general it boils down to the fact that a random audit
16 by an agency side attorney of record submitted to us
17 is unlikely to uncover impermissible behavior. There
18 are other approaches that we think would improve
19 information sharing between DCA and the Office of
20 Court Administration, and we're happy to have
21 discussions with the Council and advocates about
22 those. Our concern with the bill is that because
23 this is not an ideal mechanism and it's also very,
24 very labor intensive to do these kinds of audits that
25 it could potentially divert agency time and resources

2 from places where we're more likely to find
3 misconduct for instance where it's connected with a
4 report of a traverse hearing or it's connected with a
5 complaint from a housing advocate or from the person--
6 the tenant themselves, and we want to make sure that
7 our--our resources are directed at the place where
8 it's most likely to help people, and we think it's in
9 that areas as opposed to random audits, but again, we
10 agree with--we understand and we share the intent of
11 the legislation and we're happy to engage in further
12 conversations about how it could be updated.

13 CHAIRPERSON CORNEGY: Thank you. HPD.

14 Do you--?

15 COMMISSIONER SPRINGER: We defer to DCA--

16 CHAIRPERSON CORNEGY: Okay.

17 COMMISSIONER SPRINGER: --on this
18 particular issue.

19 CHAIRPERSON CORNEGY: DOB as well.?

20 COMMISSIONER CHANDLER: Correct.

21 CHAIRPERSON CORNEGY: So, thank you so
22 much for your testimony and I appreciate you being
23 here in particular Commission Chandler who I know is
24 not feeling his best.

2 COMMISSIONER CHANDLER: Thank you very
3 much, Mr. Chairman. Thank you.

4 CASEY ADAMS: Thank you.

5 CHAIRPERSON CORNEGY: I would ask to the
6 extent that the Administration can stay and hear the
7 testimony. We don't have that many people
8 testifying. So, if you could indulge me in that way,
9 I'd greatly appreciate it. [pause] So, we will be
10 calling the next panel beginning with Emily
11 Goldstein, Mike McKee, Alec Militic, Laura Heck
12 Falala (sp?) and Cat Myers. [pause] As unorthodox
13 as it may seem, I'm going to actually ask Mike McKee
14 to testify first, only because we—we still believe
15 that Chivalry--

16 MICHAEL MCKEE: Oh, I'm just perfectly
17 willing to let these ladies go first.

18 CHAIRPERSON CORNEGY: Actually, my
19 colleague wanted to make sure that he got to hear
20 your testimony, and he has to leave.

21 MICHAEL MCKEE: Oh, Mr. Gjonaj?

22 CHAIRPERSON CORNEGY: Yes.

23 MICHAEL MCKEE: Okay. [coughs] Good
24 afternoon, Mr. Chair and members of the Committee.
25 My name is Michael McKee. I live at 233 West 21st

2 Street in Chelsea, and I am the Treasurer of the
3 Tenants Political Action Committee. Let me cut to
4 the chase. The New York City Department of Buildings
5 is a disgrace. There are many government agencies,
6 local, state and federal that deserve criticism, but
7 DOB stands apart. For several years speculators have
8 been buying rent regulated buildings all over the
9 city to force tenants to vacate their homes. Among
10 the tactics these sharks employ first and foremost is
11 gut renovation and construction as quick way to make
12 tenants' lives miserable. I have recent first hand
13 experience with this issue on my own block trying
14 over a two-year period to help my neighbors living
15 with construction as harassment, I came to understand
16 just how broken the entire Department of Buildings'
17 system is, and how they clearly refuse to acknowledge
18 that their responsibility is not only to facilitate
19 development, but to protect tenants and our housing
20 stock from bad actors. Now, let me just say
21 parenthetically here that I listened to some of the
22 testimony just now and not to sound cynical, I've
23 heard this kind of thing before, and, you know, we're
24 going to try to do better, et cetera, and you'll
25 pardon me for being cynical but I've been around the

1 block a few times. In the spring of 2014, two
2 dumpsters appeared in front of 222 and 224 West 21st
3 Street. Members of the Block Association wondered
4 what was going on. A few days later Pamela Wolf and
5 I encountered a tenant coming out of the building and
6 asked her about it. That is when we learned that the
7 tenants were already going through hell. The two
8 buildings had recently been bought by the Slate
9 Property Group. Slate immediately began gut
10 renovations. One of the first things they did was to
11 rip up the lobby floors making it hard for anyone to
12 go in or out of the building. Tenants were subjected
13 to deafening noise. I could hear it in my apartment
14 across the street, and dust for several months as
15 well as interruptions of gas and water service and
16 construction accidents such as holes being punched
17 through ceilings and walls by untrained workers and
18 cascading floods from the same source. A tenant was
19 even injured when the workers were jackhammering in
20 the hallways from flying debris. By the time we held
21 the first meeting with tenants, members of the Block
22 Association and staff from the Offices of various
23 elected officials, several tenants had already
24 vacated their apartments including a family with an
25

1 infant, and who could blame these parents given the
2 uncertainty of what toxins might be contained in the
3 dust. Using non-professional, non-union labor,
4 Slate's plan was to covert the family occupied units
5 into what can only be described as dormitories. They
6 subdivided apartments to create four teensy bedrooms
7 the rented to four young roommates all young white
8 men basically just out of college and entering the
9 job market. We met several of these new tenants who
10 told us that Slate representatives had grossly
11 misrepresented the condition of the building and the
12 promised amenities including a roof and deck that was
13 erected without a permit, and which the landlord
14 eventually had to remove. During this long period of
15 construction harassment, the tenants suffered from
16 frequent loud and drunken fraternity style parties on
17 the illegal roof deck. People would advertise the
18 party online including the entrance code to gain
19 entry to the building, and dozens of strangers would
20 stream in an out of the building for hours. This
21 went on for months. There was even a—in fact there
22 was accident where someone was almost killed when a
23 piece of lumber was thrown off the building by some
24 drunk guy. There was even a period of about three
25

1 weeks when the workers removed the front doors of the
2 two buildings. Any stranger could wander into the
3 building during this time, and the residents were
4 understandably frightened. Squatters moved into some
5 vacant apartments. The mailboxes were removed and
6 not replaced for several months. Tenants had to go
7 to the post office to get their mail. One by one the
8 original tenants moved out. Actually, most of them
9 moved out in the first two or three months until only
10 two were left out of the 22 apartments that had been
11 occupied prior to the purchase by Slate. These two
12 heroic tenants are still there. Many of the young
13 professionals who rented apartments in response to
14 Slate's advertising also moved out. Now, in addition
15 to the two original tenants, the building is
16 populated by Google and Amazon workers, and a steady
17 parade of tourists renting apartments through Airbnb.
18 Slate flipped the building in 2016. They owned it
19 for basically two years. I should add something I've
20 forgotten until on my way here this morning is that
21 Slate also sued several of the tenants on trumped up
22 charges, which they basically lost including against
23 the two tenants who are still there and they got-we
24 got them legal representation through Housing
25

2 Conservation coordinators and HCC did a great job of
3 representing these tenants.

4 CHAIRPERSON CORNEGY: There were various
5 basis that they—actually Slate was told they're suing
6 or they were suing.

7 MICHAEL MCKEE: I'm not sure if they're
8 still suing the people who advised them about buying
9 the building because the people who told them to buy
10 the building told them that none of the tenants had
11 any tenure rights, and that they could be easily
12 evicted. It turns out that wasn't true, and then
13 after they found this out, Slate actually started a
14 lawsuit against the advice—I don't remember who
15 they're suing or who they were suing, but it's
16 whoever advised them to buy the building, but they
17 gave them bad information because the tenants
18 actually could not be evicted. Let me list the
19 elected officials who tried to help us fight back on
20 behalf of their constituents who lived in these two
21 buildings. Manhattan Borough President Gale Brewer;
22 State Senator Brad Hoylman; Assemblymember Dick
23 Godfried; and City Council Member Corey Johnson.
24 Over a period of several months, actually two years,
25 we had numerous meetings with these elected officials

2 and/or their staff. For a period, we were meeting on
3 a weekly basis. All these elected officials put
4 pressure on the Department of Buildings to stop these
5 outrages. I think it is fair to say that all the
6 elected officials and their staff members were as
7 frustrated with DOB as we were. The fines DOB
8 imposed on the landlords were ignored. They didn't
9 even slow them down. The only time we were able to
10 get any relief from DOB was when the landlord's
11 workers removed the fire stops in the building at
12 which point DOB issued a stop work order until the
13 fire stops were restored. But can you imagine? I
14 mean the local firefighters in the—in the firehouse
15 around the corner were absolutely—they were
16 absolutely appalled and told us the tenants shouldn't
17 even go back into buildings until these fire stops
18 were put back. All the other violations by the
19 landlord went unpunished, including constant illegal
20 weekend construction. There was no way to get DOB to
21 deal with illegal week—illegal weekend construction
22 until the following Monday. So, consequently, the
23 landlord got away with this week after week after
24 week. Some of the elected officials we worked with
25 have also been involved over time in attempts to

2 negotiate improvements in how DOB treats these kind
3 of cases. As far as I can see, these problems
4 remain. DOB essentially gives lip service to tenant
5 protection, but its practices allow massive landlord
6 fraud, egregious harassment, inevitable displacement
7 and loss of our scarce affordable housing stock. I
8 was at a fundraiser last week for Met Council on
9 Housing and this guy approached me and remind me who
10 he was, and it was the building in Park Slope going
11 through construction as harassment and they're still
12 having the same problems. So, this is a problem all
13 over the city. TenantsPac supports the various bills
14 that are designed to protect tenants from harassment
15 and displacement. We support the recommendations for
16 amendments made by the Legal Aid Society, but unless
17 there is a change of culture at the Department of
18 Buildings, I am not sure that any of these reforms
19 will make a lot of difference. The failure to reform
20 DOB is one of the biggest disappointments of the de
21 Blasio Administration. We need to see change. Thank
22 you very much.

23 CHAIRPERSON CORNEGY: Thank you.

24 Alright. I suppose it's good afternoon at his point.
25 I am Ms. Kat Meyer, Legal Aid Society. I just wanted

2 to speak briefly from the perspective of tenant
3 advocates from across the city. Legal Aid Society
4 represents tenants in all five boroughs of New York
5 City through various housing programs including
6 extended legal services, Housing Help Program,
7 Universal Access and most applicable here the Tenants
8 Rights Coalition, and through that work we do
9 representation of affirmative litigation on behalf of
10 the tenants particularly where they are experiencing
11 harassment, and despite the protections that
12 currently exist, rules and regulations on—on what it
13 is that landlords are permitted to do, what we are
14 seeing still is rampant non-compliance across the
15 city. We spend the majority of our time attempting
16 to enforce different code regulations to try and stem
17 the harassment and displacement, and we find that
18 despite all of the tools that are currently available
19 that landlords are—get off the hook far too often
20 without penalty or recourse for failing to comply
21 with the law. We have—while we are in—in the context
22 currently seeing an expanded access to legal
23 representation in Housing Court, the access to
24 representation is not—is going to be meaningless if
25 advocates don't have tools to use when they find

2 themselves in court to try and hold landlords
3 accountable for the-for their behavior. We generally
4 support of the initiatives all of the bills that are
5 currently before this committee and before the
6 Council. We appreciate the attention that's being
7 paid to the-to the issue of tenant displacement, and
8 we make a few recommendations, specific
9 recommendations to particular bills to strengthen
10 penalties and enforcement to ensure that we are using
11 these tools in a way that actually effectuates a
12 change for the tenant population rather than just
13 continuing to make attempts while playing lip service
14 through agencies that are continuously struggling to
15 make enforcement a part of the-the priority. I'm
16 happy to answer any specific questions you may have
17 and I'll let our testimony speak for itself, our
18 written testimony.

19 CHAIRPERSON CORNEGY: Thank you.

20 LAURA ESCUELA: [off mic] Good afternoon
21 [on mic] Good afternoon. My name is Laura Escuela.
22 I am a staff attorney at the Tenants Rights Coalition
23 at Legal Services NYC, LSNY. LSYN is the largest
24 civil legal services provider in the United States
25 with deep ties to the communities we serve throughout

2 New York City. Our staff Members assist more than
3 80,000 low-income New Yorkers each year in particular
4 the Tenant Rights Coalition is at the forefront of
5 the fight to prevent evictions, preserve affordable
6 housing, combat harassment and ensure that our
7 client's homes are safe and in good repair. LSNY
8 welcomes the opportunity to give testimony before the
9 New York City Council's Committee on Housing and
10 Buildings and commends the City Council for its
11 continuing efforts to address tenant displacement and
12 harassment. LSNY's clients are increasingly at risk
13 of displacement as landlords eager to raise rents
14 engage in a variety of tactics to induce tenants to
15 leave their apartments. These include refusing to
16 make repairs, failing to correct Department of
17 Buildings, DOB's vacate order, making predatory bad
18 offers, illegally up-charging new rent stabilized
19 tenants and obtaining possession through default
20 judgments in Housing Court after failing to properly
21 notify tenants of eviction cases. Particularly at
22 risk are those who are long-term rent regulated
23 tenants often people of color who are the bedrocks of
24 their community. Intro 30, 975, 59, 551, 1274 and
25 1258 address these issues, and would enhance the

2 city's efforts to stem the tide of tenant
3 displacement occurring across New York City. Many of
4 LSNY's clients also face issues related to
5 construction a harassment, and their housing safety
6 for both them and their families. Examples include
7 landlords engaging in work without a permit, or
8 beyond the scope of their permits and landlords
9 failing to implement adequate safeguards for
10 construction when there are tenant living in the
11 building. This force tenants to live with dust,
12 debris, vermin infestations, crazy noise and cracks
13 or other structural issues to the-to their apartments
14 and buildings. LSNY share's the City Council's
15 commitment to strengthening DOB oversight of permit
16 applications particularly when buildings are occupied
17 and strengthening existing Tech Talent Pipeline, TPP
18 legislation. Additionally, in our experience, one of
19 the most effective means of overseeing the conditions
20 of buildings in New York City are DOB and HPD
21 violations. Ensuring tenants particularly those
22 without legal representation are aware of outstanding
23 violations and addressing the issue of false
24 certifications, which is all too common, will make
25 such violations more effective in improving

2 conditions for tenants. Intro 1279 and 1247 address
3 these issues. Thank you to the City Council for this
4 opportunity to testify about these important issues,
5 and for its continued efforts as reflected in these
6 bills to addressing tenant displacement and
7 harassment. I'm also happy to answer any questions
8 you may have.

9 CHAIRPERSON CORNEGY: Thank you.

10 EMILY GOLDSTEIN: Good afternoon. My
11 name is Emily Goldstein. I'm the Director of
12 Organizing and Advocacy at the Association for
13 Neighborhood and Housing Development or ANHD. ANHD's
14 mission is to advance equitable flourishing
15 neighborhoods for all New Yorkers. We're a coalition
16 of 100 community based affordable housing and
17 equitable economic development organizations
18 throughout the five boroughs of New York City and we
19 use organizing policy, advocacy and capacity building
20 to advance our mission. I'm here to testify in
21 support of all of the bills presented before the
22 committee today. ANHD and our members have a long-
23 standing commitment to fighting tenant harassment and
24 displacement. In particular, in recent years we've
25 worked closely with City Council to pass a range of

2 legislation providing new tools that support
3 advocates and Council Members in this fight against
4 harassment and displacement. That includes the right
5 to counsel, the Stand for Tenant Safety Package and
6 the Certificate of no Harassment Pilot Program as
7 well as strengthening amendments to the definition of
8 harassment itself. We see the bills that have been
9 proposed today as building on and adding to these
10 longstanding efforts particularly adding enforcement
11 mechanisms, closing some of the remaining gaps and
12 loopholes, addressing ongoing health and safety
13 concerns particularly as it relates to construction
14 as harassment, and providing additional transparency
15 and information that will help tenants and advocates
16 to understand and defend their rights. So, we support
17 the bills and we thank the Council Members for their
18 continued focus on and attention to issues to tenant
19 harassment and displacement. We would like to
20 support that—some of the specific recommendations
21 being made for adjustments by the Legal Aid Society,
22 and we have two additional specific recommendations
23 of our own that are detailed in my written testimony
24 particularly on Intro 1242 sort of specifying
25 disaggregation by building of where the harassment

2 findings have been across an owner's portfolio, and
3 in addition to findings of rent overcharges, which
4 are specified, providing information on fraudulent
5 MCIs, fraudulent IAIs, and it could be any other
6 particular findings of fraud. To the extent that can
7 be made possible we do recognize issues with some of
8 the information that's available at the state, but
9 looking forward to hopefully some changes coming at
10 the state level well would encourage thinking beyond
11 only rent overcharges. The second bill we have a
12 specific recommendation for is Intro 1274 where again
13 we'd suggest specifying that the owner obtain from
14 DHCR and then provide to the city specifically the
15 history of both legal registered rents and the
16 history of any actually charged preferential rents as
17 may be applicable. Thank you again for the
18 opportunity to testify and happy to answer any
19 questions.

20 CHAIRPERSON CORNEGY: Thank you.

21 ALEX MILITIC: Good afternoon. My name
22 is Alex Militic. I work for Assemblymember Dick
23 Gottfried. Unfortunately, he's not here today. He's
24 in Albany, but I'm going to read a portion of his
25 testimony. By many-by many accounts housing based

2 harassment in the city is rapidly increasing.
3 Predatory landlords are subjecting their rent
4 regulated tenants to various types of abuse to get
5 them to leave. This abuse includes subjecting
6 tenants to disruptive construction or failing to
7 observe basic health and safety codes during
8 construction and offering inadequate compensation for
9 buyouts. Current law fails to adequately protect
10 tenants' rights. Greedy or unscrupulous landlords
11 gain additional profits at the expense of tenants
12 particularly low-income tenants who have few
13 financial and legal resources to protect their
14 rights. The current system does not provide any
15 effective legal pressure on landlords to deal fairly
16 with tenants. Even when the court fines building
17 owners, owners know that if they fail to pay, the
18 city will not subject them to meaningful punishment
19 such a planning—such as placing a lien on their
20 building. After eight years those fines are wiped
21 from the city's books. Building owners routinely
22 fraudulent secure permits from the DOB by falsely
23 claiming that all their tenants—all their units are
24 vacant even though tenants continue to live in their
25 buildings and face substantial disruption during

2 construction. Harassment is now practically a
3 business model for the real estate industry in New
4 York City. This harassment needs to be ended. The
5 bill pending before the City Council will help do
6 that, and, Of course, you can read the
7 Assemblymember's entire 2-1/2 page written testimony.

8 CHAIRPERSON CORNEGY: Thank you all. I
9 don't have questions, but I do have a statement. I-I
10 want to on behalf of this Council who has
11 demonstrated a propensity to really try to tackle
12 these affordable housing issues really couldn't do it
13 without you guys on the ground advocating on behalf
14 of constituents across the city. So, I-I just want
15 to on behalf of my colleagues and the Speaker thank
16 you for your continued work and advocacy around
17 affordable housing. Thank you. I'm going to call
18 the next panel starting with Lyric Thompson, Jose
19 Aldez, and Greg Pacan. (sic) [pause] We're just going
20 to pause for a second while everyone is getting
21 situated at the podium. [pause] Thank you. We are
22 back. You can begin your testimony right now.

23 [background comments] Lyric, could you push the--

24 LYRIC THOMPSON: Hello, That's much
25 better. Good afternoon. We're in the afternoon

2 hours, are we? Yes. Good afternoon Council. I would
3 like to offer testimony with regard to filing false
4 documents. I have a little experience with both DOB
5 and HPD, and the filing of false documents. We'll
6 start with DOB. Now, I prepared you a little packet.
7 If you open it up, look for this. It's on the right
8 side. When DOB writes a violation, the way that they
9 remove the said violation is based basically on the
10 landlord's word, and in our case this is an example
11 of our landlord filing a false certification.

12 Basically, in short what he's done was he's taken to
13 parking spaces and chopped them up and make four
14 spaces. Two tenants are parking together while the
15 other space is being rented out to a car service.

16 Now, when we realized that this was going on, we call
17 DOB. They came out. They wrote a violation, but
18 before it made it made it to ECB Court he certified
19 that it was correction. He—and all he had to do to
20 have DOB remove this violation was submit an AEU2,
21 Certificate of Correction, this photo and a statement
22 saying hey, I told the—I told the tenant to only park
23 one care there. You know, it's all good. Well, what
24 happens when they don't stop renting out your space?
25 I called again 311. Yet, after a couple of visits is

2 seemed that he was playing wackamole with the DOB
3 guys, and so rather than waste our city resources, I
4 called DOB and I inquired how do I go ahead and—and
5 provide you what you need to full certify him rather
6 than continue to waste our city resources? Because
7 coincidentally, the guy just happened to move your
8 cars. It's almost as if he knew that DOB was coming
9 out. So, DOB tells me to swear out an affidavit—fill
10 out an affidavit, and submit and documentation, you
11 know, evidence. So, I did. I submitted five
12 notarized statements from every tenant in my building
13 and approximately 102 photos that demonstrate clearly
14 on a daily basis except coincidentally when DOB was
15 inspecting the violation was ongoing. Now, I kept
16 hearing from DOB well that wasn't good enough. It
17 needs to be the same two cars. Okay, the law of
18 averages say, you know, of these revolving cars
19 they're going to be the same two cars eventually. So,
20 bring me the phot. We'll see. During that time I
21 came home to find a DOB inspector in front of my
22 building. I was so happy because, you know, they
23 keep telling me we've got to spy it with our eye.
24 They don't take your videos, they don't take your
25 evidence. They've got to spy with their eye. So,

2 here I was with this—with this DOB inspector and I
3 pointed out—if you—if you look at the photo, he's
4 right in front of a commercial vehicle—well, both
5 vehicles are commercial vehicles. This is a
6 violation. I asked him—I pointed out to him. I
7 asked him would you write it. No. I'm here for
8 plumbing. I tried to explain that this was a false
9 certification and he said yeah, he doesn't care.
10 Now, you—DOB took his word and one photo, and at the
11 bottom of this statement, this A-AEU2 Certification
12 of Correction, which is his sworn statement. It
13 states and I quote, "False certification is a
14 criminal misdemeanor under Sections 28-2031.1, and
15 28-211.1 of the New York Administrative Code
16 punishable by up to one year imprisonment and/or a
17 fine of up to \$25,000. It is also punishable with a
18 civil penalty up to \$25,000. So that's a \$50,000 you
19 better be honest stick, and that's why I called this
20 photo \$50,000 evaporating out of city coffers like a
21 fart in the wind. By the time I got the photo from
22 DOB, which yes we did have the two cars parked there,
23 the statute of limitations was over. This developer
24 is still renting our my parking space. DOB would be
25 very well served as would our city if we had a path

1 for citizens to notify the city. I mean a real path
2 not a here's bunch of hoops. Jump through like
3 you're a trick pony. I did not appreciate waking
4 every morning to take a photo only to be told to go
5 screw, it doesn't matter. We had an opportunity to
6 let that landlord know that we take seriously in this
7 city lying to the city and falsely certifying
8 repairs, but do we really? Our city coffers are
9 bare. It's because we let stuff like this go every
10 single day. That needs to stop. Now, onto-onto to
11 HPD because I have more of an issue with them than I
12 actually do DOB. My first experience with filing-
13 with filing a complaint with HPD with regard to false
14 documents in the summer of 2015 when I found out that
15 my building was rent stabilized pursuant to the 421-A
16 Section of the Real Property Tax Law. Our building
17 was not registered with DHCR. The landlord had not
18 done his legal obligation of filling out the
19 paperwork or even registering the apartments. So,
20 there was really no way for the citizen to know that
21 you are in a rent stabilized building. I was
22 fortunate enough to have someone inform me that they
23 did a partial registration. So, I called the HPD's
24 421-A Office, Elaine Tribiano. It took approximately
25

1 52 calls to get to that woman. Now this man had been
2 receiving a tax exemption for five years without
3 filling out any of the paperwork. Told Ms. Tribiano
4 that our building—we have a lot of issues. No one
5 has a rent stabilized lease. There's shared metering
6 with regard to the common area heating that we had
7 building wide. The building is not finished. I mean
8 literally, the building was not finished and people
9 had been living in this building going all the way
10 back to 2007, which removes this developer from being
11 able to claim a pre-construction exemption. Her
12 response was: Well, prove it. Prove that the
13 building was occupied. I had a violation from DOB
14 that was written in 2007 with regard to the building
15 being occupied without a certificate of occupancy.
16 There was an HPD emergency repair of window guards
17 and I had a lease from the tenant on the second floor
18 that clearly stated she was there since 2008. That
19 wasn't enough for Ms. Tribiano. She wanted leases,
20 rent ledgers, receipts. There's no way I could get
21 that I informed here that the building was not
22 completed and again she asked me for evidence. I
23 said, you know, honestly a lot's not done. The plans
24 show that we have a laundry facility downstairs.
25

2 It's a moldy basement. Some tenants don't have
3 floors. There's a lot of other--the systems that are
4 only partially installed and her responses was well,
5 he's got a C of O and I said I don't know how he got
6 it, and her exact response was, well, he's got a C of
7 O so, I don't care. Yes, let that sink in because
8 come to find out, fact to truth those buildings were
9 written off by Arta Majuko (sp?) and Gordon Holder,
10 two men that were busted in 2015 by DOI to write
11 buildings off and offer C of Os for incomplete
12 buildings. Yet, HPD has done absolutely nothing to
13 assist the tenants.

14 CHAIRPERSON CORNEGY: How--how many units
15 are in that building?

16 LYRIC THOMPSON: They are two 3-unit
17 buildings.

18 CHAIRPERSON CORNEGY: So, I--I my staff
19 texted me, and what we want to do is in addition to
20 hearing your whole testimony, which is terrific--

21 LYRIC THOMPSON: [interposing] Yeah.

22 CHAIRPERSON CORNEGY: --actually get some
23 resolution. So--

24 LYRIC THOMPSON: [interposing] Oh, I'd
25 love some resolution. In fact, I've got a couple of

2 ideas. I mean because our issue isn't just with HPD
3 ignoring the tenants, HPD—we have found that from—
4 from 2015, HPD writes and removes violations without
5 the repairs being done. I mean if you look at the
6 door photos—I didn't bring you a whole bunch of them.
7 I only brought two so you could clearly see that this
8 door has never been rehung. Yet there are four
9 violations that have been written on that. HPD
10 allowed the landlord to rip out our common area
11 heating in defiance of the Rent Stabilization Law.
12 I've written Anne Marie Santiago many times, and the
13 woman keeps quipping at me the Maintenance Code,
14 which is for 1 or 2-unit buildings. Our landlord,
15 the Multiple Dwelling Law provides you a choice as to
16 whether—where to put your heating. Between the dates
17 of October 1st and May 31st such heat and equipment
18 and facilities shall be sufficient to maintain a
19 minimum temperature where required by Local Law, Rule
20 of Ordinance in all portions of the dwelling used or
21 occupied for living purpose. Ms. Santiago I don't
22 know if she's intentionally being obtuse or just
23 daft, but is ignoring the all portions of the
24 dwelling portion. Our developer Sonya Lugo choose to
25 put heating in all portions of the dwelling. We had

2 heating in our apartments. When we walked into the
3 building we had a common area heating radiator in our
4 entrance foyer. We had a—a radiator in our hallway
5 that was big enough to—and powerful enough to heat
6 three floors of stairwell, downtown stairs in that
7 unfinished laundry facility we had heating as well.
8 We heating in the bathroom downstairs. All of that
9 has been ripped out and has caused other issues such
10 as black mold, plumbing issues. The building is
11 infested with rats and vermin, yet HPD continues to
12 remove violations. The last violation they removed
13 for roaches in my apartment is because I don't leave
14 dead vermin on my floor. Do you?

15 CHAIRPERSON CORNEGY: So-so, here—here's
16 what I'd like to do. Obviously, you came to this
17 hearing incredibly prepared, which I respect and
18 appreciate. What I'd like for you to do is my Chief
19 of Staff is to the left. I want to—listen I'm
20 mandated to do two things as a public servant and as
21 the Chair of this Committee. One is to hear your—
22 you're issue--

23 LYRIC THOMPSON: [interposing] Yes.

24

25

2 CHAIRPERSON CORNEGY: which-which you
3 articulated very aptly, and the other is to get you
4 resolution.

5 LYRIC THOMPSON: Well, I'd very much
6 enjoy it also, sir, if we could have an oversight
7 hearing with regard to the standards that HPD
8 employs. The maintenance standards don't rise to
9 basic construction standards nor do they meet their
10 own renovation standards, and that is problematic.

11 CHAIRPERSON CORNEGY: So, while I-the-
12 you're-you're the constituent that we'd love to deal
13 with who is incredibly prepared, but I want to get
14 resolution for the issues that are happening in your
15 building: One with your parking spot and also with
16 the health and safety violations which you totally
17 articulated.

18 LYRIC THOMPSON: [interposing] Well, our
19 421-A Building has not even been completed. Where is
20 HPD? They are currently using an excuse. When we
21 asked for a Pathway for say example bus services, he
22 claimed that he provided base services on his 421-A
23 paperwork, yet HPD refuses to gives us a Pathway to
24 actually claim bus services even though their own
25 rules state that he's legally obligated to perform

2 it. What they--what they're saying now is there's
3 litigation. We can't talk to you. Let me be very
4 clear with--is anyone from HPD here? Anyone. I don't
5 appreciate my civil liberties being violate like
6 Donald Trump, okay. I don't take that nor do I
7 accept it. We are suing the landlord for
8 overcharges. That has nothing to do with HPD's lack
9 of writing violations of the fact that they remove
10 violations without the repairs being done. I will
11 not be silent. I will not just shrink off into the
12 night and if you'd like me to be quiet, there is one
13 way that you could that: Clear the bad landlords
14 list, raise your standards, have some standards that
15 are coherent and--and universal. Then I might
16 consider going away, but until that happens, I don't
17 see it happening. I suggest you have another bowl of
18 Cream of Wheat in the morning. You'll need the extra
19 energy.

20 CHAIRPERSON CORNEGY: Ms. Thompson, thank
21 you--

22 LYRIC THOMPSON: I yield.

23 CHAIRPERSON CORNEGY: --thank you so
24 much. My Chief of Staff will address your--your

2 personal issues, the overarching issues with HPD and
3 with DOB we'll address as a committee.

4 LYRIC THOMPSON: I'd like our common area
5 heating reinstalled, please.

6 CHAIRPERSON CORNEGY: Thank you.

7 LYRIC THOMPSON: Thank you, sir.

8 CHAIRPERSON CORNEGY: Yes, sir.

9 LYRIC THOMPSON: Your turn.

10 GREG PACANA: Hello. I feel like here.

11 It just doesn't appear that way. I've lived at 16—My
12 name is Greg Pacana. I live at 160 East 48th Street
13 for 25 years and I work from home. In past two years
14 I have experienced two large sledge hammered holes 2
15 foot square another 5 foot square, two days to
16 complete. I have a website up with pictures of some
17 of the stuff, and an explanation of everything, water
18 leaks, the two big holes, mail tampering and theft.
19 I thought that was a crime. When I do my work
20 remotely for people with computers they send me a
21 check. I get all of my bills, but the checks were
22 missing, and I complained to the super and then to
23 the Post Office. There's a loophole. When you pay
24 the Post Office a fee to deliver your own mail in a
25 building apparently you're not bound by any postal

2 ethics or oath. You could do whatever—whatever you
3 want, and I would go two weeks without seeing a
4 check, and then I'd examine the neighbor's mailbox
5 who is away for four months and find my checks in
6 there. Not only mine, other floors, and I
7 complained. Then what? Then they cut my power for
8 two days. It was next. It was always the next
9 thing. My breaker is now on the fifth floor. I live
10 on 14. I was trying to pay off my back rent to \$100,
11 \$200 a month at a time. I didn't matter. They
12 started eviction proceedings. They went down
13 November 19th and a representative of Silverstone the
14 company, landlord took me out of court, spoke to me,
15 looked at my list of bullet points and said, Okay,
16 how about two months. We make your next date two
17 months. What do you need?

18 CHAIRPERSON CORNEGY: Wait. By bullet
19 points, do you mean complaints?

20 GREG PACANA: Yeah, like—like the—partly
21 what I put in front of you.

22 CHAIRPERSON CORNEGY: Okay.

23 GREG PACANA: I put it—I put it all up on
24 a website because all of the things that I have to
25 explain is too much for today, and being up on a

2 website is much better. So, she asked me what did my
3 apartment need. I need to get a roommate to pay my
4 back rent. It needs to be repainted. She never told
5 Silverstone that that was the agreement. I called
6 her up. I emailed. I have a paper trail for
7 everything. I emailed the facility's manager. She
8 said we need three days to paint your apartment.
9 Choose the second week of December or the second week
10 of January. So, I chose the second week of December,
11 and on Friday of the first week of December I was
12 emailed by somebody else in Silverstone that those
13 dates are no longer available. Choose something in
14 January. In the meantime I had stated specifically
15 in my email I'm ready for the 10th. My apartment has
16 been cleared of rugs, wall hangings, drapes, curtains
17 and sheets over the couch and such. It made no
18 difference. Oh, [coughs] then they come back to me.
19 I make a joke I say do I have to wait for the
20 Silverstone Wheel of Misfortune to stop choking the
21 bone. So, they estimated my paint job at three days.
22 They come back to me later: Okay, choose two days.
23 I think that's actually a translation of throw him a
24 bone isn't it? A two-day paint job that takes three
25 days is going to be a bad paint job, and it's—I mean-

2 CHAIRPERSON CORNEGY: What's--what's the
3 size of your apartment? The size of your apartment?

4 GREG PACANA: The size.

5 CHAIRPERSON CORNEGY: Is it one-bedroom,
6 two-bedroom?

7 GREG PACANA: It's a one-bedroom.

8 CHAIRPERSON CORNEGY: Okay.

9 GREG PACANA: Yes, and I plan on getting
10 a roommate and so I'm painting all the rooms except
11 the bedroom because that's where I've stuffed
12 everything. I'd put on eight gallons of white primer
13 myself, and I scraped the walls of the paint drips
14 that happen slopping work was done. So I did the
15 first part, and it seems like they're brazenly
16 [siren] like batting me around like the mice that run
17 underneath the new floors.

18 CHAIRPERSON CORNEGY: So, so your most
19 recent correspondence with them has you in the
20 pipeline for when?

21 GREG PACANA: Well, the last lady said
22 two--two days the second--and the third week of
23 December or January, but I thought two people have
24 already estimated that the paint job takes three days
25 and--

2 CHAIRPERSON CORNEGY: So, here's what I'd
3 like to do. So, generally we don't do in the
4 hearings as deep a dive as we've done with both of
5 you, but I think it's important to hear your story.
6 What I'd like you to do is follow up with my staff so
7 that we can advocate on your half individually.

8 GREG PACANA: [interposing] I think it is
9 because--

10 CHAIRPERSON CORNEGY: [interposing] I
11 think it's important for HPD and DOB to hear from
12 actual constituents, which is why I-I-I wanted to
13 hear from you as well, and I wanted it on the record
14 what some of your concerns are, but if you can just
15 bring your testimony to a close so I can hear the
16 last testimony--

17 GREG PACANA: [interposing] Yes.

18 CHAIRPERSON CORNEGY: --and have me
19 connect you with my staff to advocate individually on
20 your behalf.

21 GREG PACANA: Yes, sir.

22 CHAIRPERSON CORNEGY: Who's your--who's
23 your Council Member, by the way?

24 GREG PACANA: Sorry?

25

2 CHAIRPERSON CORNEGY: Who's your council
3 member, by the way? Do you know who your council
4 member is?

5 GREG PACANA: No, I just--

6 CHAIRPERSON CORNEGY: [interposing]
7 that's alright.

8 GREG PACANA: --the--

9 CHAIRPERSON CORNEGY: [interposing] We'll
10 get that.

11 GREG PACANA: --Council Member Levine
12 offered to testify.

13 CHAIRPERSON CORNEGY: Okay.

14 GREG PACANA: But there is a closing
15 statement.

16 CHAIRPERSON CORNEGY: Please.

17 GREG PACANA: On November 19th the judge
18 gave me a new date to show my progress in repaying my
19 debt of January 29, 2019, and so by delaying the
20 paint job, I can't get a roommate.

21 CHAIRPERSON CORNEGY: Oh, I see.

22 GREG PACANA: I can't--and I--I have a
23 hearing problem from-- that other guy that was here
24 two years of jack hammering because I work at home.
25 I---I can't hear any more so--

2 CHAIRPERSON CORNEGY: So, we—we were
3 actually advised of your hearing problem and I
4 appreciate the fact that you asked not for
5 accommodation but in the future. If there's
6 accommodation necessary for your hearing problems, we
7 can accommodate that, but I understood you--

8 GREG PACANA: [interposing] I can hear
9 that

10 CHAIRPERSON CORNEGY: Okay.

11 GREG PACANA: It's women's soft voices or
12 that other guy at the end. I didn't hear anything
13 he said.

14 CHAIRPERSON CORNEGY: Well, that's the
15 opposite of me. So I don't have a woman's soft
16 voice. So, I was glad that you were able to indulge
17 me. I'm have never been accused of a woman's soft
18 voice, but—I'd like for now you to just connect with
19 my staff at the end of the hearing--

20 GREG PACANA: Great.

21 CHAIRPERSON CORNEGY: --so that we could
22 advocate on your behalf. Thank you so much for your
23 testimony.

24 GREG PACANA: Right.

2 CHAIRPERSON CORNEGY: Ms. Thompson, thank
3 you so much for your testimony as well. Thank you.

4 Yes, you can go.

5 JOSE ALDEZ: And so thank you very much,
6 Chair. It's an honor to be. This is me testifying
7 for the first time in the City Council, and my name
8 is Jose Aldez. I am a tenant at 860 Riverside Drive,
9 Apartment 2EE in New York, New York 10032. I belong
10 to the 7th District. My Council Member is Mr. Mark
11 Levine, and I especially wanted to support his Intro
12 No. 1274. I think it's an excellent initiative. I
13 could have benefitted from this when I moved at my
14 present apartment, which has been a home for me for
15 the past 34 years. I have a rent stabilized
16 apartment. I also receive SCRIE assistance. I
17 receive also SSI, Social Security assistance for
18 disability, and I had about six years at catastrophic
19 illness that had me hospitalized for three months,
20 and then more months of rehabilitation. The landlord
21 was a bit aware because I notified them through a
22 representative because I was too ill to talk or to
23 move, et cetera, and my bills were paid. The rent
24 and everything was covered on time, but the landlord
25 tried to evict me 25 years ago lacking evidence, but

2 accusing me I was using the space as a second home,
3 which was not true, and did not give me—what should I
4 say? Enough of a window timewise to seek legal
5 representation nor did I have the funds to retain an
6 attorney, but I did go to court because I had not
7 choice without an attorney, and I was very grateful
8 as I always am to our elected officials, and all
9 professional persons in government because they can
10 hear without saying a word observing the people. The
11 judge called me personally to have a private word
12 before the case began, and he sensed that I might not
13 be entrusting the process or the court, and I said
14 no, your honor, on the contrary, I'm terrified
15 because I'm here without legal representation, and I
16 know what I'm up against, and the accusation is not
17 true, but I don't know how to defend myself on legal
18 terms et cetera. So, I won the case. The
19 accusations were unfounded because I---my profession is
20 I'm a classical pianist. I travel, et cetera, but I
21 was doing a residence—a job that kept me away from my
22 home Monday through Friday, but I would be home in my
23 apartment on weekends, but somehow my absence, you
24 know, I thought are these people spying on me when
25 I'm not in and so on. Okay, that's a long time ago,

2 but the reason situations we know citywide is a lot
3 more critical, and I am in that area of Manhattan
4 that just went through a rent regulation, a rezoning,
5 Washington Heights, and the landlords who are not the
6 best, you know, they want to push people out for
7 monetary reasons. And my landlord owns many
8 buildings in the city. I really don't know how large
9 his holdings are, but my building is one of many that
10 belong to that company, and lately the harassment has
11 increased. They've never painted in 25 years. There
12 are leaks from the floors above in many apartments,
13 and my downstairs neighbor complained that he was
14 getting water from my bathroom, but he didn't know my
15 ceiling in the bathroom of my apartment had come down
16 from leaks above, and I have been living with the
17 holes on the—in the ceiling for two years, and holes
18 in the floor also drilled by repairs that were never
19 finished. So, sure he would be getting it because
20 the floors above are not fixed. So, recently he
21 restored his apartment. So he was very upset with
22 this damage to his newly renovated space. So, he
23 sued the landlord, and the landlord demanded that any
24 time he needs access to my apartment, I have to
25 provide it on the spot or else he would initiate

2 legal proceedings against me for whatever charges
3 that he would come up with. For three years, I had
4 heart-open heart surgery four years ago. Right after
5 I was home discharged, that was another illness from
6 the first catastrophic one. I was trying to recover
7 and at home, and there was music being played so
8 loudly that the walls shook on my floor, and in every
9 room the same vibrations for the atrocious noise of
10 stereo-stereophonic music at 3:00, 4:00, 5:00 in the
11 morning. Sometimes it would go for 24 hours non-
12 stop. Many responses from the city police came when I
13 called to-to complain for the noise, and that never
14 stopped for about three years until a police officer-
15 I think he felt sorry for me. There was no room to
16 fix that problem. So the officer told me that they
17 would continue to respond to complaints to-for the
18 excessive noise, but that it was up to the landlord,
19 and that's why that was continuing, and sure enough,
20 I addressed that so that noise stopped. But then,
21 the heating in the winter is so hot. Now, first
22 there was lack of heat. Now excessive that in cold
23 weather outside, in the apartment in the bedroom 90
24 degrees. I measured the, you know, temperature ,and
25 called 311. This happened often, you know,

2 throughout the winter that the heat would be always
3 for days 90 plus, and 311 could not take that
4 complaint saying people called to complain for lack
5 of-of heating. So, we don't accept if you have heat.
6 You should be grateful. I said, but when it is
7 detrimental to one's health and it-it is also
8 conducive to infections from contamination if the
9 especially I have leaks and I have all kinds of very
10 dangerous health issues caused by the neglect in the
11 apartment. And so, anyway the escalation of these
12 problems with the landlord pressuring that now I
13 envision they told me that they would initiate legal
14 action with me if I did not do what they requested
15 like access immediately or I don't know what else.
16 They were saying that any more damage to the
17 apartment below me then I would have to pay for, and
18 so it is at a point that your initiatives and
19 together with the Mayor's Office initiatives that
20 protect tenants like us and like many millions of
21 people in the city we commend you for the initiative
22 and urge you to please be more thorough as to how
23 they can-the situations of constant abuse can be
24 deterred, and I don't know if a network of
25 information between some agent, you know, tenant

2 associations or some—some way to channel this to you
3 so that these abuses cannot be perpetrated until
4 people finally move out or die from some disease
5 because we have no more recourse.

6 CHAIRPERSON CORNEGY: Well, I want to
7 thank you for your testimony. Your particular
8 Council Member Mark Levine has been at the forefront—

9 JOSE ALDEZ: [interposing] Yes, he is.

10 CHAIRPERSON CORNEGY: --of legislation
11 especially around representation in the court system.
12 So you benefit from that--

13 JOSE ALDEZ: Yes.

14 CHAIRPERSON CORNEGY: --from Mark working
15 really hard to make sure that that happens. I'm glad
16 that you came to testify today again so that the
17 agency can put a face and a name to some of the
18 atrocities that are happening.

19 JOSE ALDEZ: It's for all of us. We are
20 here for a reason similar and people who does
21 disagree with what some of the laws considered—being
22 considered, that's not—I think most of us are here
23 because we want to support your initiatives to deal
24 with these problems, and I'm one of them, and I
25 commend you and thank you so much.

2 CHAIRPERSON CORNEGY: Well, again, I
3 thank you for your testimony. I do have a personal
4 question to ask you. Are you still able to perform as
5 a classical pianist?

6 JOSE ALDEZ: Fortunately, I—I think I
7 must have nine lives [laughter] because I—I still can
8 play, and one thing that's an anecdote and it's
9 perhaps fun to—to tell you how difficult it can be
10 for a musician. I have a piano a grand piano, which
11 is costly, and it doesn't belong to me because it was
12 donated as a loan by a friend of mine who's a dear
13 person a retired educator who couldn't stand the
14 thought that I no piano because I lost everything
15 financially. No more piano. He sent that piano to
16 my apartment. He said as a loan, but it was really a
17 gift, and it's a costly piano around \$50,000 or so,
18 and my dear friend passed away two years ago, and the
19 landlord in his quest to really get me out of there,
20 with at that heat below-above-, above 90 degrees one
21 day there was a bang in the living room. I have a
22 one-bedroom apartment. I was in the other room, and
23 I thought something had exploded. We went to the
24 kitchen. It was the piano, the soundboard just
25 exploded because it's very fine wood that gives the

2 instrument a resonance. So, I cannot use it any more
3 until I have it sent out to be restored, and that's
4 about a \$15,000 repair. So I go to a church that
5 allows me the use of a piano one day a week six
6 hours, three in the morning and three in the evening.
7 I am Steinway artist. I'm on the roster of the
8 Exclusive Steinway artists, but I don't have a piano
9 that I can all my own.

10 CHAIRPERSON CORNEGY: Was the donation a
11 Steinway as well?

12 JOSE ALDEZ: No it's not. It's—it's—the
13 piano I have is not a Steinway, but it's a European
14 made piano, a German piano, but the one in the church
15 it's a Steinway. So, I just played on December 2nd
16 just recently. That church, which is sanctuary
17 church at the 179th Street and Fort Washington, the
18 entrance of the George Washington Bridge in that
19 area. The church celebrated 125 years since it was
20 built, and I was asked by the pastor to play at the
21 Gala celebration. It was not a gala. It was a
22 mass. It was—I asked him if I should play because I
23 didn't call my participation religious music, and he
24 requested one piece by Franz Listz, which is the
25 Liebesträume, one of his most famous pieces. I had o

2 to learn it because I never played it basically
3 because everybody plays it. It thought why me? You
4 know maybe everyone plays it much better than I. So,
5 I had to learn it for this, and I played it December
6 2nd and the audience the congregation applauded. So,
7 they interrupted the mass that day with my music, and
8 so I played successfully, and I am trying to retake
9 my career after the heart operation. If I can fix
10 that piano of find a way to practice on a daily
11 basis, I can get back into performing.

12 CHAIRPERSON CORNEGY: Well, thank you so
13 much for your testimony, and--

14 JOSE ALDEZ: Thank you.

15 CHAIRPERSON CORNEGY: --my hope is that
16 you'll get back and get your chops back.

17 JOSE ALDEZ: Thank you.

18 CHAIRPERSON CORNEGY: I appreciate your--
19 all of your testimony. Do we have another one?
20 We'll call the last panel.

21 JOSE ALDEZ: Thank you so much.

22 CHAIRPERSON CORNEGY: Thank you. Gail
23 Kagan, Reggie Thomas, and Jerry Curt (sic). Thank
24 you. [coughing] [pause] You can--you can begin your
25 testimony. [background comments/pause]

2 JERRY KVITZSKY: Okay. Good afternoon.

3 My name is Jerry Kivitzsky (sp?) and I'm here today

4 to speak to Intro 1258 regarding process servers.

5 I'm General Counsel to PM Legal a DCA--

6 GAIL: Thank you--

7 JERRY KVITZSKY: Nice to meet you, Gail--

8 [laughter]--a DCA licensed process serving agency with

9 offices in Manhattan, Queens and Nassau County. We

10 distribute hundreds of papers each day to independent

11 licensed process servers for service in New York

12 City. It's been more than seven years since the

13 initial implementation of the DCA rules regulating

14 our industry. During this time, not much--not many

15 significant changes have been made to these rules

16 either by the agency or this Council. I believe this

17 bill would be the first significant change. We also

18 believe that we are one of the few process serving

19 agencies who initially saw regulations as a positive

20 for our industry and for the public. We are also one

21 of the few process serving agencies who maintain a

22 full-time Director of Compliance and staff to ensure

23 our servers are properly monitored and internally

24 audited to achieve and maintain DCA and other

25 regulatory compliance. We think we understand the

2 intention behind this proposed bill undoubtedly
3 motivated by the frustrating that litigating tenants
4 have trying to obtain useful and necessary
5 information from the DCA. We, too, experience that
6 frustration from time to time with regard to the
7 disciplinary history of the process services who
8 serve for us. But we do have specific questions and
9 concerns regarding the proposed language in the bill,
10 which we are happy to submit in writing in the
11 interest of time. We also encourage this committee
12 so solicit additional comment from leading industry
13 members and attorneys who actually practice in the
14 courts as to what works and what doesn't and to
15 fashion these changes accordingly. We hope the time
16 for written comment has not expired and I thank you
17 very much for the opportunity today.

18 CHAIRPERSON CORNEGY: Thank you, but you
19 should—you should know that part of the process in
20 around legislation are these hearings so we can
21 actually hear both sides. It's actually a real true
22 intention, and so, you can count on getting feedback
23 from us on account of your feedback as well.

24 JERRY KVITZSKY: Which is why I wanted to
25 go on the record today. Thank you, sir.

2 GAIL KAGAN: My name is Gail Kagan. I am
3 past President of the New York Professional Process
4 Service Association and I am the current Legislative
5 chair of that association. I am the one who's
6 involved in anything that has to do with process
7 service laws. I'm the one who oversees and advocates
8 for the process server. We oppose this--this
9 amendment as it's written--1258 because we believe
10 that currently New York City has the strictest laws
11 in the nation for process service, and we're not
12 against the laws that we have. I mean we would like
13 to be come more attune with technology as it changes.
14 [coughing] If you look at your UPS guy he runs
15 around with handheld and Fed Ex has handheld. We
16 also have the burden of this handwritten law, which
17 is really a transcription, and so in that aspect
18 that's really the only thing that we don't like about
19 the laws because the electronic recordkeeping is a
20 very transparent way for not only the process
21 service--I'll explain exactly, but it's a transparent
22 way for the process servers to show us that they're
23 done the process. We've got a GPS location. We know
24 they've been there. We've got a photograph with a
25 GPS location on it showing the façade of the

2 building. Then they—they electronically record.

3 They—they type into their phone basically what they

4 did, who they spoke to, what happened, and they send

5 that to a person that they have contracted with who

6 maintains these records separate and independent from

7 the agency and separate and independent from the

8 process server, which means that they're tamper-proof

9 and that company maintains those records. This is

10 great stuff. This is wonderful stuff, and as

11 technology changes, we're hoping that we can stay

12 abreast of whatever new changes, block chain

13 technology, all this stuff is going to come into play

14 in terms of recordkeeping and—and we want to be on

15 the forefront of that so that we can stay relevant.

16 But back to my advocacy of—of process service, I—I'm

17 under—I understand because I—I work on the border of

18 Westchester and the Bronx. That's where I maintain

19 my office and—and I serve process and my—and the

20 people that work with me serve process. I work with

21 Legal Services of Hudson Valley. I work with Empire

22 Justice Centers. I work with various advocates and

23 in the course of my day, they send to me documents of

24 proposed orders to show cause that tenants who come

25 to them have them fill out, and sometimes they just

2 come straight to me to get these documents filled out
3 and they tell me the story is there. I paid this
4 rent. Social Services paid this rent for me. I have
5 the receipt, but the landlord is refusing to allow
6 that. I mean I get this everyday dozens of cases
7 come across my des, and I'm just notarizing. So they
8 have to tell me their story. The feelings we gain,
9 you know, there's a hole in-in my floor, the air
10 conditioner is leaking. I withheld my rent. Now and
11 then I got laid off. So, I need more time and these
12 are orders-proposed orders to show cause to the-to
13 the judges and I get to hear these stories on a
14 weekly and daily basis. So, I'm fully sympathetic,
15 and on top of that, my process server, the process
16 servers that I'm representing and they're not
17 necessarily members of NYPSA. Let me be right out
18 there. Not every process server is a member of my
19 organization, but these process servers make form \$10
20 to \$17 a paper on the average okay. They're making
21 \$30,000 a year, \$40,000 a year. A really busy
22 process server may make \$50,000 a year. They live in
23 Upper Manhattan. They live in Lower Manhattan, the
24 East Side, and the West Side the Bronx. Thy live in
25 Long Island City. They live in Queens, they live in

2 Bed-Stuy. They live in Brooklyn. They are the very
3 people who are in the midst of this housing crisis.
4 They're being pushed out of their homes. So they're
5 the same people. So they also understand what's
6 going on, but their job and the job and the role of
7 the process server is to be the impartial between two
8 people in litigation. They don't take the side of
9 the landlord and they don't take the side of the
10 tenant. It's their job to see that notice is given,
11 and how do they do that? They do that by following
12 the rules of the State of New York, and the civil
13 codes of the City of New York, which means that they
14 in a landlord-tenant case because that's what we're
15 talking about, they go to an address. They stop
16 outside the address. They take a photograph of the
17 building. They do inside. They check if the name of
18 the person is on the door is on the buzzer, but
19 understand again in landlord-tenant cases because the
20 landlord is giving you the paper or it's coming from
21 an attorney from a landlord, most people have to
22 assume that the person is in the building. I mean—
23 but they still will check and make sure that they've
24 got the right apartment number. Of course, mistakes
25 happen, typos happen. So, they check it out. They

2 go up to the building, they knock on the door. If
3 somebody answers the door, great. They say hi I'm a
4 process server. My name is Joe. Here's the paper.
5 The landlord is reminding you that you have to pay
6 the rent. Make sure you deal with this. Are you in
7 the military, and/or is the person I'm serving in the
8 military? Usually when you serve a landlord/tenant
9 case, you're not only serving John Smith, but you're
10 serving—let's say his name is Jose Ferrer. Okay for
11 lack of a better name. Sorry, Jose, but he's serving
12 Jose first. He's usually also serving John Doe and
13 Jane Doe who might live with Jose Ferrer just to
14 cover all the bases. So, he's serving people in
15 that—in that unit or in that building or that
16 apartment or in that house.

17 CHAIRPERSON CORNEGY: Wait. Let me ask
18 you. So, what you've articulated to me before the
19 hearing and during the hearing is that there is a
20 quit extensive mechanism in place.

21 GAIL KAGAN: Right.

22 CHAIRPERSON CORNEGY: I guess my question
23 would be that it's there. Why—why—why

24 GAIL KAGAN: [interposing] I'm not
25 talking--

2 CHAIRPERSON CORNEGY: --why are you so
3 opposed to a random audit? Because that's what the
4 legislation speaks about. It doesn't—it doesn't add
5 anything else except for the ability to audit the
6 records so that we can protect both parties, process
7 servers as well as respondents right? So--

8 GAIL KAGAN: [interposing] let me--

9 CHAIRPERSON CORNEGY: --in—in a good case
10 it could clearly demonstrate that the person who is
11 claiming lack of service is—is incorrect or is not
12 telling the truth.

13 GAIL KAGAN: [interposing] I'll address
14 that.

15 CHAIRPERSON CORNEGY: --which ultimately
16 protects the process server.

17 GAIL KAGAN: I can address that, and—and,
18 in fact, I think the gentleman from the DCA, Adam,
19 he—he kind of explained this, too, the audits don't—
20 the audits that they—that the DCA does, does not look
21 not look at whether the service was good. They're
22 looking at the recordkeeping aspect of the service.
23 The service could have been fine, but if—if in that
24 log book, which you have, if—if you look at the
25 packet I sent you, that log book looks like this.

2 The—the—this is—this is their electronic record,
3 which comes upon their computer. They transcribe
4 this at the end of the day into this, and there's 32
5 fields of information a bunch of numbers. There's
6 bound to be mistakes in this log book and this is
7 where the fines come, and this is where the
8 violations come. So, when DCA says you failed your
9 audit and you owe us \$5,000 because there's five
10 errors where you left out a zip code or you see this
11 tiny thing that says female white, BLK, black, 25,
12 555, 125. It's an objective description, but maybe
13 because it's so tiny and this is what—this is the
14 space he has to write in. Maybe he got—his daughter
15 came by and he left out the last thing, the weight.
16 That's \$500 fine. Okay, and this has got nothing to
17 do with whether he serve the process. This is
18 whether he served the process. This has a photograph
19 and a GPS location, a photograph that shows the date
20 and time and GPS location showing that he was
21 actually there. That's this is what shows the actual
22 service, but he gets audited and this is—they don't
23 say he didn't go to the address. They say it was a
24 recordkeeping error, and Mr. Adams said we find them
25 in recordkeeping items. They don't know, the DCA

2 doesn't—the DCA doesn't know how to serve process.
3 They don't—they're not a good judge of whether the
4 process was served correctly. A traverse hearing is
5 to determine whether the service was good.

6 CHAIRPERSON CORNEGY: So, what I
7 committed to you earlier was that we and your
8 organization should sit down.

9 GAIL KAGAN: Uh-hm. We're just waiting---

10 CHAIRPERSON CORNEGY: The reason being is
11 that I'm not committed to being right. I'm committed
12 to getting this right.

13 GAIL KAGAN: Exactly.

14 CHAIRPERSON CORNEGY: So, we can—we'll
15 have further dialogue.

16 GAIL KAGAN: And what else we can do to
17 make it more transparent.

18 CHAIRPERSON CORNEGY: Absolutely.

19 GAIL KAGAN: The other thing I—the other
20 point I want to make is—and it's come up over and
21 over again, the person who is making the money in
22 this—in this situation is the landlord. The process
23 server doesn't know if the paper he's serving is a
24 fair paper. That's not his purview. It's the
25 court's purview to decide the merits of the case.

2 The process server can only serve the notice to make
3 sure that nobody is stealing this guy's property, and
4 then finally that traverse hearing attorneys like to
5 win. I mean I work with attorneys all the time, and
6 they like to win. That's the nature of the beast.
7 So, lots of times an attorney will call a traverse
8 hearing to stall for time to change the dynamics of a
9 case. He's going to just like the landlord is going
10 to do, he's going to throw some stuff out there and
11 find out if it sticks. If a traverse hearing
12 because he can't say, you know, what time—he
13 notarized the affidavit. I mean they can read
14 through the affidavit and day well it says that you
15 notarized this on the 25th. If process server hems
16 and haws, his credibility is shot. If you publicize
17 the audits on recordkeeping his credibility is shot,
18 and you talk about, and I'm sorry. I'm passionate
19 about this guy so forgive me for—for, you know,
20 being so adamant, but when a landlord goes to court
21 he's got an attorney, right and we're trying to make
22 tenants have attorneys and I believe that. I'm all
23 for that, but when the process server goes to court,
24 he has no attorney. He doesn't get to say when they
25 ask him a question. Yeah, I did that, but he doesn't

2 vet to say but. He gets to answer the question and
3 that's it. He stands alone. He doesn't have an
4 attorney. He's got no representation. It's his
5 credibility that's being judged, his memory of a
6 process that he could have done months ago. So, by--

7 CHAIRPERSON CORNEGY: So-so with all due
8 respect to the process as it relate to process
9 servers, I think—I think one of the reasonable
10 expectations is as a licensed entity in the city
11 there's a greater burden that's-that's==

12 GAIL KAGAN: [interposing] Absolutely.

13 CHAIRPERSON CORNEGY: --upon that.

14 GAIL KAGAN: Absolutely.

15 CHAIRPERSON CORNEGY: So, again, having
16 heard you, I definitely want to hear some more--

17 GAIL KAGAN: Sure.

18 CHAIRPERSON CORNEGY: --and get to a
19 place where we can get this right--

20 GAIL KAGAN: [interposing] Right.

21 CHAIRPERSON CORNEGY: --both for the
22 process server, which I understand in my former
23 capacity as Chair of Small Business is a small
24 business, and we don't want the city to be onerous on
25 small businesses, right but we do want to make sure

2 that tenants have an opportunity to get the correct
3 service and are not being forced out of their homes
4 for—for bad, poor or misleading service and that was
5 the intent of the bill. I'd like to continue and
6 have a dialogue to get to the intent and protect the
7 tenants' rights in service, but also protect those
8 small businesses that represent themselves through
9 process serving. So, you have my commitment today.

10 GAIL KAGAN: Thank you. I appreciate
11 that.

12 CHAIRPERSON CORNEGY: Thank you.

13 REGGIE THOMAS: Good afternoon Chair
14 Cornegy. My name is Reggie Thomas. I'm the Senior
15 Vice President at the Real Estate Board of New York.
16 Thank you for the opportunity. This is my first time
17 testifying before the committee in my relatively new
18 capacity. So looking forward to hopefully more
19 future appearances. As you know, REBNY is a broadly
20 based trade association.

21 CHAIRPERSON CORNEGY: [interposing] You
22 just said featured appearances?

23 REGGIE THOMAS: In future, future.

24 CHAIRPERSON CORNEGY: Oh, okay.

25

2 REGGIE THOMAS: If there's featured then
3 I probably shouldn't be here.

4 CHAIRPERSON CORNEGY: Okay.

5 REGGIE THOMAS: Future to be clear.

6 [laughs] As you know, REBNY is a broadly based trade
7 association representing owners, developers, brokers,
8 managers and real estate professionals active
9 throughout New York City. Thank you for the
10 opportunity to participate in the city's hearing and
11 to provide support and constructive-constructive
12 comments on the bills being considered this
13 afternoon. But first, at the outset let me
14 emphatically state that the Real Estate Board in New
15 York stands for public officials, advocates and other
16 stakeholders in finding sensible policy measures to
17 root out bad landlords and to protect tenants from
18 illegal actions. We have an affordability crisis in
19 New York City and illegal measures taken by
20 unscrupulous landlords should be met with full
21 punishment allowed by the law and with supportive
22 enforcement efforts to do so. We also want to
23 applaud the Council for considering a wide array of
24 legislation. As written, many of the bills being
25 considered seek to target fraudulent information

2 submitted as a part permit and Certificate of
3 Correction Apps, add additional requirements for
4 tenant protection plans and then new requirements to
5 increase transparency for tenants occupying building
6 undergoing construction. Today we want to provide
7 support for many of the bills as well as additional
8 feedback including ways that legislative language
9 could be either strengthened or clarified. Bills
10 such as Intros 551 and 1242 make attempts to increase
11 transparency both for public consumption and to help
12 make data driven policy decisions, which REBNY
13 absolutely unequivocally supports. We fully support
14 Intro 1242 to expand the available data in the Online
15 Property Owner Registry, but do want to caution that
16 while we support the intent of Intro 551, which is to
17 help get better data on the universe of bad
18 agreements, the types of information being asked for
19 would likely lead to false or an incomplete data set
20 illustrating the nuances of a buyout agreement
21 Legislation such as Intro 1258 sponsored by you,
22 which would require and audit process to place-to be
23 placed by DCA to ensure that tenants are properly
24 served with eviction notices of a court proceeding is
25 generally supported by the Real Estate Board. As

2 some of the other panelists have described, there is
3 a process in place for—making sure that there is
4 non-tampering measures, but to the extent that
5 process servers are still going around this process
6 improperly serving tenants, engaging with sewer
7 service that's unacceptable. Evictions happen for a
8 wide array of reasons. There are sometimes tenants
9 who are engaged in illicit or illegal behavior, are
10 disruptive and this is just a normal course of a city
11 with even half the amount of people. There will just
12 normally be evictions, but tenants do have the right
13 to be served properly to make sure they know the date
14 of their court proceeding period. No—nothing further
15 from that, and to the extent that we can be helpful
16 in providing information about this or be helpful in
17 moving forward on this bill, we're happy to provide
18 any information that might be needed. Notwithstanding
19 a number of recommended changes, we also support some
20 of the Council efforts to generally conduct audits of
21 submissions and corrections given to city agencies
22 such as Intro 1171 and 1279. Intro 1171 one among
23 many important provisions require that DOB conduct
24 inspections of building portfolios or that HPD
25 Speculation Whatchlist and make referrals where false

2 statements are made. We do recommend that for any
3 legislation requiring audits that they realistically
4 be met agency resources that that some level of
5 discretion is included to take into account instances
6 where it's clear that a trivial error was made and to
7 withhold audits of the Speculation Watchlist as it's
8 still early in its inception with further refinements
9 needed to the recent HPD methodology. This will
10 ensure that the limited resources used by agencies
11 and enforcement officials are actually used for
12 appropriate cases and not being used for a one size
13 fits all process. We also support the Council's
14 efforts to target building where there are a number
15 of—where there are excessive number of violations
16 such as Intro 975 where building permits would be
17 denied. We appreciate tat the Council is thinking
18 ahead to include exceptions where the permit needs to
19 be issued to perform necessary work to correct
20 dangerous conditions. We do recommend that the
21 Council consider other extenuating circumstances
22 where a building permit should be issued such as
23 rehab projects that might already have a number of
24 violations when ownership changes. While we voice to
25 put the goals of many of the bills in this package as

2 stated, we do have concerns regarding the practical
3 realities, operational difficulties, one-size-fits-
4 all approach or level of punitive measures being
5 taken in some of the bills. We think there are
6 practical challenges to require an addition layer of
7 compliance from an owner or contractor. Increasing
8 regulatory burdens make it exceedingly difficult to
9 perform necessary renovations and improve building
10 quality for all tenants. Specifically, Intros 1277
11 and 1280 we do have concerns regarding the delays and
12 may be issued to projects who are being caught up in
13 an across-the-board audit process or the level of
14 fines for what may be a genuine mistake. We do look
15 forward to working with the Council to find other
16 alternatives to meet the policy goals of these bills
17 and explore ways to improve these bills to target
18 truly bad actors. And Intro 1278, which would ensure
19 that DOB does additional TPP review for air and fire
20 complaints, we are a bit concerned that this may make
21 it harder for applicants to complete the TPP and
22 there is a risk for potential compliance issues. We
23 would enjoy the opportunity to work with the Council
24 further to ensure that city government helps
25 applicants better comply with TPPs through

1 standardized reviews. Lastly, in an environment of
2 mistrust towards landlords and governments alike,
3 increasing preemptive inspections and notices and
4 requests for information on tenants may push a law
5 abiding-abiding landlord into a tight rope walk
6 between compliance and harassment of privacy
7 concerns. As an example, it's overly burdensome to
8 grant DOB unfettered access as a condition of
9 retaining a permit, especially in case where a tenant
10 refuses access as proposed in Intro 1257. We
11 recommend including noticing the requirement in 1279
12 to tenants and landlords, but their unit or building
13 may be selected for an audit and then a visual
14 inspection may be required. This is also an
15 opportunity for city agencies to provide helplines
16 and general information on building quality standards
17 to tenants when they have that interaction.
18 Additionally, beyond the legislative discussion
19 today, the city needs to allocate appropriate
20 resources, ensure there's proper agency coordination
21 on the city and state level if we are to see
22 improvements in enforcement and something that we
23 largely agree from the tenor of the prior panel's
24 discussion. According to research recently published
25

2 by the Regional Plan Association, a handful of
3 landlords are responsible for a disproportionate
4 amount of the city's poor housing and eviction cases.
5 RP estimated that of the 750,000 plus buildings with
6 residential units in New York City, less than 2% are
7 actually managed by bad landlords. It's our hope
8 that as you move forward through the legislative
9 process, efficient and accurate mechanisms can be put
10 in place that enable government to truly target and
11 eradicate bad actors. As for the rest of the
12 testimony, I'll submit that for the record to save
13 time, but Chair Cornegy, your staff has been great in
14 terms of helping us understand the bills and the
15 intent of the bills prior to the hearing and we hope
16 that REBNY remain a strong partner of the Council
17 moving forward in this process.

18 CHAIRPERSON CORNEGY: Thank you for your
19 testimony, and congratulations on your new role.

20 REGGIE THOMAS: I thought you were going
21 to say condolences so thank you. [laughter]

22 CHAIRPERSON CORNEGY: That's it. Thank
23 you guys for your testimony and I look forward to
24 working with you on future legislation.

2 REGGIE THOMAS: Thank you. Nice to meet
3 you guys.

4 CHAIRPERSON CORNEGY: This hearing is
5 officially adjourned. [gavel]

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C E R T I F I C A T E

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



Date January 9, 2018