

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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October 31, 2018  
Start: 10:27 a.m.  
Recess: 10:42 a.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)

Darlene Bruce, Counsel to Assemblyman Al Taylor

Lauren Santos, Representative for 67-69 Saint  
Nicholas HDFC

Robert Jackson, Democratic Nominee for New York  
State Senate, 31<sup>st</sup> Senatorial District

Al Taylor, New York State Assemblymember

Taryn Farley, 157 HDFC, 123<sup>rd</sup> Street

Allison Doenges, Shareholder at 157 West 123<sup>rd</sup>  
Street HDFC, Central Harlem

Louis Cordero, 526 West 158<sup>th</sup> Street  
HDFC Co-Op, Washington Heights

Glory Ann Hussey Kerstein, HDFC Shareholder  
West 106<sup>th</sup> Street, Manhattan Valley Park, Upper  
West Side

Gerald Harris, Resident and President of the  
Board of 527 West 151 Street

Will Buckery, HDFC and Housing Coalition Member



2 [sound check] [pause] [gavel]

3 CHAIRPERSON CORNEGY: Good morning

4 everyone, and thank you for coming. I'm Council

5 Member Robert Cornegy, Chair of the Council's

6 Committee on Housing and Buildings, and we're here to

7 hold a vote on one bill related to single occupants

8 toilet rooms, two bills related to building safety,

9 and a series of bills related to removing certain

10 residential properties from the city's Third Party

11 Transfer Program. Proposed Intro 465-A would require

12 DOB in conjunction with a number of other agencies to

13 increase awareness of the existing requirements that

14 single occupant toilet rooms be available for use by

15 persons of any gender. DOB would also be required to

16 post an annual report on the program as well as data

17 on complaints and violations issued for failure to

18 comply with the existing requirement. Proposed Intro

19 No. 664-A would require carbon monoxide detectors in

20 all commercial spaces and proposed Intro 836-A would

21 streamline DOB and FDNY approval processes for

22 certain fire plans and systems by requiring only FDA-

23 FDNY approval. Finally, there are 13 preconsidered

24 bills before the committee that would remove the

25 applicable properties from the city's Third Party

2 Transfer Program. I'm joined today--what is that? Is  
3 that Barry Grodenchik, Margaret Chin, Rafael Espinal  
4 and Fernando Cabrera.

5 MALE SPEAKER: Ben Kallos.

6 CHAIRPERSON CORNEGY: Oh, and Ben Kallos  
7 is here. Yeah. Oh, sorry, Beth. [background comment]  
8 We will have an opening statement by Council Member  
9 Kallos.

10 COUNCIL MEMBER KALLOS: Okay. I want to  
11 thank the Housing and Buildings Chair Robert Cornegy  
12 for his leadership on the Third Party Transfer issue.  
13 The process is that the properties come before this  
14 committee for approval, and come to the Planning,  
15 Disposition and Concessions Subcommittee, which I  
16 chair to determine wither or not the buildings should  
17 receive and Article XI tax abatement wherein the  
18 properties don't have to pay taxes for 40 years.  
19 During our hearings and relating to properties  
20 previously approved, we raised questions around  
21 whether or not HPD had properly conducted their  
22 outreach to buildings, and in that process we had--we--  
23 we learned that several property owners had lost  
24 their property despite having tried to work with HPD,  
25 and in one particular case they actually had worked

2 with the city to pay things off only to see their  
3 property still taken. Following a lot of the  
4 oversight, we actually saw 30 properties removed from  
5 the previous set, and I just want to thank the  
6 Housing Chair Robert Cornegy who has been a champion  
7 on this issue. He has deep. He ha worked with  
8 individual landlords. He has worked and it's been a  
9 pleasure working with him and the Black, Latino and  
10 Asian Caucus around really magnifying this issue. I  
11 also want to thank two elected officials in this  
12 room. Sorry. Our current elected official  
13 Assemblymember Al Taylor as well as a—the Democratic  
14 nominee for State Senate Robert Jackson, a former  
15 member of this, I guess, body both of whom are here  
16 on this issue, and Council is on this issue. We're  
17 being even more watchful. We are not going to take  
18 HPD's word for it again, and we will make sure that  
19 these properties when and if they are transferred  
20 that they are done for the benefit of the tenants,  
21 and that we really make sure that this proper—this  
22 program is used properly. Thank you.

23 CHAIRPERSON CORNEGY: So, [coughs] I  
24 certainly agree with my colleague, and we are working  
25 diligently to correct some issues that are present

2 with it, but as they say in the deep South, we don't  
3 want to throw out the baby with the bath water. So,  
4 there is a lot of work and a TPT Town Hall scheduled  
5 for November 15<sup>th</sup> at Brooklyn Law School at 6:00 p.m.  
6 where we'll be doing an even deeper dive into the  
7 issues and the disproportionate effect of TPT on  
8 particular communities. So, with that, we'll—we'll  
9 hear from the first panel: Assemblymember Al Taylor,  
10 and I'm just going to go ahead and say Senator Robert  
11 Jackson, Tyrone Farley, and Lauren Santos. Before we  
12 get started, I do want to welcome back Robert Jackson  
13 to these chambers. Robert Jackson was in office  
14 before I took office, and was somebody who I was able  
15 to emulate some of my prowess, and vigor and zest  
16 around issues that are germane to especially  
17 communities of color, especially around education. I  
18 want to thank you for the setting the bar very high  
19 for those of us who followed behind you. [pause]  
20 So, you can begin by introducing yourselves for the  
21 record, and your testimony. It has been my practice  
22 that chivalry is not dead. So, you don't have to  
23 follow that, but I'm just saying.

2 DARLENE BRUCE: Sorry. Good morning. My  
3 name is Darlene Bruce. I'm Counsel to Assemblyman Al  
4 Taylor. He's providing the testimony today.

5 LAUREN SANTOS: Good morning. My name is  
6 Lauren Santos. I'm representing 67-69 St. Nicholas  
7 HDFC.

8 ROBERT JACKSON: I'm Robert Jackson.  
9 Good morning everyone. I'm the Democratic nominee  
10 for the New York State Senate in the 31<sup>st</sup> Senatorial  
11 District. It includes all of Northern Manhattan,  
12 Marble Hill, Inwood, Washington Heights, part of West  
13 Harlem, Upper West Side, part of Midtown, and it  
14 snakes down into the Chelsea area at 26<sup>th</sup> Street and  
15 Ninth Avenue, 13 miles long.

16 ASSEMBLYMEMBER TAYLOR: Good morning,  
17 Assemblymember Al Taylor.

18 Good morning. My name is Taryn Farley.  
19 I represent 157 HDFC, 123<sup>rd</sup> Street

20 CHAIRPERSON CORNEGY: So, while I  
21 understand that around this issue of TPT, there's an  
22 incredible amount of passion. I'm just going to ask  
23 that we condense the remarks as possible and ask for  
24 just a—because of the two—my two colleagues in



2 government who are present, we'll make the clock at  
3 four minutes.

4 Thank you, Mr. Chair. That's four  
5 minutes per person?

6 CHAIRPERSON CORNEGY: [off mic] Yes.

7 Oh, okay. I just wanted to--

8 CHAIRPERSON CORNEGY: That's the only way  
9 it could happen around here, dude. Sometimes it  
10 should be the other way, but no. It's four minutes  
11 per person.

12 ASSEMBLYMEMBER TAYLOR: Okay. Well,  
13 thank you, Mr. Chair and good morning to this body.  
14 Again, my name is Al Taylor, and I've submitted a  
15 copy of my testimony, and I'll read it for you as  
16 well to put it in the records. I am a member of the  
17 New York State Assembly who sits on the Housing  
18 Committee. I represent the 71<sup>st</sup> Assembly District  
19 where there are a significant number of HDFCs who are  
20 facing or on the verge of facing foreclosures or  
21 being considered to be placed in Third Party Transfer  
22 Program. As a representative of my constituents who  
23 ware shareholders in these HDFCs, I decided to host a  
24 series of forums entitled the Crisis Facing HDFCs.  
25 We address various issues including foreclosure, a

2 regulatory agreement and corporate governance. Our  
3 next forum will cover the topics of predatory  
4 lending, and upgrading to HDFC's infrastructure. We  
5 are also implementing a pilot project to match  
6 shareholders with pro bono counsel who can guide the  
7 HDFC through the maze of legal issues and answers  
8 those—their specific questions. The purpose of each  
9 of the forums was to give shareholders, directors,  
10 community boards and elected officials that  
11 information needed to address the issues facing the  
12 residents of HDFCs. These forums have been attended  
13 by approximately 100 to 150 individuals seeking  
14 answers to their questions. Attendees giving—  
15 attendees were given tools to improve governance,  
16 increase their understanding of HPD, learn their  
17 shareholder rights, and assist property managers,  
18 comply with their obligations. Panelists have been  
19 elected officials—panelists have been elected  
20 officials, attorneys, members of the HDFC Coalition,  
21 shareholders, directors and property managers. I  
22 stand you—I stand before you today uniquely qualified  
23 to testify not only as a member of the New York State  
24 Assembly who has hosted forums on HDFCs, but also as  
25 a stakeholder in the HDFC community. I am a

2 shareholder in an HDFC. Therefore, I testify  
3 sincerely as a shareholder who has endured both the  
4 legal and financial hardships and other challenges to  
5 avoid the foreclosure process. Let me assure you  
6 that the HDFC that I reside in is not among those  
7 currently being considered for Third Party Transfer.  
8 While my building is not on this list, I am a  
9 shareholder in an HDFC facing our second match in  
10 court with a predatory lender as a shareholder in  
11 litigation. I often wonder how my building became  
12 financially obligated to pay a note on a loan used to  
13 rehabilitate my building where the work has never-  
14 never been completed nor a certificate of occupancy  
15 issued. The question is not unique to my HDFC, and  
16 through the series of forums I learned that this type  
17 of predatory lending occurs often in the Harlem  
18 community. It is a known fact that the contractors  
19 often times abscond with the HDFC funds without  
20 completing the work on the building, use poor quality  
21 material and unprofessional workmanship necessitating  
22 short-term repairs. I stand here today to testify  
23 not only of the HDFCs that the HDFCs are  
24 dysfunctional, there are excellent directors sitting  
25 on boards where they are doing their best. Some have

2 been misguided by predatory lenders or ripped off by  
3 general contractors who did not complete the required  
4 work. Shareholders feel abandoned yet again when  
5 city agencies fine the buildings for violations or  
6 even worse assess penalties and fees for the failures  
7 caused by the predatory lenders and their  
8 contractors. In this vicious cycle, shareholders are  
9 burdened and overwhelmed with escalating costs  
10 leveled by the city and causing many in the community  
11 to believe that the HDFCs were a set up to fail.  
12 [bell] I hear stories from my community, listen to  
13 corrupt—corrupt entities who come into our  
14 neighborhoods targeting those who cannot advocate for  
15 themselves. These shareholders have been unknowingly  
16 led into financial commitments or have paid money to  
17 contractors yet left without heat and hot water  
18 throughout the winter months. I stand here today to  
19 share these stories with you to tell you that the TPT  
20 program is not the only solution of HDFCs who are  
21 sued by the—who are sued by predatory lenders, pay  
22 legal fees to fight in court, placed in grips of a  
23 trustee, and then thrust into yet another program  
24 losing all ownership rights. The HDFCs must be given  
25 a voice. They must receive the tools and resources

2 to address their aforementioned challenges, and they  
3 must be afforded an opportunity to fight against  
4 those who prey upon our communities. I stand here  
5 today not to challenge the wisdom of this Council.  
6 Rather, I stand here today to request on behalf of my  
7 constituents a moratorium on both the foreclosures of  
8 HDFCs and their transfer to TPT programs. We all are  
9 aware that the late 1970s was a period when the city  
10 seized property from derelict owners who abandoned  
11 their buildings. In response to the city's desire to  
12 move out of managing and owning buildings, the city  
13 created the HDFC, a type of co-op housing for low-  
14 income New Yorkers. The majority of these income  
15 restricted units were sold to tenants residing in  
16 these abandoned buildings as a mechanism to stop the  
17 displacement of tenants into shelter, to transfer  
18 city-owned property into tenant managed projects, and  
19 return these buildings back to the city to collect  
20 real estate taxes. Essentially, the city created a  
21 program that would save affordable housing units that  
22 would prevent the destruction of city-owned property  
23 caused by fires, preserve the landmark status of  
24 these buildings, and decrease the number abandoned  
25 buildings operated as drug dens in buildings

1 susceptible to other forms of criminal activity.

2 Many of the residents in these buildings were given

3 an opportunity for the first time in several

4 generations to become property owners. This form of

5 ownership did not come to the residents without risk

6 of harm to themselves or their children. In my

7 opinion, it is important to note that the TPT Program

8 does not acknowledge the sweat equity earned by the

9 shareholders. Rather, the city chooses through the

10 P-TPT program to give the equity to a third party who

11 has not sacrificed nor invested anything to safeguard

12 the buildings nor the community from the 70s until

13 today. Shareholders return to the status of-

14 shareholders are returned to the status of renters

15 because of the TPT program and punished for failing

16 to voluntarily operate a cooperation—a cooperation in

17 an efficient manner. Shareholders feel like they have

18 been slapped in the face while being robbed of any

19 financial benefit or investing in their unit, the

20 HDFC and their community. Given the risks taken by

21 both the city and the shareholders, it seems counter-

22 productive to know—to now turn over the buildings in

23 some instances to not-for-profit entities whose

24 intent is not to preserve affordable housing,

1 stabilize the neighborhood nor the community at  
2 large. Rather, these investors are focused on making  
3 a profit as their title indicates. I witnessed far  
4 too many constituents and family and friends removed  
5 on a daily basis from the apartment by these for-  
6 profit entities. Many of these investors remove  
7 existing low-income tenants to replace them with  
8 tenants who are able to pay much higher market rates.  
9 The inclusion for a profit corporation into the HDFC  
10 Community Serves only to destabilize the community-  
11 the Harlem community by eliminating affordable  
12 housing. Unfortunately, the original intent-intent  
13 of the HDFC is undermined due to TPT program because  
14 it leads to the displacement of tenants, contributes  
15 to the destabilization of communities and negates the  
16 opportunities for homeownership to those who have  
17 been living in Harlem for years. I encourage you to  
18 vote against the TPT program, HDFCs who attempt to  
19 comply with the mandates of HPD. I firmly believe  
20 that if given the resources, the HDFC community has  
21 the strength, the ability and the commitment to  
22 rebuild their infrastructures, and to succeed. As an  
23 alternative to the TPT Program I suggest appointment  
24 of an ombudsman assigned to each borough for the next  
25

ten years given the ombudsman five-year reporting requirements back to the Council on the progress of HDFCs. The ombudsman would provide the incentives offered to the for-profit corporation investors. If the ombudsman program is acceptable, then more checks and balances would be given so that it is not being wasted to achieve—time is not being wasted to achieve success. Further in the referenced forums we are finding that the shareholders are asking for specific legal and financial assistance. Perhaps a forensic audit can be conducted to determine what resources are needed by each building, and such resources should be provide to strengthen those HDFCs that are now functioning, and to assist those where challenges exist. In my conclusion, in press—in a press release issued October 18, Public Advocate Letitia James she called for a temporary freeze on the Third Party Transfer Program to address recent concerns about New Yorkers losing their in error. There has been recent concern that homes being foreclosed upon—upon without sufficient notice to the homeowners this temporary freeze would allow HPD to address these concerns and to ensure that the agency has adequate safeguards in place to project homeowners whose property is into



2 the program. There are many other elected official  
3 and shareholders who are also call for a moratorium  
4 on the TPT program and to place a halt on the  
5 pipeline of HDFCs awaiting transfer. I also  
6 respectfully request a moratorium on all foreclosures  
7 in HDFCs slated for the TPT. I ask this moratorium  
8 to be implemented until such time as a comprehensive  
9 audit is conducted, and a functioning system is  
10 implemented similar to the proposed ombudsman  
11 program. I believe and in our ACF community, and  
12 humbly ask that the Council consider the original  
13 intent of forming the HDFC—the original intent of  
14 forming the HDFC, and preserving this intent as well  
15 as the units needed in New York for affordable  
16 housing. Respectfully submitted. Thank you so much,  
17 Mr. Chairman.

18 CHAIRPERSON CORNEGY: Thank you,  
19 Assemblymember. [background comments]

20 SENATOR ROBERT JACKSON: Good morning,  
21 Chair Cornegy and members of the City Council. It's  
22 good to be back in the house that we built, the  
23 people of New York City. I'm Robert Jackson, the  
24 Democratic nominee for the New York State Senate, the  
25 31<sup>st</sup> Senatorial District. As I indicated, it

2 includes a large portion of Manhattan, but I'm here  
3 this morning in order to support the HDFC Coalition,  
4 more specifically Members Ydanis Rodriguez and  
5 Members Mark Levine all the other members, but  
6 specifically those two because they have properties  
7 within their Councilmanic Districts, which is part of  
8 the State Senate District, and which I represent,  
9 understanding that from my history as a member of  
10 this body from January 2002 until December 31, 2013,  
11 I advocated for people that were part of—had HDFC  
12 buildings that were trying to be cooperative and  
13 encouraged them to do everything they can to save  
14 their homes, and I knew that some of them because of  
15 the lack of training and the lack of follow-up, they  
16 were losing their homes, and I talk to them in their  
17 homes, and I tell them I feel like kicking them in  
18 their butt like a family member because once they  
19 lose this opportunity to have cooperatives that they  
20 own, in my opinion, based on their economic  
21 situation, they will never have that chance again.  
22 And so, I always talked about with HPD tell me how  
23 these people can become owners and not renters, and  
24 that's what it's about. I wish that I owned my own  
25 home but I don't, but I'm struggling everyday to make

2 sure that the people that we represent are trying to  
3 keep their homes, and I say to you that knowing that  
4 Council Member Rodriguez and Council Member Levine  
5 when you look at many of their properties I think  
6 Council Member Levine has the most out of all of the  
7 Council Members in the city of New York. And so,  
8 obviously I'm concerned about that. I'm concerned  
9 about people staying in their homes, and being a part  
10 of what they will call their own, and you should know  
11 that I'm member of a group called Northern Manhattan  
12 is For Sale. We're fighting to make sure that people  
13 who were born and raised in their communities can  
14 continue to live there and so that's a struggle not  
15 only with rental units, but it's a struggle with  
16 units that have take been taken over by the city and  
17 rehabbed and/or in the process through the TPT  
18 Program. And so that's why I'm here today, and I  
19 want to talk about ownership and not rental. I want  
20 to talk about the fact that I was up in Albany at  
21 the—the Black Latino—the Black, Puerto Rican, Latino,  
22 Asian Caucus Retreat where members of the State  
23 Senate more specifically Velmanette Montgomery and  
24 others from Brooklyn talked about they were  
25 requesting, and I'm reading from a letter that went

2 to the Commissioner, Maria Torres Springer, Mayor de  
3 Blasio, and others, chief judges and around the  
4 state, and I'll just read a little part of it: We  
5 are requesting a moratorium on the further transfer  
6 of ownership and imposition of third-party managers  
7 and at each of the properties, and on the further  
8 implementation of the city's Third Party Transfer  
9 Program until an investigation can be conducted to  
10 determine the following at the very least, and it  
11 goes on. But I'm telling you that this is such an  
12 issue, and our job as elected public officials is to  
13 do the right thing for the people that we represent  
14 to try to keep them in their homes, and not turn over  
15 the properties in which they could own over to  
16 private developers or even community-based  
17 organization. That should be the absolute last thing  
18 that e even consider, but everything else should be  
19 done beforehand in order to help these people live in  
20 their homes and own their own properties and I thank  
21 you for the opportunity to come in front of you this  
22 morning to give my little two cents on this  
23 particular matter. It's extremely important with the  
24 survival of the city of New York. Thank you.

25 CHAIRPERSON CORNEGY: Thank you, Senator.

2 DARLENE BRUCE: [off mic] Good morning.

3 [on mic] Good morning. My name is Darlene Bruce and  
4 I'm Council to Assemblyman Al Taylor. Each day  
5 some-someone comes into the office sharing their  
6 stories or problems that they have in their units in  
7 these HDFCs. So, many of them don't-do not have a  
8 voice, and they come to us seeking help. So, I come  
9 here today to be the voice for them to share with you  
10 the stories that they tell us each and every day  
11 about losing their homes, losing the ownership of  
12 what they invested in for some 30 odd years. So, I  
13 ask you today to think about these individuals that  
14 come in everyday, real people coming in everyday  
15 worrying where they're going to live for the next  
16 day. What are they going to do? Where are going to-  
17 where are they going to place their children? So, I  
18 ask you to consider that the units that are being  
19 placed in the TPT Program have real people behind  
20 them, have real stories behind them, and they're  
21 looking for an opportunity to just get a place to  
22 live. Thank you.

23 CHAIRPERSON CORNEGY: Thank you.

24 LAUREN SANTOS: Hi. Thank you for your  
25 time, Council Members. My name is Lauren Santos.

2 I'm representing 67-69 Saint Nicholas HDFC in Harlem.  
3 I want to thank Council Member Bill Perkins who has  
4 given us a lot of support during this heard time, and  
5 I would be remiss not to thank the HDFC Coalition and  
6 their fervent support and knowledge of all of the  
7 issues at hand. You guys rock. 67-69 Saint Nicholas  
8 Avenue is a 26-unit HDFC apartment building in West  
9 Harlem. A year ago we were notified of the  
10 foreclosure. At that time we had had no elections  
11 for nearly a decade. The board was previously run by  
12 a family, and at that time we uncovered that we owed  
13 almost a million dollars in taxes. As I'm sure guys  
14 have heard from plenty of other shareholders and HDFC  
15 tenants we were never notified by HPD of the back  
16 taxes that were owed. We have worked fervently to  
17 get our HPD-our HDFC out of the hole. We had two  
18 elections which was challenged by the old board.  
19 They were certified by NHS but the old board took us  
20 to court anyway. We waited three months from the-to  
21 hear a decision from the Supreme Court of New York  
22 State, which really put a hold on the progress that  
23 we could make. The old board stopped paying bills.  
24 They continued to neglect the property, and put up a  
25 pretty darn-damn good fight in relinquishing control.

2 After that, after August in which we heard for the  
3 New York State Supreme court, we were finally able to  
4 start pushing ahead in terms of making real progress  
5 in saving the building. Unfortunately, the payments  
6 that we have made to DEP and other city agencies the-  
7 the large sums of money that we have paid they're not  
8 being applied to the actual debt. It's-they're being  
9 applied to interest and late fees and so, we're not  
10 really making a dent in terms of what we need to get  
11 done to really get us out of foreclosure. That being  
12 said, we have really forged ahead, and there have  
13 been-there's been a lot of work done. We have made  
14 to sales, which have gone towards putting some money  
15 back into the HDFC's pockets, and the bank accounts.  
16 So, what I'm really asking from HDFC is that in  
17 addition to the tax amnesty if that's granted that it  
18 comes with no strings attached because the Regulatory  
19 Agreements and the late fees, and the interest that's  
20 applied to any debts that the HDFCs owe, it's not  
21 really realistic in terms of getting us out of-  
22 getting us where we need to be to be a successful  
23 HDFC. I have faith that 67-69 can be the amazing,  
24 incredible, vibrant, low and middle-income affordable  
25 housing that it can, but we really do need the

2 assistance of the City Council to make that happen.

3 So, I just want to thank you for your time.

4 CHAIRPERSON CORNEGY: Thank you.

5 TARYN FARLEY: Thank you for your,  
6 Council Members. My name Taryn (sp?) Farley. I am a  
7 shareholder of 157 West 123<sup>rd</sup> HDFC, and I am here  
8 representing them as well. I am here to plead to  
9 save our building during this critical time as we  
10 move forward. Our board has been working very hard  
11 to ensure grindage (sic) from happening again with a  
12 zero tolerance policy and procedure. We've had many  
13 challenges and as I listen to everyone's story that's  
14 spoken before me, we also have similar stories, and  
15 I'm here on behalf of grandmothers, aunts, working  
16 mothers, fathers, grandparents and single parents as  
17 well who couldn't be here, myself included. I have  
18 taken days off, all weekend. I'm currently the  
19 President the new Board President for the—our  
20 building to ensure that we are aligned in everything  
21 that is required to prevent us from foreclosure.  
22 We've had a lot of challenges. One of the big  
23 challenges have been our hands being tied with a lot  
24 of financial mismanagement. We've been able to  
25 overcome that by having a new management take care of



2 our building. So, it has been very helpful for us.

3 We've been able to have a sale of one of our

4 buildings that helped us financially as well. In

5 addition to that, they've been able to help us a lot

6 on the legal side with managing some—a lot of our

7 units with people in arrears among others, but I'm

8 here to plead on behalf people who don't have a

9 voice, grandmothers. During this past weekend for

10 example, one of our list of items was collecting

11 income verification. I myself as well as Allison who

12 is here today along with the HDFC Coalition, Glory

13 Ann, and Victor as well has helped us tirelessly—

14 tirelessly in ensuring that we were able to get

15 everything that is required as we approach our

16 deadline to prevent a foreclosure. But again, I want

17 to speak for grandparents and a 97-year-old who we've

18 gone to their units who aren't able to work, and if

19 we were to lose our building, they would have nowhere

20 to stay. Single parents who couldn't be here today

21 because they work on a fixed salary income to pay

22 their bills who are shareholders and some who are

23 tenants as well. I big thank you to Honorable Bill

24 Perkins who has been working with us tirelessly from

25 day one to help us as well. I myself like I said, I'm

2 a hardworking shareholder who paid tens of thousand  
3 of dollars of my savings for my apartment. I've  
4 lived at my building for over a decade. I'm very  
5 scared of losing everything that I've saved for and  
6 worked and support to help my building during this  
7 critical time as well, and during our time of  
8 distress. And finally, I stand here to testify and  
9 pleas on behalf of our building to remove us from  
10 our—from this place of foreclosure, and we encourage  
11 you to vote in favor of removing—of removing us as  
12 well, and we thank you for your time?

13 CHAIRPERSON CORNEGY: Thank you. Before  
14 I get some questions from my colleagues, I want to  
15 acknowledge the presence of our Council Member  
16 Jumaane Williams, Council Member Carlina Rivera,  
17 Council Member Helen Rosenthal, Council Member Mark  
18 Gjonaj and Council Member Ritchie Torres. I believe—  
19 I—I had a couple of questions. First to  
20 Assemblymember Al Taylor. So, you think that there  
21 are resources that should be administered to HDFCs in  
22 particular that could assist them going forward. If  
23 you could just for myself and my colleges list one or  
24 two of those resources that you think first hand  
25 would have been crucial in—in helping HDFCs.

2 ASSEMBLYMEMBER TAYLOR: I—I think in the  
3 initial transfer when we bought into the HDFCs, based  
4 on what you've heard so far, you—you take tenants  
5 that are typically not property owners and way out  
6 the league and you get a crash course from a third  
7 party group that says now you're going to do this.  
8 Go do this, and I—I think HPD has not properly  
9 equipped and provided the resources to transfer us  
10 in. When I say resources, whether it's financial  
11 resources in or whether it's—I want to say intellect.  
12 So, the people that are talented that are there. So,  
13 I have a roof that they did and I have a boiler that  
14 they put in my building, but I'm not a boiler. I'm  
15 not a roofer, but five years later we find out we  
16 have the wrong boiler. We find out that the roof  
17 wasn't really repaired. We find out there's not  
18 certificate of occupancy, but now we're paying.  
19 We've moved up, and we're paying the money, our  
20 maintenance because we have loan out there, but the  
21 services that we're paying for we never received.  
22 And I think HPD has a responsibility not just to come  
23 in and take these things out, but look back and say,  
24 Hey, did these contractors do what they were supposed  
25 to do? And in our things, you know, a check and

2 balance, and because there's no check and balance, a  
3 lot of what I believe we are facing, and probably  
4 others is because they fail to do their job, we are  
5 now trying to—we've been given a ship with a hole in  
6 it, and we're bailing, most of it. And I think when  
7 you look at where the properties are doing well,  
8 there tends to be a change in the ethnicity and the  
9 finances that are available in those properties. So,  
10 you can see how some might do a little bit better  
11 because of management, money and so forth like that,  
12 and I think HPD could and must do better. Did I? I  
13 don't think I answered your question.

14 CHAIRPERSON CORNEGY: No, you definitely  
15 answered my question, but I think about general  
16 homeownership--

17 ASSEMBLYMEMBER TAYLOR: Uh-hm.

18 CHAIRPERSON CORNEGY: --and I think about  
19 the homeownership in this perspective where  
20 properties decades ago were transferred to a  
21 homeownership model, which I—I think was a great  
22 model. I think the—the Pathways to Home it's so  
23 understated--

24 ASSEMBLYMEMBER TAYLOR: [interposing]  
25 Yes.

2 CHAIRPERSON CORNEGY: --this American  
3 dream through homeownership, and the Pathways to  
4 Homeownership and in minority communities  
5 predominately it is through condo and co-op ownership  
6 and building equity and transfer of wealth and those  
7 kinds of things, but when I think about a general  
8 ownership, it doesn't come with a manual generally.

9 ASSEMBLYMEMBER TAYLOR: Yes.

10 CHAIRPERSON CORNEGY: But you believe in  
11 this instance there should be not a manual but a  
12 responsibility on the seller to-to-to do it-what  
13 exactly?

14 ASSEMBLYMEMBER TAYLOR: What comes to  
15 mind is buyer beware, and when you're uninformed, and  
16 you have, which is to your point, it's-it's-it's a  
17 blessing to be able to-to move into ownership  
18 especially coming out of certain communities where  
19 you would otherwise not have that opportunity. The-  
20 the city I believe has a greater responsibility to  
21 put those things that I think as a homeowner and you  
22 understand what you have and work from there. I am  
23 responsible for my maintenance. I'm responsible for  
24 the things that happen within my-my property, but I  
25 am not necessarily responsible for understanding that

2 this boiler that they put in is the wrong size, that  
3 the roof that I'm paying this extra money for that  
4 was never done. They just a couple of planks and now  
5 these are your expense in going forward. The bank is  
6 not interested knowing whether those thing has  
7 happened or not. They are going to hit you with your  
8 mortgage and if you fail to pay the mortgage, they're  
9 moving in to get your property. The city looks at  
10 you and says, well, you guys aren't managing your  
11 property well, and I'm saying well isn't that the pot  
12 calling the kettle black? Because they have not done  
13 a good job either.

14 CHAIRPERSON CORNEGY: So, I just want to  
15 say we heard testimony a little over a month ago in--  
16 in our hearing--

17 ASSEMBLYMEMBER TAYLOR: [interposing] Uh-  
18 hm.

19 CHAIRPERSON CORNEGY: --from some  
20 property--some TPT--I'm sorry. Some property owners  
21 who actually testified that they didn't want the  
22 responsibility of ownership. So, they didn't want  
23 the responsibility of having to know about the boiler  
24 or the roof, and they actually preferred the TPT  
25 process because it allowed, it absolved them of

2 responsibility, but it also gave them an opportunity  
3 to live in a condition that they thought was  
4 appropriate and it was safe and--so--so, they're, you  
5 know, this--this idea between ownership and rental is  
6 one that I've had discussions for 30 years with  
7 people--

8 ASSEMBLYMEMBER TAYLOR: [interposing]  
9 Absolutely.

10 CHAIRPERSON CORNEGY: --and the  
11 different--and the varying mentalities. So, I just  
12 want to be sure that we're--we're being--we're doing  
13 our due diligence and being responsible to those who  
14 want to, and who are committed. We heard testimony  
15 from--obviously from HDFCs who are committed to being  
16 homeowners.

17 ASSEMBLYMEMBER TAYLOR: Yes.

18 CHAIRPERSON CORNEGY: You--you mentioned  
19 yours, but there are some who literally came in and  
20 said we're relieved that the responsibility doesn't  
21 lie on us to have to call the oil truck or to have  
22 make these necessary repairs, and I think somewhere  
23 in between--

24 ASSEMBLYMEMBER TAYLOR: Uh-hm.

2 CHAIRPERSON CORNEGY: --the education  
3 process has to take place--

4 ASSEMBLYMEMBER TAYLOR: [interposing]  
5 Absolutely.

6 CHAIRPERSON CORNEGY: --because it sounds  
7 exciting with the offer of homeownership.

8 ASSEMBLYMEMBER TAYLOR: I would add this:  
9 Sometimes in--in the middle of the night in those dead  
10 winters when you have not, and I don't want to say  
11 anything inappropriate, but if you've been abused for  
12 so long, and then someone comes along and says I'm  
13 going to take this off your hands, you--you are  
14 relieved because, you know what? I'd rather pay  
15 someone and do that, and know that I'm going to get  
16 tis or I'm going to get that, but it comes at a cost  
17 because if it was put up in the initial--in the  
18 initial nego--in the initial negotiations, and you had  
19 those thigs, it's like you've been abused for long,  
20 you're happy to have something. You know, I don't  
21 want this problem any more. Just take it away. I'm  
22 happy to go in that program, but that's because  
23 people give up sometimes in the middle of the fight,  
24 but I'm like heck no. When I came in there, my  
25 building was cracked. It took the gunfire all night



2 long, and now it's a sexy place to live and say well  
3 we want to do this. I say no. I think we should  
4 hold the city responsible for years of neglect at  
5 best, and say I don't want—and to your point perhaps  
6 maybe—maybe a case-by-case study to say okay, this  
7 works, this doesn't as opposed to a cookie cutter and  
8 say this is what it is, this is what it's not. And—  
9 and I would say this: When properties are going to  
10 the TPT, then the—the—the enormous bills and fee that  
11 are associated with their property somehow  
12 disappeared, and they're willing to give the same  
13 thing to the shareholders that they're giving to the  
14 TPT, I'm like hey, it's an easy—it's an easy deal.  
15 Wipe us or put that money somewhere and give us the  
16 same chance, if that makes sense.

17 CHAIRPERSON CORNEGY: It definitely does.

18 ASSEMBLYMEMBER TAYLOR: Thank you so  
19 much, Mr. Chair.

20 CHAIRPERSON CORNEGY: Thank you.  
21 Fernando Cabrera.

22 COUNCIL MEMBER CABRERA: Thank you so  
23 much to the Chair and welcome. It's good to see you,  
24 my former colleagues Robert Jackson and Assemblyman,  
25 it's good to see you, and everyone present. This has

2 been an issue that I—to be honest with you, I've been  
3 very, very frustrated about. I was at the same  
4 hearing, and I—I did address this very issue with HPD  
5 that I didn't think they were doing a good enough job  
6 in providing the training, and having said that, the  
7 other part that I'm a bit frustrated is that by the  
8 time it gets to us, I see the million dollar debt  
9 that they're in, and trying to decide what do we do  
10 here when the maintenance has been very, very low,  
11 \$200, \$300 for many, many, many years, and how do you  
12 get yourself out of that hole? How much time is it  
13 going to take? Is it realistic that they're—they're  
14 going to be able to get. There's some that we call  
15 everyday for weeks, and they cannot call us back. I  
16 mean I'm—I'm like you're about to lose your property  
17 and then there is the piece that you both mentioned,  
18 which at the end of the day is about leadership.  
19 Somebody has to grab this by the horn, and so what  
20 happens when you don't have that leadership? What  
21 happens when you have the homeowners say, let  
22 somebody else do it, but there is no somebody else,  
23 and those are the question that I would love to get  
24 some answer, it there are answers to those.

2 LAUREN SANTOS: So, since we've had the  
3 board or the election I was certified by the NHS, and  
4 so I was heled up in court, I want to say that the  
5 residents have really rallied around the new board.  
6 There's a lot of support behind the new board, and  
7 the board is committed to really turning the building  
8 around, and fostering a sense of community  
9 especially. I think especially where I—my mother is  
10 the shareholder. I live two blocks away from her. I  
11 grew up in Central Harlem so I know that it's a  
12 community that's rapidly changing, and I think that—  
13 that as an element of tension especially when you're  
14 in a low to middle-income housing unit. So, I'm very  
15 confident that the residents have fostered a bond  
16 especially through this really—this period of  
17 conflict that they don't want to lose their homes.  
18 They have just as much equity as the next person, and  
19 so they're committed to not having to leave that  
20 behind. I know that TPT is told that, you know, you  
21 don't get displace—displaced, but the reality is that  
22 it can happen, and so these residents are committed  
23 to keeping their equity, and making sure that not  
24 only do they keep their equity, but that in one or  
25 two or three years, the building really has the

2 potential to flourish the way that we feel that it  
3 has the potential to flourish, and it is a big number  
4 that I said. [laughs] There's no doubt about that,  
5 but we're in a position to steer the ship in another  
6 direction, but we do need the assistance of the City  
7 Council.

8 COUNCIL MEMBER CABRERA: But—but you're  
9 there, right? You're there. You're hustling.  
10 You're making things happening. You're moving.  
11 You're both working very hard, but what happens when  
12 you're in a building where you have the seniors that  
13 you mention, and they're just—I'll be honest with  
14 you, they're tired, and somebody don't want to grab  
15 this responsibility, what do you at that moment?  
16 What happens in that situation? Is there something  
17 the Coalition is suggesting that should be taking  
18 place? The second piece that, you know, just  
19 thinking outside of the box, instead of us waiting  
20 for HPD, why not ask HPD to give funding to the  
21 Coalition so the Coalition could provide the training  
22 since you guys are the ones who are the grassroots.  
23 You are in the front lines. You know what needs to  
24 take place in order to save the building.

2 TARYN FARLEY : So I am able to speak  
3 hands on because of this past two weeks with the help  
4 of the HDFC Coalition Board, and I know for sure that  
5 there are resources, and like you mentioned, perhaps  
6 some of the resources may not have been utilized, but  
7 I do know when people step up—step up to the plate,  
8 or to those challenges they are being utilized. So,  
9 for example, this past weekend the resource of the  
10 HDFC Coalition in everything that they have  
11 experienced in the past with similar scenarios and  
12 challenges, they've been able to pass onto us in  
13 supporting us all weekend long in ensuring that we're  
14 here today for example. We are here on time. We are  
15 here to testify. We're here to provide all of the  
16 required paperwork. We're here to have a new Board  
17 of Elections—Board of Directors for our building to  
18 ensure that we have guidance for our management among  
19 others in ensuring that we're in the right direction.  
20 So, I really believe that people, shareholders and  
21 tenants do want to make a difference. They want to  
22 save their homes and there are resources that are  
23 there to help us.

24 COUNCIL MEMBER CABRERA: Thank you so  
25 much.

2 DARLENE BRUCE: If I may--

3 COUNCIL MEMBER CABRERA: Yes.

4 DARLENE BRUCE: --answer the question  
5 also. Through the forums that we've been having in  
6 the community, people have been coming and learning  
7 new things about especially corporate governance.  
8 Not everybody knows what it--the duties and  
9 responsibilities are for the Board, and so we just  
10 did a Power Point presentation, show them what their  
11 bylaws and how important their even stock certificate  
12 is. So, there may have been training at some point,  
13 but to renew the training process so that the new  
14 generation, because she represents a generation. Her  
15 mother may have purchased, but she's the next  
16 generation there. So, she needs to also be trained.  
17 I'm not taking anything away from here--

18 COUNCIL MEMBER CABRERA: There we go.

19 DARLENE BRUCE: --but the next generation  
20 needs to be trained as to what are the  
21 responsibilities? What are the instruments that are  
22 important? What are the positions of those  
23 instruments and how they could come into compliance  
24 even if there was a period where there was nothing  
25 being done. So, the new generation needs to be

2 trained and—and have those tools and resources  
3 available to them.

4 COUNCIL MEMBER CABRERA: And I agree with  
5 you a 100% and that's what I'm after. We don't have  
6 a system, and systems are regular, the  
7 institutionalize. We don't have a way to—to have an  
8 ongoing discussion planned. There's nothing in place  
9 for this to happen so we don't end up-- Look, in my  
10 district we were able to say so. We literally had to  
11 pass a legislation to stop the TPT from taking place,  
12 but I don't want us to get to this place because it's  
13 very painful. It's very scary for everybody going  
14 through it, and it just puts you in a financial  
15 instability whenever you have to go to the bank, and  
16 they're—they're going to be concerned. Am I—you  
17 know, I'm going to give money that's going to  
18 eventually get lost here, and so, I'm hopeful that,  
19 Mr. Chair, we could work with HPD and the Coalition  
20 to come up with a system that actually is permanent  
21 and actually works. Thank you so much.

22 CHAIRPERSON CORNEGY: Thank you. Before  
23 I go to some—some quick remarks from my colleagues, I  
24 want to say I don't want the manner by which I  
25 conduct these hearings especially around TPT to be

2 misconstrued as me not understanding the care and  
3 compassion and concern for these residents in TPTs.  
4 I have a responsibility. A responsible chairman  
5 governs his hearings in an unbiased fashion. That  
6 does not mean that I don't have a particular  
7 infinity-affinity for individuals who are string for  
8 homeownership especially those of color in our  
9 communities. It also doesn't mean that I don't  
10 understand that there is a responsibility incumbent  
11 upon the City and HPD to provide some resources that  
12 will be of assistance going forward. So, I just want  
13 to state because I-I realized that I-I have a  
14 particular style in my chairmanship. I don't want  
15 that to be misconstrued for not caring. So, we have  
16 statements coming from first Council Member Williams  
17 my predecessor.

18 COUNCIL MEMBER WILLIAMS: Thank you, Mr.  
19 Chair, Assemblymember and soon to be officially State  
20 Senator, and everyone who is here and the share-the  
21 shareholders, and a big shout-out to HDFC who has  
22 been keeping us, this and the people who are  
23 suffering in our faces, and you've got to continue to  
24 do that, and I did want to shout-out Kings County-  
25 Kings County Politics. So, I see their editor here



2 for a particularly the TPT problems, and sometimes it  
3 takes press to really point out some egregious  
4 behavior that's going. So, I just want to shout them  
5 out. Before I talk about TPT in particular, I do  
6 want to talk about HDFC. I do know—Oh, I do want to  
7 thank the Chair and the Speaker for making sure that  
8 these buildings we're going to vote on are removed,  
9 and try to take quick action based on what we saw. I  
10 do have a building that does call for more turn-  
11 around on TPT, but I also know that the body is  
12 working on it to see what we can do. I remember the-  
13 the Council was able to prevent some changes that was  
14 going to happen last year when HPD was going to put a  
15 one-size-fits-all on HDFCs. I do want to know what  
16 has come of that—those changes since then. They had  
17 also made some promises, and I just want to know if  
18 anything had changed since there was kind of a pause  
19 on the changes they wanted to make with the HDFCs, if  
20 you know. You may not.

21 ROBERT JACKSON: But are you speaking to  
22 the Regulatory Agreement?

23 COUNCIL MEMBER WILLIAMS: Yes.

24 ROBERT JACKSON: As far as we've been  
25 informed, there is nothing coming down the pipe yet.

2 They—they stop and they're reassessing. They may  
3 come back with another one, but right now there is no  
4 agreement that they're pushing.

5 COUNCIL MEMBER WILLIAMS: Okay.

6 LAUREN SANTOS: If I may, my  
7 understanding is that with the Tax Amnesty that's  
8 offered you have to sign a Regulatory Agreement that—  
9 that the—that the HDFC like as a tax amnesty must  
10 agree to the Regulatory Agreement that HPD has in  
11 place.

12 COUNCIL MEMBER WILLIAMS: Thank you. Mr.  
13 Chair, if we could just take a—the committee could  
14 take a look, a look at that. I know they did put on  
15 pause on overall. Maybe they're changed it a little  
16 bit, but I'd like to see what the problem was, if I  
17 remember correctly, they kind of had a one-size fits-  
18 all for all of them, and that was proving to be very  
19 problematic. Thank you.

20 CHAIRPERSON CORNEGY: Council Member  
21 Kallos.

22 COUNCIL MEMBER KALLOS: I want to thank  
23 the Assemblymember and Democratic nominee, and just  
24 the entire panel for coming out here. So, I—one of  
25 the last comments was something I just wanted to

2 agree with, which is just and I guess I'll ask in the  
3 face of question because it's kind of like jeopardy  
4 in this job. You have to ask the question for the  
5 answer you want to hear hopefully and sometimes. As  
6 it seems when a property is being taken away from an  
7 HDFC, the first thing the city does is eliminate all  
8 the tax debt. The second thing it does is eliminate  
9 all the water debt. The third thing the city does is  
10 offer the new, sometimes a for-profit developer up to  
11 I believe \$90,000 per unit that they're taking to do  
12 renovations. Then, they offer them 10, 20, 30, 40,  
13 \$100 million in tax abatements running for the next  
14 40 years. Has any of that been offered to existing  
15 HDFC tenants?

16 ASSEMBLYMEMBER TAYLOR: No. It's just--

17 COUNCIL MEMBER KALLOS: And--and  
18 Assemblymember it seems that you--you--do you--would  
19 that be something that you think that HPD should be  
20 offering to the HDFC tenants versus a for-profit  
21 developer who's being handed homeownership units?

22 ASSEMBLYMEMBER TAYLOR: If HDFC--I'm  
23 sorry, if HPD offered half of that, I'd be ecstatic.  
24 [laughs] It's--it's a game changer. It's a game  
25 changer. With the training that's been suggested and

2 where to put money and then take that off, that's  
3 pressure that doesn't need to be there, and to—to  
4 your point, if you go down that avenue, and you give  
5 all those goodies like it's Halloween to those new  
6 folk, then there's no way that property is going to  
7 remain low-income and affordable even for the  
8 residents that are there. So, they be safe for the  
9 moment, but it won't last long.

10 COUNCIL MEMBER KALLOS: When a property  
11 is put in as part of the Regulatory Agreement, the  
12 existing tenants are protected. They have to—they-  
13 their rent usually goes up from a rent controlled  
14 rent to 30% of their income. Is that often a burden  
15 for those tenants who are on a fixed income, and  
16 similarly, the vacant units all of a sudden become  
17 available to people at 150% of AMI, which would be if  
18 it's a one-bedroom or studio \$120,000 year, is that  
19 the right rate for the vacant units, or should it be  
20 a different rate for those vacant units?

21 ASSEMBLYMEMBER TAYLOR: I think that's a  
22 whole other conversation and hearing. I would say  
23 yes that there certainly should be. I'm not prepared  
24 to give an answer to what it should be, but  
25 certainly—and I'm concerned some folks that are there

2 even though it's 30% AMI, it's not what it used to  
3 be. So, for Harlem our AMI is connected to the  
4 income out of Westchester and so we—we're not where  
5 should have really been. So, these numbers are  
6 driving the price of property, and then all the  
7 different types of lulus that you get when there's a  
8 lease renewal, and so forth like that. It—it will  
9 ultimately drive that person out of that unit. It  
10 won't be long. Right now, there's a property across  
11 the street from my office where the woman was offered  
12 \$175,000 to move. It's not an HDFC. She's on the  
13 ground floor of an historic property, and they give  
14 her \$175,000 to take a walk.

15 COUNCIL MEMBER KALLOS: And I guess just  
16 I want to thank the Chair for indulging my questions.

17 ASSEMBLYMEMBER TAYLOR: [interposing]  
18 Thank you so much.

19 COUNCIL MEMBER KALLOS: I guess a—a final  
20 question would just be we mentioned all these goodies  
21 in terms of having all the tax debt eliminated,  
22 having the water debt eliminated, receiving money to  
23 do the work, zero interest loans. Would HDFCs and—  
24 and in terms for the elected or soon-to-be elected  
25 officials and your roles, would the tenants be open

2 to the fact that not necessarily some of the  
3 regulatory issues that happened, but would the  
4 tenants be open to the fact that they wouldn't be  
5 able to sell their units at above market for another  
6 40 years that their units would have to remain  
7 affordable for another 40 years. The thing being  
8 that after that 40 years and actually usually around  
9 15 to 30 years. You can start selling your units at—  
10 at higher than at market sometimes. So, I guess is—  
11 is it a priority for the tenants to have housing that  
12 they can—would tenants prefer to be renters? Would  
13 they prefer to be owners and are they okay with  
14 keeping it a home—an affordable homeownership  
15 opportunity for longer?

16 ROBERT JACKSON: I can't speak for the  
17 masses. I think that would be a good—a good piece.  
18 If—if that's—that would be better than being a renter  
19 for those that want to be shareholders. That—that  
20 would be a good move. We could probably give you an  
21 answer on that but I—I can't see why people wouldn't  
22 want it because we're talking about stability. We're  
23 talking about the integrity of our community, and in  
24 the legacy of our children, our children being able  
25 to have something that's passed along and know that

2 you're not going anywhere for the next 40 50 years.

3 I-I think that that will be great.

4 COUNCIL MEMBER KALLOS: I have the luxury  
5 of not chairing this hearing--

6 ROBERT JACKSON: [interposing] Okay.

7 COUNCIL MEMBER KALLOS: --so I can tell  
8 you that I-I agree with wholeheartedly, and I know  
9 one of my colleagues left. She was asking about  
10 management, but HPD also has systems where they allow  
11 the homeowners to maintain ownership and work with  
12 community-based non-profits to step in as managers to  
13 get things back on track and support the tenants in  
14 managing their buildings. Thank you.

15 CHAIRPERSON CORNEGY: Thank you. We are  
16 going to go to the next panel. I want to thank you  
17 for your testimony. I think it's--

18 ASSEMBLYMEMBER TAYLOR: Thank you, Mr.  
19 Chairman.

20 CHAIRPERSON CORNEGY: --very helpful in  
21 helping us form what happens going forward. I do  
22 want to say that today's vote will consist of the  
23 removal of half of the units that were on the TPT  
24 process or on the TPT slate for Manhattan. [pause]  
25 Allison Doenges. (sp?) I'm sorry. I know I ruined

2 that. Kishan Watkins, Joe Harris and Luis Cordero.

3 [background comments, pause] Glory Ann Kirstein (sp?)

4 At the conclusion of this panel's testimony, we will

5 be taking a vote on the three bills that were before

6 us and on the TPT bill. [background comments]

7 Bills. You can begin whenever you like. I just ask

8 for you to for the record state your name.

9 ALLISON DOENGES: Allison Doenges. I'm

10 with 157 West 123<sup>rd</sup> Street HDFC. [pause]

11 CHAIRPERSON CORNEGY: You can—you can

12 begin testifying.

13 ALLISON DOENGES: Sorry. Thank you so

14 much for letting us come and speak with you today. As

15 I just said, I'm a shareholder at 157 West 123<sup>rd</sup>

16 Street, which is a 1-50—a 51-unit building in Central

17 Harlem I am not an original shareholder who paid \$250

18 for my apartment. I paid a mortgage worthy amount

19 for my apartment, and I'm so afraid of losing that

20 and everything. I'm a single mother and I can't

21 imagine losing my housing or my equity. We are

22 working hard at moving towards the future in a

23 positive way that will provide our building with

24 financial freedom and to move away from our debts.

25 Our board has implemented new policies and procedures



2 and our management company is also working hard  
3 supporting us. I hope we have your support in this  
4 moment of crisis. I want to thank the HDFC Coalition  
5 and HSC management for going above and beyond and  
6 helping us to get on a path to success. Also, a very  
7 special thank you to Council Member Bill Perkins for  
8 believing in us, and allowing us this opportunity to  
9 move forward with affordable housing here in New York  
10 City.

11 CHAIRPERSON CORNEGY: Thank you.

12 LOUIS CORDERO: Good morning. My name  
13 Louis Cordero. I'm representing 526 West 158 Street.

14 CHAIRPERSON CORNEGY: Mr. Cordero, I  
15 can't hear you.

16 LOUIS CORDERO: Okay, my name is Louis  
17 Cordero. Okay, is that a little better? Thank you.  
18 Good morning. I'm representing 526 West 158<sup>th</sup>  
19 Street. First of all, I got to say thank you to all  
20 of you. We are an HDFC Co-op in Washington Heights.  
21 It's a 28-family mostly of Latinos, and we have been  
22 shareholders from 1989, which I have—I wasn't one of  
23 the original ones. I was second to the last to buy  
24 and I bought in August of 2012. We've been working  
25 very hard thanks to Councilman Mark Levine, and the

2 HDFC Coalition helping us to get things right. It  
3 has been a little difficult. As the other people  
4 were saying before, sometimes with management that  
5 with the other people that were doing stuff, that  
6 they were just on their own. Most of them were just  
7 thrown out there. The building is yours. Do what  
8 you need to do, and sometimes mismanagement is what  
9 actually made it fall, and sometimes trying to catch  
10 up to some of the stuff that has happened. Like with  
11 us, we didn't have the context. We were one of the  
12 highest paying buildings in all of Washington Heights  
13 and maybe the whole city. We were paying \$93,000 a  
14 year. So, it was actually us trying to catch up, and  
15 I was playing catch up and not able to succeed. So I  
16 am saying thank you to all of you for helping us also  
17 with the Article XI and the Tax Amnesty application.  
18 We asking to hear us out. You know, we are  
19 hardworking people. We are trying. Sometimes you're  
20 thrown out there without knowing much what to do, and  
21 thank you especially HDFC Coalition for helping us  
22 and guide us. I think the city should have more  
23 people to help us out, you know, and—and there should  
24 be a program that the city should see, and it is  
25 going out to the city helping out, and guiding also

2 as they were blind at that time. So, it was like the  
3 blinds guiding the blinds. We have now a progress.  
4 We are learning. We're understanding. We are  
5 working together to get things to roll properly.  
6 Thank you.

7 CHAIRPERSON CORNEGY: Well, thank you.  
8 Before the next testimony, can I just ask Will  
9 Buckery to join the panel. [pause] Just state your  
10 name for the record.

11 GLORY ANN HUSSEY KERSTEIN: Oh, sure.  
12 Glory Ann Hussey Kerstein. I am an HDFC Shareholder  
13 at West 106<sup>th</sup> Street in Manhattan Valley Park, the  
14 Upper West Side. I've ben in my building for 36  
15 years. I'm the original shareholder who bought for  
16 \$250 in my building. I worked for HPD for 26 years  
17 in Code Enforcement. I'm retired now for the past  
18 four years. On the other hand, I'm not so retired  
19 because for the past two years I joined the HDFC  
20 Coalition to try to oppose city policies that were  
21 harmful to the HDFC community, and to our shock and  
22 amazement a year an a half ago, that's when we found  
23 out that the city of New York was bringing a mass  
24 foreclosure action against HDFCs. At this point, 53  
25 HDFCs are facing foreclosure in one year when between

1997, and 2016, 96 HDFCs were foreclosed on. So, for 17 years, 96 HDFCs, one year 53. Of those 53 HDFCs facing foreclosure, 90% were incorporated in the 1980s and 1990s. So they are between 25 and 35 years old. So, why now? What has happened? Why are these HDFCs facing foreclosure? That's the question of the day and we the HDFC Coalition—by the way, you're hearing a lot about us. We decided a year and a half ago to start going out to these HDFCs to find out what the problems were, and we've been to 32 HDFCs in three boroughs over the past 14 months, and here is what we have found: As I experienced when I was in the TIL Program before becoming a shareholder is lack of training. HDFC shareholders when they were first tenants did not get training in Housing Court Procedures. They didn't get training in Probate Court requirement when a shareholder dies, and believe me if you're incorporated in the '80s and '90s you do have shareholders who leave or who die or go to nursing homes. You didn't get training in negotiating commercial leases. We have found 50% of the HDFCs facing foreclosure have commercial establishments with—with leases in place that were struck by HPD, and those leases did not include text

2 that required the commercial establishment to pay the  
3 commercial tax, number one. Nor that commercial  
4 lease also require a separate water meter, and most  
5 of these commercial establishments are laundromats.  
6 They are nail salons. They are restaurants that use  
7 heavy water usage and all that cost goes to the co-  
8 op. That co-op never got training to make sure those  
9 costs passed on to the commercial establishment. So,  
10 therefore, people are being caught in this vice where  
11 a lack of training has put them underwater in terms  
12 of the debt that they have now mounted up. Also, the  
13 lack of early notification. Ten years. It's been  
14 ten years since the last round of TPT. So that means  
15 these debts got built up for 10 years when in the old  
16 days they used to give you early warning. After a  
17 year you started getting posters in your building  
18 that you are four quarters in arrears and you could  
19 manage that debt. Now, you have a debt that's in the  
20 millions of dollars because of all this lack of  
21 training or lack of notification. Mr. Cornegy, you  
22 asked about what could be the resources that could be  
23 extended. Let me tell you what the HDFC Coalition  
24 has done. In the past 14 months that we gone out to  
25 these 32 HDFCs, we have done the Article XI Tax

2 Amnesty Application. We have the services of a tax  
3 expert who grew up in an HDFC for free, and what we  
4 do is we do a five-year budgeting plan. We do a 5-  
5 year marketing plan. Most—also a lack of training in  
6 how to deal with vacancies, and how to conduct sales.  
7 Alright, we give the HDFC shareholders that we've  
8 been meeting with courage. We give them a morale  
9 boost, we them technical assistance and we've also  
10 been there. I was on my Board for 17 years. Believe  
11 me, I know—and we're self managed. I know the  
12 problems that a shareholder can face, and what we say  
13 to them is there is hope. We can turn you around,  
14 and they listen to us, and by the way, 12 of those  
15 HDFCs that we have helped are on your ballot today to  
16 be taken off the foreclosure list, and we hope that  
17 you will vote unanimously for all 12 of them. Sorry,  
18 but I have to cover a flight now, but thank you for  
19 listening to us. The Coalition feels as though we  
20 have a lot to share with you, and we want a working  
21 group going forward with the agencies involved:  
22 Water, HPD, Department of Finance, City Council and  
23 the Coalition n to scrutinize the TPT program and try  
24 to create an environment where we never have to come  
25 to this kind of decision again.

2 CHAIRPERSON CORNEGY: Thank you.

3 GERALD HARRIS: Good morning. My name is  
4 Gerald Harris. I'm from 527 West 151 Street. I'm the  
5 President of the Board. I have been since 2000--well,  
6 since 1990. We purchased in 2000. We are under the  
7 Article XI. When we first got the building, we  
8 weren't told that all these bills was going to come  
9 at us. They gave a good thing. Oh, you're going to  
10 get washing machine hookups and everything. We had  
11 the washing machine hookups not realizing that the  
12 water bill was going to as high at it was. The water  
13 is ridiculous. I've shut down the machine, washing  
14 machine hookups, which that takes away from the  
15 building, but everybody understands why it was done,  
16 and what it was done for. We're asking that, which  
17 we have already applied for the Article XI. We're  
18 asking that you help us with the water bills. That's  
19 our main problem right now. Thank you.

20 CHAIRPERSON CORNEGY: Thank you.

21 Good morning. I'm Kishan Watkins,  
22 representing 525 West 151<sup>st</sup> Street, and I just would  
23 like to say that for years we were under the  
24 impression that, you know, HDFC's were low income,  
25 and we didn't know at all that you could get--or you

2 could rent fair-for fair market rate for apartments  
3 that were not purchased. So, in-in our building case  
4 we just kept it-we kept the-we kept it so low that we  
5 didn't have enough coming in to actually keep up with  
6 the bills that were coming in. So, that was just a  
7 question I always had like if it's supposed to remain  
8 low-income, how do you keep all the bills that come  
9 with it if, you know, and keep it low income and  
10 maintain the bills that come with the property?  
11 Thank you and thank everyone for helping out,  
12 everyone saw the ground open, as I will thank you a  
13 lot.

14 CHAIRPERSON CORNEGY: Thank you.

15 WILL BUCKERY: Good morning. My name is  
16 Will Buckery, and I am an HDFC member. HDFC and a  
17 Housing Coalition member. I want to thank you for  
18 this audience and a chance to speak. We-we've been  
19 fighting for a couple of years now trying to save a  
20 lot of buildings, and thank you to our spiritual  
21 leaders like Gloria Kerstein here, and Victor  
22 Morrisette who is not here with us today, but they've  
23 done so much with the Article XI and the education,  
24 not just educating us, but education on many of the  
25 buildings that we go to, and when we go to these



2 buildings, my building was one that was in  
3 foreclosure, and we were pulled back. We—we were  
4 safe. We were on the bring of going out, but a lot  
5 of nice people rallied to our defense and there is  
6 this really nice, nice man, Council—Stan Michaels  
7 helps in those days as well as some other, but we  
8 find that—that we just say something hypothetically  
9 here. Integrity. I watch a lot of the City Council  
10 proceedings, and I see integrity at kinds of that  
11 was, you know, Rivera, Bill Perkins, Mark Levine, and  
12 I see so much integrity and I—and that's where to me  
13 the integrity almost lives and dies at the City  
14 Council. Once you get up to those higher offices I  
15 don't know if they're compromised by the donations,  
16 the gifts but somehow that integrity that you see so  
17 much of, people speak from their hearts that City  
18 Council here. That here we are in the greatest city  
19 in the world with the greatest City Council and—and  
20 who have been helping us. What has happened so far  
21 was a result of the coalition fighting and a result  
22 of the coalition—the City Council helping us, and it  
23 was one of the things that helped my co-op come back  
24 from the—from the brink. But once they—there is so  
25 much to do, so much more to do that sometimes you see

2 it when you came to a finish line, but you have to  
3 always act as though there is so much to do, and  
4 there, and Glory's testimony tells you what we've  
5 done and also what's left to be done. I mean it'  
6 simple. If you saw two entities sinking and one was  
7 a small child, which represents many of the people in  
8 our co-ops. You see a small child sinking and a  
9 corporation sinking, who do you throw the lifeline  
10 to? I know at that higher level the House of  
11 Representatives and the Senators, they throw the  
12 lifeline to the corporation, but I'm—I'm just hopeful  
13 that this City Council will continue to [bell] to  
14 throw the lifeline to the small child. That's the  
15 HDFC cause.

16 CHAIRPERSON CORNEGY: Mr. Buckery, thank  
17 you for that analogy. That clears it up for me.  
18 Unfortunately, your testimony will not be the last I  
19 will hear. We'll hear from Mr. Joseph Fobbs, and  
20 that will be the last testimony for today.

21 [background comments, pause] You don't have to  
22 abandon, Mr. Fobbs. [background comments, pause]

23 JOSEPH FOBBS: Yes. Hi. My name is  
24 Joseph Fobbs. I am the Property Manager for 286 West  
25 151<sup>st</sup> Street HDFC. I'm sorry for my tardiness, but I

2 was with the inspector clearing up some violations  
3 that should have been cleared up a while ago. When I  
4 was at Bill Perkins' Office we discussed that, and  
5 the HDFC, just definitely mentioned that we were  
6 going to have them cleared up. So that's what-why-  
7 why I'm so-so late. I'd like to speak today  
8 regarding the culture. Alright, I work with a lot of  
9 HDFCs, and one thing I do realize is it's a-it's a  
10 culture, and if-if the co-op board and the  
11 shareholders get a lot of additional education, I  
12 think the culture will change. A lot of what I  
13 realize is that understanding the proprietary lease,  
14 the Bylaws and house rules. That's the Bible, and  
15 lot of the-a lot of the HDFCs go by that. A lot of  
16 these things, the methods could be cleared up. A lot  
17 of the problems is right there in the Bylaws,  
18 Proprietaries and House Rules, but a lot of the  
19 problem is a lot of the shareholders and board  
20 members don't really deal with that. So, if we could  
21 get assistance in making sure that that culture is  
22 along the lines of, let's see, if there's something  
23 you need to deal with over the Bylaws. It's right  
24 there. Go over the Rules. It's right there, and I  
25 believe that it will be-everything will be okay. In

2 regards to going on working well that was in the is  
3 unfortunate situation. We went about doing things no  
4 a legal aspect where we decided to do things  
5 according to law, and things started to change. Okay,  
6 so and I believe that it's—it's the base—based on  
7 having the culture change, and once we're educated on  
8 the right way to do things, that's when the culture  
9 starts to change, and I believe the Board of  
10 Directors are now focused on doing that. And I  
11 believe that we'll be in a very good situation moving  
12 forward, and I thank you for allowing us this  
13 opportunity. I'm done.

14 CHAIRPERSON CORNEGY: So, thank you for  
15 that testimony. That was very valuable from a  
16 management standpoint to hear that you're not just  
17 talking about facilities and—and that kind of thing,  
18 but you're—but you're talking about changing the  
19 culture and educating the Board members, which I  
20 think is a consist theme of what we've heard here  
21 today, right? So, there was—I'm old enough to  
22 remember the commercial that said an educated  
23 consumer is our best customer. So, I think that that  
24 applies here as well. So, some people are laughing  
25 because the remember the Sy Sims' commercial, but

2 everybody else it's okay. Thank you. Thank you for  
3 your testimony.

4 JOSEPH FOBBS: Thank you. Thank you.

5 CHAIRPERSON CORNEGY: So, we are going to  
6 convene now to have the vote. Do we have quorum?

7 [background comments, pause] I'll ask-- [pause]

8 CLERK: Matthew DiStefano, Committee  
9 Clerk, Committee on Housing and Buildings. Roll call  
10 vote. Chair Cornegy.

11 CHAIRPERSON CORNEGY: I vote aye.

12 CLERK: Cabrera. Chin. Espinal

13 COUNCIL MEMBER ESPINAL: I vote aye.

14 CLERK: Rosenthal.

15 COUNCIL MEMBER ROSENTHAL: Aye.

16 CLERK: Torres.

17 COUNCIL MEMBER TORRES: Aye.

18 CLERK: Williams.

19 COUNCIL MEMBER WILLIAMS: I just want to  
20 thank the Chair for this hearing for helping out  
21 these buildings. I would like to keep an eye because  
22 I do have a bill for the moratorium, but I want to  
23 keep an eye on what the--the Council is doing to see  
24 if it's necessary or not. So, I just want to put  
25 that out there. Thank you and I vote aye on all.

2 CLERK: Grodenchik.

3 COUNCIL MEMBER GRODENCHIK: Aye.

4 CLERK: Perkins.

5 COUNCIL MEMBER PERKINS: Thank you. I  
6 just want to make a brief—obviously I'm voting aye,  
7 but I wanted to just reflect on the—for a quick  
8 sentence or so the heroic efforts that were made to  
9 revitalize the city at a time when there was so much  
10 abandonment, and on the brink of bankruptcy and where  
11 we are today is—is—one might say is a miracle, but it  
12 was a miracle that obviously it was the result of a  
13 lot of folks on the grassroots level digging into the  
14 neighborhoods that had been abandoned, and deciding  
15 that they could make a better day. So, it's a  
16 wonderful thing to see, and glad to be back to see  
17 the fruits of their labor that has resulted in the  
18 city back on the street, and moving forward.

19 CHAIRPERSON CORNEGY: I think it's  
20 important, though, to acknowledge what Council Member  
21 Perkins said and the historical context that finds us  
22 where we are today. So, thank you for that.

23 CLERK: Councilman, your vote? Council  
24 Member Perkins.

25 COUNCIL MEMBER PERKINS: Aye .

2 CLERK: Thank you. Gjonaj.

3 COUNCIL MEMBER GJONAJ: Aye on all.

4 CLERK: Rivera.

5 COUNCIL MEMBER RIVERA: I'm proudly  
6 standing with my East Village and Low East Side  
7 HDFCs, I vote aye.

8 CLERK: By a vote of 7 in the  
9 affirmative, 0 in the negative, and no abstentions  
10 the items have been adopted.

11 CHAIRPERSON CORNEGY: Yes, I think that  
12 we are going to hold the vote open for the next 10  
13 minutes to get those—the votes of those people who  
14 are close by. So, the roll will be held open for 10  
15 minutes. [background comments, pause] The role is  
16 reopened for a committee vote.

17 CLERK: Continuation of roll call,  
18 Council Member Grodenchik.

19 COUNCIL MEMBER GRODENCHIK: Aye.

20 CHAIRPERSON CORNEGY: Thank you, Council  
21 Member.

22 COUNCIL MEMBER GRODENCHIK: Yes, sir.

23 [background comments, pause]

24 CLERK: William Martin, Committee Clerk.

25 The final vote in the Committee on Housing and

1 COMMITTEE ON HOUSING AND BUILDINGS

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2 Buildings, all items have been adopted by the  
3 committee 8 in the affirmative, 0 in the negative and  
4 no abstentions.

5 CHAIRPERSON CORNEGY: The Housing and  
6 Buildings hearing is officially closed. [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 November 27, 2018