

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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January 19th, 2021

Start: 1:04 p.m.

Recess: 3:50 p.m.

HELD AT: Remote Hearing (Virtual Room 3)

B E F O R E: Robert Cornegy, Jr.
CHAIRPERSON

COUNCIL MEMBERS:
Fernando Cabrera
Margaret Chin
Mark Gjonaj
Barry Grodenchik
Farrah Louis
Bill Perkins
Carlina Rivera
Helen Rosenthal

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

Kim Darga, Associate Commissioner of
Preservation
Department of Housing Preservations and
Development

Melanie LaRocca, Commissioner
Department of Buildings

Christopher Wildelo, Director for
External Affairs
New York State Association for Affordable
Housing

Anne Korchak, New York City Resident

Leo Goldberg, Senior Project Manager
Center for New York City Neighborhood

Ryan Hickey, Project Director
Cooper Square Community Land Trust

Barika Williams, Executive Director
ANHD

Deyanira Del Rio, Coordinator
New Economy Project

Valerio Orcelli, Director
This Land is Ours Community Land Trust

Kirk Goodrich, President
Monadnock Development

Hannah Anousheh, Coordinator
East New York Community Land Trust

Izoria Fields
East New York Community Land Trust

Deborah Ack, Board Member
East New York Community Land Trust

Lyric Thompson, New York City Resident

John Krinsky, Professor
City College

Ayo Harrington
Rain Community Land Trust

Athena Berncopf, Project Coordinator
East Harlem El Barrio Community Land
Trust

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2 SERGEANT-AT-ARMS: Sergeant Sadowski, we
3 are live.

4 SERGEANT-AT-ARMS: Good afternoon and at
5 this time will sergeants please start their
6 recordings?

7 SERGEANT-AT-ARMS: Backup is rolling.

8 SERGEANT-AT-ARMS: Cloud recording is
9 started.

10 SERGEANT-AT-ARMS: Thank you. Good
11 afternoon and welcome to today's remote New York City
12 Council hearing of the Committee on Housing and
13 Buildings. At this time, would all Council members
14 and Council staff please turn on their video? To
15 minimize disruption, please place electronic devices
16 on vibrate or silent mode. Thank you. Chair
17 Cornegy, we are ready to begin.

18 CHAIRPERSON CORNEGY: Thank you. Good
19 afternoon. I am Council member Robert Cornegy, Chair
20 of the Council's Committee on Housing and Buildings.
21 Thank you all for joining this hearing titled
22 Oversight Community Land Trust and Land Banks. Even
23 before Covid 19, New York City was facing a severe
24 housing affordability and eviction crisis, with half
25 of New Yorkers spending at least 30 percent of their

2 income on rent. However, as the virus and its
3 economic destruction swept across the city, the
4 housing crisis became increasingly urgent and the
5 critical need for stable and affordable housing
6 became undeniable. Now, more than ever, the city
7 must explore new and innovative ways to facilitate
8 the development and preservation of affordable
9 housing units. Today we will be learning about the
10 potential for community land trusts and land banks to
11 create and preserve permanently affordable housing in
12 New York City. A community land trust is a nonprofit
13 entity that owns land upon which affordable housing
14 is built and maintains the affordability of units
15 through the use of long-term renewable ground leases.
16 A number of community land trusts already operate in
17 the city of New York and steps have been taken to
18 increase the prevalence, including recent city
19 Council funding and a 2017 grant administered by HPD.
20 A land bank is a government created nonprofit that is
21 designed to convert vacant or tax delinquent
22 properties in do affordable housing. Similar to a
23 community land trust, a land bank can retain title so
24 land and-- to land and preserve the affordability of
25 housing units built in or on it. Since 2011, the

2 state has authorized the creation of 35 land banks
3 and 26 are currently operating, however, there is not
4 a land bank in the city of New York. Today we will
5 learn about existing efforts related to community
6 land trusts and land banks in New York City. We will
7 also be here in legislation. First, proposed Intro
8 118 A, sponsored by Council member Lander, would
9 establish a land bank in New York City. Second,
10 Intro number 1977, sponsored by Council member
11 Rivera, would give qualified entities a first
12 opportunity to purchase and to submit an offer to
13 purchase certain residential buildings when offered
14 for sale. Third, we will be hearing Intro number
15 2044, sponsored by Council member Holden, which would
16 extend the existing two-year moratorium on
17 accessories signed violations and waive permit fees
18 in connection with the installations of an accessory
19 sign. Finally, we will be hearing pre-considered
20 Intro number-- I don't have the number. Sponsored
21 by Council member Dharma Diaz, which would amend
22 local law 49 for the year 2019 which established a
23 basement legalization pilot program to extend the
24 deadline for applications to submit the necessary
25 construction documents by six months. I would like

2 to thank my colleagues from the Committee on Housing
3 in Buildings present today. I am working off my iPad
4 which only allows me for windows, so I can't see
5 actually who is here. If you could announce
6 yourselves, we can move forward. Council members who
7 are present which, unfortunately, with this device it
8 makes it difficult for me to see. We will now hear
9 an opening statement as we wait for the roll call
10 from Council member Salamanca, Chair of the city
11 councils Committee on Land Use. Council member
12 Salamanca?

13 COUNCIL MEMBER SALAMANCA: Yes. Thank
14 you. Good afternoon. Thank you, Chair Cornegy. And
15 thank you for the opportunity to address the
16 Committee on Housing and Buildings. I would like for
17 us to recognize the tremendous amount of work from
18 the affordable housing and community advocates who
19 continue to fight for progress and accountability in
20 their neighborhoods from this Council on this
21 administration. The legislation before us today are
22 key components in the model of community stewardship
23 that would help meet the challenge of the ongoing and
24 severe housing crisis in New York City. The
25 preservation of affordability is our overriding goal,

2 but we have seen time and time again that
3 developmental housing, when controlled by private
4 equity and interest, do not serve the communities
5 that are most in need. We must explore the role of
6 community control of affordable housing which can
7 help prevent displacement and stabilize
8 neighborhoods. The Covid 19 pandemic has made it
9 clear we cannot go back to business as usual. The
10 status quo in New York City means that nearly 58
11 percent of the residents in my district are burdened
12 by the costs of their rent. The status quo means
13 that the median rent has grown by 31 percent while
14 unemployment in the Bronx remains the highest in the
15 state. And under the status quo, these numbers are
16 expected to get worse. Both in my district and
17 citywide, I have supported the increased role of
18 community land trusts in the preservation of
19 affordable housing and it is clear to me that there
20 is room to explore how the proposed legislation meets
21 our goals. And I look forward to hearing from those
22 who have come to testify today. Thank you, Chair
23 Cornegy.

24 CHAIRPERSON CORNEGY: Thank you, Chair
25 Salamanca. We will now hear an opening statement

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2 from Council member Brad Lander on proposed--

3 Sorry?

4 COMMITTEE COUNSEL: Before the next
5 opening, I actually want to list the Council members
6 who are present so we can get a clear record.

7 CHAIRPERSON CORNEGY: Oh. Thank you.

8 COMMITTEE COUNSEL: Yeah. No worries.
9 In addition to Council member Salamanca, we have
10 Council members Cabrera, Gibson, Gjonaj, Grodenchick,
11 Lander, Louis, Rivera, and Rosenthal.

12 CHAIRPERSON CORNEGY: Thank you so much.
13 That means we have a full house. Thank you,
14 colleagues, for joining me. We will now hear an
15 opening statement from Council member Lander on
16 sponsored proposed Intro 118A.

17 COUNCIL MEMBER LANDER: Thank you so much,
18 Chair Cornegy. It's good to be here with you. Thank
19 you for convening this hearing. It's good to be here
20 with Chair Salamanca and alongside Council member
21 Rivera, whose legislation I also very much support,
22 and see could go together with Intro 118. As Chair
23 Salamanca mentioned, this pandemic threatens to
24 amplify problems that we already have in our city.
25 Obviously, mass evictions when the eviction

2 moratorium ends, but also as we saw after the 2008
3 mortgage crisis, a crisis like this can lead to
4 massive purchase by private equity funds coming in to
5 buy distressed properties as their values have shrunk
6 and then hold them and speculate with them in a way
7 that does not create affordable housing, that does
8 not benefit our communities, that does not maximize
9 the public interest, but, instead maximizes private
10 profit and speculation. By treating housing as a
11 public good rather than a vehicle for profit, we can
12 ensure that all New Yorkers have a home they can
13 afford. We have got a choice now to allow the cycle
14 of disinvestment, privatization, displacement to
15 accelerate or to invest in permanently affordable
16 housing that will provide stability for tens of
17 thousands of families in the coming years. The for-
18 profit private sector model of affordable housing
19 that we have pursued has not succeeded in serving
20 those who need affordable housing the most and, in
21 too many cases, has accelerated gentrification and
22 displacement. So, I strongly support Council member
23 Rivera's legislation that she will talk about and I
24 hope members will join in and supporting Intro 118 A
25 to establish a New York City land bank. That would

2 enable the city to acquire distressed properties or
3 assets rather than having them acquired by vulture
4 private equity funds and then put them to public
5 purpose. One simple example is the distressed hotel
6 stock that is out there today. We know that a lot of
7 hotels are going to close and that, as we come out of
8 the pandemic we are not going to need right away the
9 full hotel stock that we have had. Rather than let
10 those be purchased up and who knows what will happen
11 to them through speculative ownership, let's create a
12 land bank, have the city acquire them, and then the
13 city can dispose those buildings to nonprofit
14 supportive housing, affordable housing developers,
15 and community land trusts like we will be learning
16 about today to create a permanent resource of
17 community controlled, democratic, permanently
18 affordable housing for the future of our city. Thank
19 you for convening this hearing and I look forward to
20 hearing from the great set of advocates who are here
21 to testify.

22 CHAIRPERSON CORNEGY: Thank you, Council
23 member Lander. We will now hear an opening statement
24 from Council member Rivera on sponsored intro number
25 1977.

2 COUNCIL MEMBER RIVERA: Good afternoon.

3 Thank you so much. Thank you, Chair Cornegy, for
4 welcoming me to speak at today's hearing on community
5 land trusts and land banks in support of my bill,
6 Intro 1977, the Community Opportunity to Purchase
7 Act, or COPA.

8 CHAIRPERSON CORNEGY: I'm sorry. And
9 just for the record, the real world, the court would
10 take a recess so that you could attend to your
11 beautiful pet.

12 COUNCIL MEMBER RIVERA: Thank you for
13 acknowledging his beauty. So, thank you for that
14 brief pause. So, thank you again for welcoming me to
15 speak at today's hearing on community land trusts and
16 land banks in support of my bill, Intro 1977, the
17 Community Opportunity to Purchase Act or COPA. COPA
18 would give nonprofit affordable housing developers
19 community land trusts and other organizations a right
20 of first refusal whenever landlords decide to sell
21 apartment buildings or property, leveling the playing
22 field for these community-based organizations in the
23 hypercompetitive New York real estate market. I
24 viewed this bill as such a high priority for this
25 Council because we are today at an important

2 crossroads for the future of affordable housing in
3 New York City. Recent estimates show that New York
4 tenants so over \$1 billion dollars in unpaid rent as
5 the Covid 19 pandemic has continued to rage. We are
6 poised to be dealing with an unprecedented eviction
7 crisis later this year, one the likes our city has
8 never seen before. At the same time, this chaotic
9 market has proven to be an opportune time for private
10 equity and real estate firms to swoop in on cheaper
11 properties with record low interest rates. We have
12 seen this happen before in 2008, spurred on by
13 government tax breaks, private equity and hedge funds
14 spent \$36 billion dollars to purchase more than
15 200,000 foreclosed homes across the US. The buyers
16 converted so many into a market rate investor owned
17 rental properties that they markedly decreased the
18 country's homeownership rate. We can't sit by and do
19 nothing this time. We have to build a better future
20 for New York City where affordable housing in all
21 shapes and sizes remains possible. COPA will aid in
22 that by giving nonprofit affordable housing
23 developers, community land trusts, and other
24 organizations, the critical time and flexibility they
25 need to put together the financing needed to make a

2 fair market offer on these properties. That can be
3 critical in a market where properties can change
4 hands sometimes in a matter of days. And, to be
5 clear, any seller in this case can still consider
6 other offers and is well within their right to reject
7 an offer that is below market rate. This is simply
8 about giving affordable housing producers a fair
9 shot. The timeline COPA creates provides
10 transparency into the real estate market that is
11 essential to giving qualified community organizations
12 time to prepare their bid, include identifying their
13 development partners, contractors, and prospective
14 property managers that they will work with to make
15 this development a success. Think about the massive
16 improvements these organizations could make an
17 efficiency in planning by simply knowing about the
18 full range of properties available and having that
19 guarantee that they will be considered just as
20 seriously by a seller as a market rate real estate
21 developer would be. This is not some new idea.
22 Cities like Washington DC and San Francisco have had
23 forms of COPA on the box for years now and the
24 legislation has not interrupted the real estate
25 market in either city. What it has allowed is for

1 numerous affordable housing projects to move forward
2 that otherwise might not have without COPA. Both
3 policies like this is not a silver bullet.

4 Legislation will only be as effective as we wish if
5 our city is willing to invest the financial resources
6 needed to support it. And as we embark on the new
7 budget season, it is imperative that investments are
8 made in community led development to codify housing
9 as a human right. Critics have argued that vesting
10 HPD with oversight in the process will create more
11 bureaucratic red tape to real estate transactions.

12 This argument is a critique of the budget, not the
13 bill. Within our city's infrastructure, we have the
14 talent and, quite frankly, decades of experience in
15 managing affordable housing transactions with the
16 very individuals who are opposed to COPA. And HPD
17 will be able to facilitate use transactions using
18 this expertise as long as the budget provides them
19 the resources necessary to do so. Some of these
20 individuals in opposition might even go as far to say
21 that nonprofit entities mentioned in this bill are
22 not fully able to compete and will ask isn't there--
23 that they are fully able to compete and they are
24 going to ask isn't there a better way to enable them
25

2 to compete in a hypercompetitive market? I have a
3 different opinion, but I am also here to listen. I
4 am here to consider complementary solutions, hear
5 comments on the timeline in regard to the language of
6 the bill, and, most of all, to discuss how we can
7 work together knowing that so many on both sides will
8 agree wholeheartedly with the spirit of this
9 legislation. But please let me be the first to say
10 that this is not the only solution to our housing
11 crisis. Our fully envisioned citywide CLT plan is
12 one of many facets of what must be a robust platform.
13 We must pass this bill to protect those in affordable
14 housing and provide them with an equal shot to both
15 improve upon and continue their community
16 development. I implore you, my colleagues and the
17 Council, to join me in supporting the community to
18 purchase act, COPA, to defend the pillars of the fair
19 community and affordable housing plan for New York
20 City. Thank you.

21 CHAIRPERSON CORNEGY: Thank you, Council
22 member. Was that the turtle in the background?
23 That's the fastest turtle of ever seen in my life.
24 What kind of hybrid turtle is that? We'll talk off-
25 line about that.

2 COUNCIL MEMBER RIVERA: We'll talk off-line
3 about that. That's a New York City turtle right
4 there. [inaudible 00:15:31] 29 years ago.

5 CHAIRPERSON CORNEGY: Apparently. So, we
6 will now hear an opening statement from Council
7 member Holden which I will actually read in his
8 absence. It is printed, however, in millennial
9 fonts, so please bear with me as I tried to get
10 through this tiny print.

11 Thank you, Council member Robert Cornegy,
12 Chair of this New York City Council Committee on
13 Housing and Buildings for giving me the opportunity
14 to make a statement on my bill, Intro 2044 At
15 today's hearing. I apologize that I cannot be there
16 myself to make the statement because the timing of
17 this hearing conflicts with one that I am overseeing
18 as Chair the Committee on Technology. The novel
19 coronavirus pandemic has inflicted much suffering on
20 the lives of millions of people worldwide. It has
21 caused the death of countless loved ones and crippled
22 our economy. Our small businesses bear the brunt of
23 an economic crisis precipitated by one of the
24 deadliest viruses in decades. The New York City
25 Council continues to act on behalf of 8.6 million New

2 Yorkers who truly need all the help that they can
3 get. My bill, Intro 2044, would be another step
4 taken by a legislative body filled with public
5 servants who aspire to help their constituents in any
6 way they can. On January 9, 2019, nearly 2 years to
7 the day, week, as a body, past former Council member
8 Rafael Espinal's bill, Intro 728, known as the
9 awnings act. It provided relief to small businesses
10 throughout the city who received thousands of dollars
11 in fines from New York City Department of Buildings
12 for signs or awnings that they had up for decades.
13 During this pandemic, small businesses had no choice
14 but to look at cost-saving measures to survive. Due
15 to the bureaucracy of government, many of them were
16 unable to navigate through the maze of red tape to
17 finally comply with the laws and ensure their signs
18 or awnings were illegal. The measure of the awnings
19 act, passed in 2019, were not fully utilized and is
20 set to expire. Intro 2044 would further extend on
21 those measures to give small business owners more
22 time to comply with the law. Our small businesses
23 need relief. I believe this bill would give them
24 that relief. As we begin to recover and bring the
25 economy back to the state that once was then, thank

2 you, Council member Cornegy for the opportunity to
3 offer this statement. That was on behalf of Bob
4 Holden. Intro 2044. Thank you.

5 So, I believe are going to move to our
6 first panel?

7 COMMITTEE COUNSEL: Yes.

8 CHAIRPERSON CORNEGY: Which--

9 COMMITTEE COUNSEL: Yep.

10 CHAIRPERSON CORNEGY: Thank you so much.
11 I'm sorry.

12 COMMITTEE COUNSEL: [inaudible
13 00:18:00]

14 CHAIRPERSON CORNEGY: There was an
15 incredibly awkward silence in there, so I didn't know
16 what--

17 COMMITTEE COUNSEL: No worries. Before
18 I move on, I want to acknowledge that we have also
19 been joined by Council members Inez Barron, Dharma
20 Diaz, and Bill Perkins. I am Austin Branford. I am
21 counsel to the Council's Committee on Housing in
22 Buildings. Before we start, I want to remind
23 everyone that you will be on mute until you are
24 called on to testify, at which point you will be
25 unmuted. During the hearing, if Council members

2 would like to ask a question, please use the zoom
3 raise hand function and I'll call on you in the order
4 that you have raised your hand. We will be limiting
5 Council member questions to three minutes, including
6 responses. We will first be hearing testimony from
7 the administration which will be followed by
8 testimony from the public. Today we will hear from
9 the Department of Housing Preservation and
10 Development, represented by associate commissioner
11 Kim Darga. We will also be hearing from the
12 Department of Buildings represented by Commissioner
13 Melanie LaRocca. I will now administer the oath.
14 After administering the oath, I will call on you each
15 separately to affirm for the record. Please raise
16 your right hands. Do you affirm to tell the truth,
17 the whole truth, and nothing but the truth before
18 this committee and to respond honestly to Council
19 member questions? We will start with Kim Darga.

20 ASSOCIATE COMMISSIONER DARGA: I do.

21 COMMITTEE COUNSEL: Commissioner
22 LaRocca?

23 COMMISSIONER LARocca: Yes.

24 COMMITTEE COUNSEL: Great. [inaudible

25 00:19:11]

2 CHAIRPERSON CORNEGY: Wait. Austin--

3 COMMITTEE COUNSEL: Yeah?

4 CHAIRPERSON CORNEGY: Before you go
5 forward, I didn't see a request from Council member
6 Diaz to have an opening statement on her bill. Is
7 that correct? I know this is either her first,
8 second, or third bill. Does she have an opening
9 statement on her bill?

10 COMMITTEE COUNSEL: We haven't received
11 a request yet.

12 CHAIRPERSON CORNEGY: Okay.

13 COMMITTEE COUNSEL: Not putting her on
14 the spot.

15 CHAIRPERSON CORNEGY: Okay. Sorry,
16 Dharma.

17 COMMITTEE COUNSEL: We can follow up,
18 too. But HPD, you can begin when ready.

19 ASSOCIATE COMMISSIONER DARGA: A lot of
20 buttons to push unmute there. Good afternoon, Chair
21 Cornegy, and members of the New York City Council
22 Committee on Housing and Buildings. My name is Kim
23 Darga and I am the associate commissioner of
24 preservation with the New York City Department of
25 Housing Preservation and Development. Thank you for

2 the opportunity to testify on this important and
3 timely conversation on community land trusts, land
4 banks, and Intro 118 and 1977. As the city works to
5 rebuild from the Covid 19 crisis, affordable housing
6 has never been more important to ensure the health
7 and stability of New Yorkers and their communities.
8 Finding and keeping safe affordable housing is one of
9 the biggest concerns that New Yorkers face and Covid
10 19 has only made that need more urgent. Even in this
11 time of hardship, the city has continued to advance
12 it's a robust pipeline of affordable housing that we
13 know will be critical to stabilizing New Yorkers and
14 their communities. At the height of the crisis, the
15 city continued to advance the administration's
16 ambitious housing plan with a sharpened focus on the
17 most vulnerable New Yorkers and on achieving greater
18 racial equality and inclusion. The creation of
19 capital in the preliminary plan, we remain on track
20 to continue producing record-breaking numbers of
21 affordable housing this fiscal year and that is in no
22 small part, thanks to the leadership of Chairman
23 Cornegy that all of you here today. We very much
24 look forward to working with the Council to ensure we
25 have the tools we need to protect New Yorkers who

2 continue to face significant instability and to
3 support an equitable recovery. HPD is deeply
4 committed to supporting nonprofits, community-based
5 organizations, and mission driven organizations in
6 acquiring, developing, and stabilizing properties to
7 protect tenants and ensure the long-term provision of
8 affordable housing. The agency works to do this in
9 numerous ways. First, HPD-- Sorry. First, as HPD
10 aggressively works to develop its remaining public
11 sites that are suitable for residential use, we have
12 introduced several critical reforms to give greater
13 weight to proposals that involve nonprofit
14 developers. We are very focused on increasing
15 opportunities for MWBE developers who often have deep
16 ties to the communities we serve, but remain
17 underrepresented in the industry. Through our
18 efforts to increase participation by an MWBE and
19 nonprofit developers, roughly 80 percent of projects
20 on city-owned sites [inaudible 00:22:12] under this
21 administration include in an MWBE or nonprofit. But
22 that does not necessarily translate into meaningful
23 financial or ownership stake which is why this
24 November the city announced a new requirement that
25 all MW--- that and MWBE or nonprofit partner must

2 hold, at minimum, a 25 percent ownership stake, as
3 well as a 25 percent financial interest in any
4 affordable housing project on public land awarded
5 through HPD. [Inaudible 00:22:41] the agency has a
6 broad range of tools and programs to support mission
7 driven buyers looking to acquire a private site to
8 create and preserve even more affordable housing.
9 One of the tools is the New York City acquisition
10 fund, a partnership with enterprise, the local
11 initiative support Corporation, LISC, and a public-
12 private and philanthropic partners that has generated
13 13,700 newly constructed or preserved affordable
14 homes since its launch in 2006. This \$110 million
15 dollar public-private affordable housing loan fund
16 offers flexible bridge loans to affordable housing
17 developers to acquire vacant sites and occupied
18 buildings and finance predevelopment work, allowing
19 owners to hold the property for a period of time, but
20 with a clear path to affordability. [Inaudible
21 00:23:32] and MWBE purchasers are eligible for lower
22 interest rates and otherwise better loan terms from
23 the New York City acquisition fund. The affordable
24 housing needs of our city are sufficiently great that
25 we need a deep and wide bench of organizations

2 engaged in this important work. And through Housing
3 New York 2.0, we launched the Neighborhood Pillars
4 program to help preservation purchasers, particularly
5 nonprofit entities at each stage of the process of
6 acquiring and rehabilitating existing rent-stabilized
7 and unregulated buildings to stabilized buildings,
8 protect current tenants, and preserve affordability
9 and neighborhoods across the city. Today, we have
10 acquired 429 homes through Pillar and we have closed
11 on financing for 370 of those homes so far. We see
12 this, along with other preservation programs, as a
13 potential tool in the economic recovery ahead. We
14 are looking at new ways to expand and preserve
15 affordable housing opportunities and bring new
16 partners to the table to accomplish these goals which
17 is why we have been working to expand and strengthen
18 seal teams across the city. For several years, HPD
19 has supported CLT's through capacity building, as
20 well as through financial assistance for CLT
21 projects. In 2017, HPD released the CLT request for
22 expressions of interest or FEI to learn one idea
23 local organizations had about how CLT use could be
24 effective in New York City and to identify qualified
25 groups to form new CLT's. Our FDI was pending. The

2 city applied to and wanted grant from Enterprise
3 Community Partners, national nonprofit with strong
4 roots in New York City, to fund the growth of three
5 existing CLT groups and to create a learning exchange
6 to build capacity among guilty groups. The Learning
7 Exchange drew upon the expertise of the New York City
8 community land initiative and the new economy project
9 to support nine additional community-based
10 organizations interested in forming CLT's. The grant
11 to fund operations and startup support while the CLT
12 use work to identify sites for acquisition. HPD is
13 also now administering additional financial support
14 from the city Council to assist these CLT groups as
15 they continue to establish themselves. All of this
16 culminated in HPD and CLT movement achieving several
17 major milestones in 2020. In March, HPD provided
18 rehabilitation financing and a new article 11 tax
19 exemption to enable the ongoing affordability and
20 operations of Cooper Square, CLT's cooperative, the
21 only successfully operating CLT in New York City
22 before this year. HPD's assistance will help ensure
23 the long-term affordability of over 300 units of
24 housing in Manhattan's East Village neighborhood. In
25 November, the East Harlem El barrio CLT became the

1 city's newest CLT when HPD conveyed four buildings to
2 the organization and provided much-needed
3 rehabilitation financing. The buildings comprise 36
4 units of housing that would be operated as an
5 affordable mutual housing Association rental project,
6 providing a template for the creation of new CLT
7 projects that HPD can now refine. Also, the last
8 fall, the Interborough CLT acquired its first sight
9 and is poised to acquire several more in the coming
10 months. Interborough is a coalition of nonprofit
11 affordable housing groups working to establish a
12 citywide CLT focusing initially on neighborhoods in
13 East Brooklyn, the South Bronx, and Southeast Queens.
14 In addition to the private sites Interborough is
15 pursuing, it is also working with HPD on the
16 predevelopment of several affordable housing projects
17 on city-owned land. Additional CLT organizations
18 also continue to make strides as they work to
19 incorporate, establish governance structures, acquire
20 land or buildings, and seek your development.
21 Financing. Many of these groups were incubated
22 through the Learning Exchange and are currently
23 supported by the New York City community land
24 initiative, NYCCLI, a coalition of CLT's and
25

advocates, as well as HPD's new director of CLT initiatives for the agency hired last September. We [inaudible 00:27:57] upon all of this progress within the CLT community as we seek to further partner with CLT's on the development of city-owned land. In December 2020, we released the Stapleton site a request for proposals for a large city-owned site on the north shore of Staten Island. This is HPD's first RFP to include a preference for proposals that incorporate a CLT model. The agencies cited to begin reviewing responses to this RFP in March. Additionally, HPD is working on issuing a request for expressions of interest, FEI, for groups to establish the presence of a CLT in a mere Queens. It is our goal to eventually convey city-owned land in a mirror to the CLT for the purpose of creating climate resilient affordable housing and open space in accordance with HPD is a resilient and a mere community plan. As we continue to further the use of the CLT model of providing affordable housing, it is important to highlight that partnering with CLT's is just one method of many that we used to ensure long-term affordability. The city also has many regulatory and financing mechanisms to accomplish the

2 same long-term affordability goals as we partner with
3 other kinds of nonprofits and affordable housing
4 developers and CLT's will rely on the same public
5 subsidies as other forms of housing to serve New
6 Yorkers in need of affordable places to live. We
7 look forward to continuing to work to expand the
8 capacity of CLT's to become active partners in
9 creating and preserving affordable housing. Intro
10 118 A would establish a land bank for New York City
11 which would be tasked with acquiring warehousing and
12 transferring real property to develop, rehabilitate,
13 and preserve affordable housing, among other uses.
14 While we are always open to exploring ways to expand
15 availability of land and buildings for affordable
16 housing, we have some concerns that a new entity
17 would likely share many of the same challenges that
18 we currently face. It could delay additional time
19 and complexity onto the process of land disposition
20 as well as at cost and responsibility of long-term
21 property management. This fortunate to have
22 infrastructure in place already, unlike a lot of
23 other cities where a land bank model works to
24 fulfill-- fill in the gap. The concern that this
25 model, which assumes government participation, could

distort the market and possibly drive up the cost of acquisition, undermining the intended goals of greater affordability and efficiency. Intro 1977 would give qualified entities a first opportunity to submit an offer to purchase certain residential buildings when offered for sale. If appropriately targeted and well-tailored for a housing market, we think COPA could be an effective mechanism for stabilizing buildings with responsible mission driven owners and a good complement to the city's other tools and programs such as Neighborhood Pillars. The [inaudible 00:31:07] remains funding sources which are especially constrained in the current fiscal environment. We would be interested, however, in working together to properly define the universe of buildings for which COPA would be most productive and effective. There is a concern that any measure that slows down the sales process may distort the market and advantage ownership entities must be able to hold property for longer periods of time which could be counter towards our goals. We have to be careful to learn from the experiences of other cities, including Washington DC and San Francisco. We absolutely share the goals of doing more to support mission

2 driven organizations, non-profits, and MWBE's and the
3 affordability of our communities and we look forward
4 to working with the Council on finding cost-effective
5 acquisition strategies and other ideas that we are
6 hearing from our advocate partners further in the
7 weeks and months to come. Thank you for the
8 opportunity to testify here today. I would also like
9 to add a brief statement about the preconsidered
10 Introduction being heard today on the city's basement
11 apartment conversion pilot program. This is a
12 demonstration program to facilitate the renovation
13 and creation of apartments in basements and cellars
14 of certain one and two family dwellings in Brooklyn
15 Community Board Five. The pilot reflects the efforts
16 of a two year interagency working group and joint
17 recognition between the city Council and
18 administration. The innovative tools are needed to
19 address the city's affordable housing crisis.
20 Unfortunately, the Covid 19 pandemic has made
21 compliance with the construction document deadline of
22 local law 49 of 2019 difficult for homeowners. This
23 bill would extend deadlines for six months after this
24 local law is enacted to allow homeowners in the
25 program additional time to submit the construction

2 documents to DOB. The in person inspections and site
3 visits necessary for completion of these documents
4 were delayed due to the Covid 19 pandemic. So the
5 extension is required to allow applicants sufficient
6 time to submit their construction documentation. The
7 submission date for the final report required by law
8 would also be extended by six months, the same length
9 and time to account for this delay so that adequate
10 time is available to gather information for the
11 report. I would also like to thank the bill sponsor,
12 Council member Dharma Diaz, for her partnership. We
13 look forward to working with you and your
14 constituents on this important program. Thank you
15 very much and I look forward to your questions.

16 COMMITTEE COUNSEL: Commissioner
17 LaRocca?

18 COMMISSIONER LARocca: Good afternoon,
19 Chair Cornegy, and members of the Committee on
20 Housecleaning Buildings. I am Melanie LaRocca the,
21 Commissioner of the New York City Department of
22 Buildings. I am pleased to be here to discuss Intro
23 2044, a bill that would provide much-needed relief to
24 New York City's small businesses. Now, more than
25 ever, we need to support our small businesses and

2 this bill does just that. By extending the
3 moratorium on the issuance of violations for business
4 signs established by local Law 28 of 2019. We
5 proudly support this commonsense legislation and look
6 forward to working with this committee to make it
7 easier and more affordable for businesses to bring
8 their signs into compliance with applicable
9 regulations. Business signs must comply with
10 requirements in both the New York City building code
11 and the New York City zoning resolution. The
12 regulations and the building code address permitting
13 and structural issues and the regulations in the
14 zoning resolution address issues including
15 permissible surface area projection and height.
16 Collectively, these regulations exist to protect the
17 public from dangerous or illegally installed signs
18 and to reduce visual clutter. We have taken the
19 existing moratorium as an opportunity about sign
20 regulations. We have sent letters to businesses who
21 have received violations from the Department for
22 illegally installed signs in the past, accompanied by
23 information about sign regulation and local Law 28.
24 Our community engagement unit has also visited
25 businesses door to door in every borough to share

1 this information in multiple languages. While
2 educating businesses about existing regulations is
3 critical, we believe more can be done to support
4 businesses. Last summer, for the first time, we
5 launched an annual no penalties sign inspection
6 program which allowed businesses to request an
7 inspection from the department to determine if their
8 sign complies with applicable regulations by calling
9 311. This type of compliance inspection helps
10 businesses avoid unnecessary violations and
11 penalties. Local Law 28 also established a 17 member
12 task force which included stakeholders representing
13 the New York City Department of Small Business
14 Services, Department of City Planning, community
15 organizations, and business advocates. The task
16 force evaluated existing sign regulations and the
17 issues businesses face in complying with these
18 regulations. And they, in turn, issued a report last
19 month which includes recommendations to further
20 support business owners. These include streamlining
21 the sign permit process, updating sign resources
22 available for the department's website, issuing
23 warnings instead of violations when the department
24 finds signs that are not in compliance with
25

2 applicable regulations to provide businesses with the
3 time to bring their signs into compliance, and
4 assigning sign application liaisons in each of the
5 boroughs of the department's borough offices. We are
6 working diligently to implement these recommendations
7 and we look forward to working with this committee to
8 implement the taskforces recommendations that require
9 changes to the law which include expanding the
10 universe of individuals who may install business
11 signs and extending the current moratorium to provide
12 businesses with more time to bring their signs into
13 compliance. We have heard from businesses that the
14 current pool of license sign hangers who may install
15 business signs is limited, which adds to the time it
16 takes and the cost associated with installing a sign,
17 therefore, the department agrees with this
18 recommendation. We also agree with extending the
19 current moratorium which expires this month to
20 provide businesses with additional police and, with
21 that, I thank you for the opportunity to testify
22 before you today and I welcome any questions you may
23 have.

24 COMMITTEE COUNSEL: Thank you. I will
25 now turn it over to questions from Chair Cornegy.

2 CHAIRPERSON CORNEGY: [inaudible
3 00:38:00]

4 COMMITTEE COUNSEL: As a reminder, if
5 Council members have a question, use the zoom raise
6 hand function and we will call on you in order.

7 CHAIRPERSON CORNEGY: Thank you, Austin.
8 Thank you both, Commissioners. It was great to see
9 you. I want to begin my line of questioning by
10 having a little context to the bills. It has been
11 brought to my attention that at least one of the
12 bills-- well, first of all, all the bills, on face
13 value, seem like great bills and I want to thank the
14 bill sponsors. However, at least one of the bills,
15 from my Chair of MWBE hat could be unchecked-- if
16 unchecked, could disproportionately negatively impact
17 the ability for some MWBE's to actually access the
18 contracts that are associated with the bills. So,
19 for example, there is very few black owned and
20 operated nonprofits that would have the capacity to
21 be able to do what is necessary to get those
22 contracts. So, I just want to make sure that we
23 begin to look at that and I would like to work with
24 the bill sponsors to make sure that there is no
25 inadvertent disproportionate difficulty for MWBE's in

2 any of the bills. It doesn't seem that it is
3 apparent at face value, but I have gotten several
4 calls from members of the development community that
5 are MWBE's about the potential for them to be
6 excluded if these bills are enacted. So, it is my
7 intention to now ask the questions that they were
8 prescribed to me, but also to set the context that
9 sometimes, in the Council, in particular, while we
10 are doing a great thing and, on one hand,
11 disproportionately negatively impact and separate
12 opportunity for a particular demographic. I want to
13 make sure that that opportunity doesn't happen here
14 and that we work with the bill sponsors to ensure
15 that that is not the case. So, with that being said,
16 I would like to go to the first round of questions
17 which remains solely about community land trusts.
18 So, for many years, there has been multiple CLT's in
19 New York City. Have these CLT's preserved affordable
20 housing? If so, what is the AMI for those units?
21 And I guess that is to Commissioner Darga.

22 ASSOCIATE COMMISSIONER DARGA: Sure.

23 Thank you, Council member. So, we are very excited
24 by the recent work in interest in CLT use and work by
25 the organizations to establish themselves,

2 particularly as the need for affordable housing in
3 New York City is so great. We really do believe that
4 we need every type of organization to be able to work
5 with all types of owners to provide as much
6 affordable housing as possible. We have, to date--
7 there has been one existing CLT in New York City
8 until very recently and that is Cooper Square CLT
9 which is in the East Village and that property or the
10 CLT recently worked with us to secure financing for
11 renovations and to get a new article 11 tax
12 exemption. That was supported by Council, so, thank
13 you. And that property you will be affordable to
14 households earning up to 80 percent of area median
15 income. More recently, in November-- so, even
16 during the pandemic we are actually still working
17 with our partners to create more housing
18 opportunities. In November, we were able to close to
19 convey for buildings to East Harlem El barrio CLT
20 which is in Harlem and those buildings will be
21 affordable from 35 percent AMI to 100 percent of area
22 median income. Those are the two currently
23 functional operating CLT's in New York City. There
24 is a number of other organizations that are
25 interested in acquiring property, but have not yet

2 done so. So, they are working on establishing
3 governance structures, making sure the individuals
4 involved are trained and looking at potential
5 opportunities. With that being said, we have
6 approximately 1000 units that are currently in
7 predevelopment with a range of different CLT's across
8 the five boroughs in New York City.

9 CHAIRPERSON CORNEGY: Thank you. That's
10 incredibly helpful. The Cooper Square CLT, how many
11 units in total?

12 ASSOCIATE COMMISSIONER DARGA: Sorry. I
13 was muted again. The Cooper Square CLT is 327 units.

14 CHAIRPERSON CORNEGY: And is there an
15 aggressive goal for 2021, 2022, 2023 to build out
16 more CLT's?

17 ASSOCIATE COMMISSIONER DARGA:

18 Absolutely. So, since-- so, CLT's in New York
19 City, I will just preface by saying, are still
20 relatively untested model, so we are learning a lot
21 and I say we in the grand sense. The partners that
22 we are working with, as well as the staff at HPV. We
23 are trying to make sure, including small homes,
24 cooperative housing, as well as rental housing. So,
25 the East Harlem El barrio CLT, for example, was

2 rental mutual housing Association. Cooper Square is
3 a limited equity cooperative, so there are different
4 types of housing that this model could potentially
5 apply to. So, since 2016, we have been very
6 fortunate and I think our partners that are
7 interested in this model as well have been fortunate
8 to access funding through enterprise through New York
9 City Council, among others, to increase the capacity
10 and knowledge base that we are working from and, as I
11 mentioned, we have to now operating CLT's in New York
12 City, but we have approximately 1000 units of housing
13 in the pipeline and that does not include recent
14 initiatives, for example, like adding a preference
15 for CLT's in the Stapleton RFP that was released late
16 last year. That is actual projects for programs like
17 Open Door, like our preservation programs, etc.

18 CHAIRPERSON CORNEGY: Thank you. Once
19 again, that is incredibly helpful. Of the CLT's, but
20 since it is relatively new, I won't ask that
21 question. I will ask what is the intended impact of
22 CLT use? And myself and several of my estate
23 colleagues have been working very diligently to try
24 to create a new Mitchell Lama 2.0 and I see some of
25 the remnants of what my proposal is for-- and my

2 colleagues' proposal is for a Mitchell Lama 2.0 in
3 the CLT model. Do you feel similarly about the
4 potential for that being-- you know, and I hate to
5 use-- it's just that the Mitchell Lama program, we
6 haven't created another unit of affordable housing in
7 there since 1979 or something, right? So, that is a
8 model that certainly needs to be improved on. Can we
9 improve on that model through the CLT model I guess,
10 is my question.

11 ASSOCIATE COMMISSIONER DARGA: Thank
12 you, Council member. That is an interesting
13 question. So, I think of the impact of CLT's as in
14 two ways. First, as I mentioned earlier and I think
15 we are all aware, the need for affordable housing is
16 immense in New York City and, from my perspective,
17 that really means that we need to be able to work
18 with all types of different organizations and
19 partners to be able to accomplish the goal of making
20 housing more affordable. That includes everybody
21 from single-family homeowners where we are trying to
22 make sure that they can remain in their homes to
23 working with our nonprofit partners to our for-profit
24 partners, and I think new lease CLT which are
25 nonprofit entities. So, they are largely within that

2 bucket of nonprofit organizations. So, I think what
3 is unique there is that we are bringing new entities
4 to the table. So, I think I mentioned in the
5 testimony that some of the initial funding that
6 enterprise is provided created a learning exchange.

7 There were nine organizations. In many cases, new
8 organizations that were selected to participate in
9 that capacity building and learning exercise that is
10 ongoing and that means that there are more
11 organizations in this work necessarily that will be
12 newly doing so. And I think that is really
13 important. So, I think, first I think that is a
14 significant impact. I think second-- and I just
15 want to quickly go back to a comment that you made
16 initially, Council member which is that just I see
17 CLT use as an important partner, but we do need many
18 of the other types of organizations, as well.

19 MWBE's, our for-profit development entities, or
20 existing nonprofits in New York City to be able to
21 accomplish our work. Second of all, I think CLT's
22 due provide a new model of housing and we are
23 exploring new ways that we can ensure the viability
24 and long-term affordability of housing in the city.
25 This is something that I have dedicated many years to

2 now and I do think, you know, while it is a
3 relatively untested model, it does have potential to
4 do that. Some of the things that we are still
5 working through and why it has taken some time to get
6 to the point of actually helping the CLT's acquire
7 sites is that we want to make sure that those
8 governance structures and the regulatory structures
9 are ready and they will be successful long-term.
10 There was another CLT in New York City that,
11 unfortunately, has not been operative or successful.
12 This CLT-- or does not really exist anymore and that
13 has made it harder for those properties to remain
14 stable. So, if it is successful, it does have the
15 potential in separating the land and the stewardship
16 of the land from the use of the building with the
17 ability to create long-term stable and affordable
18 housing. And that is something that we are very
19 interested in, but I think we all have some work
20 still to figure out how we can successfully do that.
21 And I think, finally, you know, we are, like you,
22 very interested in trying to figure out how we can
23 create new models, whether it is CLT's or looking at
24 the Mitchell Lama program to make sure that we can
25 provide access to different types of affordable

2 housing, whether it be homeownership or rental
3 housing across the city.

4 CHAIRPERSON CORNEGY: Thank you so much.
5 And then, my last question for this round is equally
6 as complex, of course. We, as a city, for decades,
7 have attempted to create affordability, but it has
8 always been regulated to particular communities. I
9 see this CLT model as an opportunity to get
10 affordability in every corner of the city of New
11 York. I think it is incredibly important to do that,
12 to really expound on our rich diversity by making
13 sure that every place has everybody. Right? We
14 haven't been able to accomplish that in any real way
15 in the city's history. I mean, as we move forward
16 and we picked it and shift and recover and
17 resiliency, this is an excellent opportunity for new
18 models and to begin to look at affordability in every
19 corner so that the city can be as rich in diversity
20 as it claims to be. I am wondering if you see the
21 CLT model as a vehicle for doing that. I certainly,
22 in my mind's eye, believe that, as we. And shift and
23 moved to a new ways of creating affordability, that
24 also has to include every single corner of the city
25 if we want to be is vibrant and meet the mission and

2 vision especially of the city Council who has made
3 this a real priority, but hasn't been able to chip
4 away at it in any real way. So, I know this is a new
5 program and unproven, but anywhere I see opportunity
6 to create diversity in our housing stock and in
7 affordability, I am going to take that opportunity
8 and certainly I see that here. Potentially.

9 ASSOCIATE COMMISSIONER DARGA: Yeah.

10 Absolutely. Thank you, Council member. You know, we
11 agree. We think this has-- this is a model that has
12 real potential, I think, for all types of different
13 housing and it can, hopefully, be inclusive of
14 different types of communities in a new way across
15 the city. You know, we certainly, at HPD, have been
16 working to create different types of homeownership,
17 both single-family homeownership to preserve it, as
18 well as cooperative and rental housing and I think
19 this, the CLT model, layered with the work that we
20 have done around single-family homes and co-ops in
21 rental housings, by bringing in community members to
22 be part of the long term governance, I think, has
23 real potential. And we look forward to continued to
24 work with city Council and the various organizations
25 that have raised their hand and expressed interest to

2 hopefully explore how this model can be impactful
3 going forward.

4 CHAIRPERSON CORNEGY: Thank you,
5 Commissioner. That ends my round of questioning for
6 the first round. I'd love for my colleagues, who
7 have actually raised their hands, to be able to ask
8 questions, as well. So, thank you.

9 COMMITTEE COUNSEL: Great. Well, first
10 we'll hear from Council member Salamanca followed by
11 Council member Rosenthal.

12 COUNCIL MEMBER SALAMANCA: Thank you,
13 counsel. Thank you, Chair Cornegy, for hosting this
14 hearing. Hi, Commissioners. It's great to see you.
15 A few questions. For the community organizations
16 listening to your testimony, what are the
17 qualifications to be considered for the CLT?

18 ASSOCIATE COMMISSIONER DARGA: Sorry.
19 It took me a moment to unmute myself there. Thank
20 you, Council member. So, there have been
21 approximately a dozen organizations made up of
22 different types of members. Entities that have been
23 involved in community organizations, tenant
24 organizations, development work across New York City
25 that have raised their hands and said we are

2 interested in this housing model and we would like to
3 figure out how this could work and we would
4 eventually like to be able to acquire sites for the
5 purpose of affordable housing development or
6 preservation. So, I think interest is certainly
7 number one priority. These organizations, at least
8 nine of them, have worked with the Learning Exchange
9 which was funded by enterprise back in 2016 from
10 about 2016 to 2018 To build capacity of those member
11 groups. That included everything from my
12 understanding like basic governance structures, what
13 it takes to make an organization successful long-
14 term, understanding affordable housing programs,
15 regulatory requirements, the full breadth, basically,
16 of what is necessary to be a successful owner of
17 affordable housing in New York City. So, I think,
18 certainly that basic knowledge base is there. In
19 terms of what it would take to translate that
20 knowledge base into practice, some of these
21 organizations have not owned property yet and that is
22 a significant change in terms of their relationship
23 with property and normally in RFPs and RFQs-- I'm
24 just going to answer in terms of this perspective for
25 a moment and then come back to the larger question.

2 Normally we would look, if we were qualifying an
3 organization, for, let's say, a city-owned site or a
4 building. We would look for experience in owning and
5 developing property over time. So, that is certainly
6 a barrier that these organizations are going to have
7 to be able to address and I think one way to do that,
8 certainly, is to begin partnering with organizations
9 that have had that track record. That are successful
10 in owning and operating property in New York City, so
11 they may have to partner to start with. There are
12 some CLT's in New York City that have that experience
13 and so they certainly today could probably
14 successfully apply for RFPs, RFQ's, and that is for
15 the city-owned sites, but also, for example, we have
16 a preservation buyers RFQ that is-- allows rolling
17 applications. Those organizations could certainly
18 submit an application to that RFQ and potentially
19 qualify to be, owners of existing buildings through
20 one of our programs. So, I'm not sure if that
21 completely answers your question, but hopefully that
22 is some helpful context.

23 CHAIRPERSON CORNEGY: No. No. It does.
24 It does. In preparing for this hearing, you know, we
25 were looking at the challenges of CLT's and I was

2 kind of hoping you can speak to a little bit about
3 what are the challenges of creating CLT's on vacant
4 lots versus residential buildings that already exist.

5 ASSOCIATE COMMISSIONER DARGA: So, I
6 think it gets back a little bit to what we were
7 talking about a moment ago where, you know, there are
8 certainly-- you know, Cooper Square has owned
9 property for some time. Interborough is made up of--
10 which is Interborough CLT which required a single-
11 family home back in late 2020. It's made up of four
12 organizations that have a real track record of owning
13 and managing housing in New York City. I think the
14 main barrier, whether we are talking about developing
15 sites or purchasing a building and operating it
16 successfully is theoretical knowledge until you put
17 it into practice. Until you actually own and manage
18 a site and are working with people to run that
19 property successfully long-term. And I think the
20 model that we saw effectuated last fall with East
21 Harlem El barrio CLT is useful in this context. That
22 project is made up of community members, tenants that
23 are involved in this CLT, but also involved nonprofit
24 organizations that have a long track record in New
25 York City which two nonprofits-- Catch and Banana

2 Kelly-- and they partner to work together so that
3 they brought their joint experience and interest in
4 knowledge to bear on making that project possible.

5 COUNCIL MEMBER SALAMANCA: But what is
6 that a vacant lot or was the building already
7 existed?

8 ASSOCIATE COMMISSIONER DARGA: Those
9 were for existing buildings that were partially
10 occupied.

11 COUNCIL MEMBER SALAMANCA: So, the
12 question is I have heard that it is much harder to
13 build a CLT on a vacant lot and I wanted to see, with
14 the rezonings that the city has done in the past, and
15 I know that there is tomorrow rezonings that this
16 administration is trying to move forward before, you
17 know, this administration's term ends, you have the
18 Gowanus and the NoHo and Soho. Has HPD been part of
19 conversations with city planning on identifying
20 locations for CLT's in these two rezonings that the
21 administration is trying to move forward with?

22 ASSOCIATE COMMISSIONER DARGA: Thank
23 you, Council member. So, I am not 100 percent sure,
24 so I would rather check with my colleagues on those
25 conversations and with DCP and get back to you. I

2 can say, however, that we have looked at creating
3 CLT's in communities where there may not be one today
4 and I think that may be some of the challenge, right?
5 That if there is not an organization today that is
6 interested in this, is it possible to create a CLT,
7 especially if you are talking about land development
8 and not buildings where there are tenants that might
9 be interested stakeholder. We have, for example, an
10 engineer, we have asked for an expression of interest
11 to create a CLT with the intent there that that CLT
12 then would be able development parcels to create new
13 affordable housing. So, that is one potential model
14 that we could explore in terms of applicability and
15 other neighborhoods and contexts.

16 COUNCIL MEMBER SALAMANCA: Is your office
17 involved at all with city planning when they are
18 looking into rezoning communities?

19 ASSOCIATE COMMISSIONER DARGA: So, the I
20 oversee the preservation work at HPD, but my
21 colleagues and our Office of Neighborhood Strategies
22 are deeply involved in those conversations with the
23 Department of City Planning and so I am happy to
24 follow up with them to talk about this further and we
25 can get back to you.

2 COUNCIL MEMBER SALAMANCA: Okay. All
3 right. That's it. Thank you, Mr. Chair, for
4 allowing me to speak and ask questions.

5 CHAIRPERSON CORNEGY: Thank you, Council
6 member.

7 COMMITTEE COUNSEL: Thanks. We will
8 now hear from Council member Rosenthal followed by
9 Council member Rivera.

10 SERGEANT-AT-ARMS: Time starts now.

11 COUNCIL MEMBER ROSENTHAL: Thank you,
12 Chairs for holding this incredibly important hearing
13 and, commissioners, thank you both for your work in
14 supporting CLT's. I guess you went through this a
15 little bit. I couldn't quite keep up with the notes.
16 So, I am just wanting to know your strategic plan to
17 a roadmap to getting to the goal of 3000 CLT's, which
18 was the number I thought the administration was
19 aiming toward and what the AMI, levels are for each
20 of those. So, I heard 327 at Cooper 480 percent. A
21 new one for 36, I forget. 30 percent. 1000 more en
22 route. Do you have, even if it is not a route to all
23 3000, could you provide to the committee sort of what
24 your roadmap is to that, you know, sites, the

2 timeline, the AMIs, and the number of affordable
3 units for each site? Could you provide that?

4 ASSOCIATE COMMISSIONER DARGA: Sure.

5 So, let me try to summarize what is happened so far,
6 the Council member. So, the basically, from 2016
7 until very more recently, most of our work with CLT's
8 was focused on helping organizations establish
9 themselves, build incapacity. There are now
10 approximately a dozen CLT's that exist around New
11 York City and they are certainly all exploring
12 opportunities. We were very excited that even given
13 the many other things that we have all been focused
14 on in the last year with the pandemic, that we were
15 able to work with East Harlem El barrio CLT to
16 acquire those for city-owned buildings and secure
17 financing for renovations and to work with
18 Interborough to acquire the single-family home which
19 didn't involve financial assistance from us, but more
20 just organizational--

21 COUNCIL MEMBER ROSENTHAL: Yeah. And,

22 just to be clear, I am not throwing shade on
23 anything. I'm sure you're working great. But if we
24 could actually see that kind of roadmap, that would
25 be great. And, also, if you could identify where the

2 city would be willing to help with the CLT's-- Yeah.
3 The CLT use with financing, particularly with capital
4 financing and--

5 SERGEANT-AT-ARMS: Time expired.

6 COUNCIL MEMBER ROSENTHAL: finance--
7 thank you-- to achieve better lower AMIs.

8 ASSOCIATE COMMISSIONER DARGA:

9 Absolutely. So, maybe two additional thoughts
10 and then we can follow up with more details, if that
11 makes sense. So, we need to have-- basically, over
12 the last year we have gotten to the point of now
13 having approximately 1000 units in predevelopment
14 which is, I think, a pretty-- given that
15 announcement was about a year ago, it is a good
16 start. And that is in every-- basically, a whole
17 different range of programs at HPD, so if you want to
18 think about this as a CLT is the type of owner,
19 right, and type of housing model that can be layered
20 onto, basically, any type of housing program. So,
21 for example, it could be used for affordable
22 homeownership, rental or cooperative housing. We
23 finance those things through a range of programs
24 including like Open Door, including the, you know,
25 our aloe program and new construction, including any

2 of our preservation programs, our green housing
3 program, you know, so it could be any type of housing
4 you can imagine--

5 COUNCIL MEMBER ROSENTHAL: I know other
6 people on the Chair, you know, the sponsor has
7 questions, so I don't mean to stay on this too long.

8 ASSOCIATE COMMISSIONER DARGA: Okay.

9 COUNCIL MEMBER ROSENTHAL: If you could
10 just-- it is sort of a yes no. Can you send over to
11 the Committee, a list of those thousand units and
12 just sort of being very clear, you know, where they
13 are, AMI goals, number of units, that would be
14 terrific.

15 ASSOCIATE COMMISSIONER DARGA: Sure.

16 COUNCIL MEMBER ROSENTHAL: I didn't mean
17 to--

18 ASSOCIATE COMMISSIONER DARGA: No. It's
19 okay. We can do that.

20 COUNCIL MEMBER ROSENTHAL: take any of
21 this. I would be very helpful if we could just get
22 some real specifics on that.

23 ASSOCIATE COMMISSIONER DARGA: Okay.

24 COUNCIL MEMBER ROSENTHAL: That would be
25 helpful.

2 ASSOCIATE COMMISSIONER DARGA: Great.

3 COUNCIL MEMBER ROSENTHAL: And just also
4 where you might be contemplating providing financing,
5 capital financing or expense. Whatever.

6 ASSOCIATE COMMISSIONER DARGA: Okay.
7 Great. Sure. No problem.

8 COUNCIL MEMBER ROSENTHAL: Thank you.

9 COMMITTEE COUNSEL: Thanks. We will
10 now hear from Council member Rivera followed by
11 Council member Lander.

12 COUNCIL MEMBER RIVERA: Good afternoon.
13 Thank you so much for being here. Thank you to the
14 Chair. I guess I want to just go right into
15 questions on Intro 1977 and I think you said that
16 COPA could be effective with the appropriate partners
17 along with your neighborhood pillars and that you
18 mentioned it needing funding. I think those were
19 some of the things that you mentioned, as well as
20 cost-effective innovative strategies. I do agree
21 that this is a bold policy. I do think it is
22 innovative. It has been around-- I mean, the idea
23 itself, since like the 19th century. But I agree
24 that we could see it more heavily utilized throughout
25 the city. So, I guess I wanted to ask if Intro 1977

2 were to become law, how many properties offered for
3 sale would be implicated each year?

4 ASSOCIATE COMMISSIONER DARGA: Sure.

5 Thank you, Council member. So, we did some very
6 preliminary analysis and it looks like-- last year
7 was an unusual year, so I'm going to take that out of
8 the mix, but in 2019, there would've been
9 approximately 1000 properties in the year before was
10 a higher number. It was about 30 percent higher.
11 So, it is a significant number of properties that
12 would be impacted and I am not sure that this came
13 out completely in the testimony, but one of the main
14 concerns we have is how many properties would be
15 impacted and that if the scope is too wide, that it
16 may not make it possible for us all to focus on where
17 there are really good opportunities to stabilize
18 housing to provide affordability. One of, I think,
19 our concerns is that, you know, we have certainly a
20 range of affordable housing organizations in New York
21 City that are interested in the work, but if they get
22 thousands of notifications every single year, it's
23 overwhelming and so one of the things that we might
24 want to think about is which property is really
25 potentially would be real opportunities for

2 stabilization, for protections for residents, for are
3 really protection long-term. And think about if
4 there is a way that we can narrow the scope. Some of
5 our-- you know, we have done some-- you mentioned
6 in your opening remarks a reference to San Francisco
7 and some of the other programs that exist out there.
8 One of the-- just looking at that program which has
9 existed the last couple years, I think one of the
10 challenges there is specifically the scope challenge.
11 That only like one percent of the properties actually
12 get the point of, you know, a nonprofit acquiring
13 them and that is a law the brain damage. A lot of
14 work for a lot of folks to kind of sift through it to
15 get to that.

16 COUNCIL MEMBER RIVERA: Has the city
17 conducted any analysis on how a right of first
18 refusal could impact real estate prices in the city
19 and, if so, what would be the impact?

20 ASSOCIATE COMMISSIONER DARGA: That is
21 an interesting question. I don't think-- We
22 certainly haven't gotten to that point yet. We have
23 started to have conversations about this model. I
24 think we acknowledge that there has been interest out
25 there around the country and I think certainly we

2 have talked about it in terms of New York. The
3 timelines involved certainly could impact pricing and
4 so I think that is something where it would also be
5 beneficial to talk with some of the affordable
6 housing community in New York City. You know,
7 organizations that are involved in acquisition work
8 today, that sell property today, and be mindful about
9 the impact of timing on pricing, specifically. So, I
10 think that is a conversation we would want to follow
11 up with you and others to have in more depth.

12 COUNCIL MEMBER RIVERA: Well, you know, you
13 mentioned scope been, you know, the point of the bill
14 is also to have these qualified buyers. So, how do
15 you currently determine which entities are considered
16 qualified preservation buyers? What do you look for
17 in entities that are applying? Is it funding? Is it
18 history potential? I know you went over this a
19 little bit in your testimony, but do you think that
20 list should be expanded? In the legislation itself,
21 there is clear criteria for this list of
22 qualifications and who would eventually be on it.

23 ASSOCIATE COMMISSIONER DARGA: Sure.
24 Thank you. That is a good question. So, we have had
25 preservation purchasers, RFQ. We actually originally

2 created in RFQ like this during the last recession in
3 relation to the number of things that were
4 overleveraged and try to stabilize them and make sure
5 we had a list of organizations that were interested.
6 We updated that a few years ago when we launched the
7 Neighbor had Pillars program and that list is made up
8 of a range of different types of organizations. It
9 is for profits, it is nonprofits, it is MWBEs. We do
10 look at [inaudible 01:12:18] of factors. We look at
11 experience in developing affordable housing. We look
12 at experience in success in operating affordable
13 housing. So, how well does the entities portfolio of
14 affordable housing projects perform? And then we
15 look at financial capacity. And there is different
16 metrics that we have used over the years to assess
17 financial capacity. We have been slightly more
18 generous in the minimum qualifications for nonprofits
19 than for profits, but that is really important
20 because we want to know that an entity is going
21 actually be able to not just identify a site, but
22 actually move that project for word and if there is
23 not financial capacity there, that can be a real
24 limitation.

2 COUNCIL MEMBER RIVERA: Of course. Yeah.
3 Definitely. I mean, there is a criteria there for a
4 reason. These are very, very serious affordable
5 housing developers and managers who, I think, their
6 work is mission driven and I think that is what is so
7 important about this initiative. What do you
8 anticipate would be the effects of past saying
9 something like Intro 1977?

10 ASSOCIATE COMMISSIONER DARGA: So, I
11 think that gets back to this question of scale. Are
12 we talking, you know, every transaction involving a
13 three plus multifamily property in New York City?
14 Are we talking a more refined list of properties? I
15 think, if it is-- if we could work together to
16 tailor it, it does have the potential to help us
17 identify properties that could really benefit from
18 having a responsible mission driven organization own
19 the property. You know, I think about some of the
20 challenges that we faced just in the decade and half
21 that I have been involved in housing you New York
22 City and that is everything from, you know, the last
23 recession and properties being overleveraged. You
24 know, having extremely strong market a few years ago
25 where so many of us were concerned about loss of

2 affordable housing and then the reality of the
3 situation that we are facing today where, you know,
4 many owners have struggled, tenants have struggled to
5 pay rents, owners have struggled to pay bills. And
6 certainly that could impact what housing quality
7 looks like in the city. And so, I think, you know,
8 we would welcome a conversation with Theo to think
9 about how we focus, if we were going to move this
10 type of program forward, how we focus it on that type
11 of set of priorities and goals. How we stabilize and
12 preserve housing long term.

13 COUNCIL MEMBER RIVERA: Understood. I know
14 you didn't quite say that you support it, but it was--
15 - that is actually a better response than usual then
16 I get from HPD, so I'm going to take it for now and
17 then we can talk about, you know, as I said in my
18 opening statement, I am here to listen. I am here
19 for community solutions. So, just wanted to ask a
20 couple questions about the CLT's. And you mentioned
21 the goal and when thousand units of housing in the
22 pipeline and Council member Rosenthal went over some
23 of this, but do you think the city should be making a
24 greater financial investment in community land trusts
25 as part of its affordable housing strategy?

2 ASSOCIATE COMMISSIONER DARGA: That is
3 an interesting question. So, CLT's have access to
4 every program that HPD administers, right? I think
5 the challenge thus far-- there has been interested
6 organizations, right? But those organizations don't
7 necessarily have a track record-- with a couple
8 exceptions, right? Don't have, necessarily, track
9 record of owning and managing affordable housing long
10 term. And so, that is, I think, the main barrier
11 that we need to overcome today and so, I think that
12 is aware this is the point in time we would want to
13 see CLT's particularly partnering with other
14 organizations to establish that track record, you
15 know, to get in there and actually start doing. So,
16 I think, you know, we could certainly-- I think we
17 would always welcome additional support in terms of
18 capacity building and knowledge and I don't think
19 that, just because we have 12 CLT is that are
20 potentially interested in New York City, that that is
21 the end of the conversation. I think, certainly,
22 there is room for more organizations to step up and
23 say, we are interested. For more communities to step
24 up and say, we are interested. But I think the main

2 challenges today are around building that actual
3 operating capacity.

4 COUNCIL MEMBER RIVERA: Would you say that
5 CLT's are still a priority for the administration?

6 ASSOCIATE COMMISSIONER DARGA: Sure.
7 Absolutely. Absolutely.

8 COUNCIL MEMBER RIVERA: Has the city looked
9 into the possibility of using CLT's as a way to
10 rehabilitate distressed assets such as at risk
11 HDFC's, long term EEP buildings, properties in the
12 third-party transfer program, and properties in the
13 tax lien sale and, if so, can you provide us an
14 update on these efforts?

15 ASSOCIATE COMMISSIONER DARGA: Sure.
16 Thank you, Council member. That is a huge question.
17 Yeah. So, stabilizing troubled buildings is a big
18 undertaking and we need every type of partner and I
19 think, certainly, an organization that is mission
20 driven, that wants to work with tenants long-term,
21 and I think it is important to that conversation. I
22 have been really fortunate to be engaged in
23 conversations around the third-party transfer program
24 and I'm really excited that, along with Chair Cornegy
25 who has cohosting the working group, along with

2 Commissioner Carol, we are really excited that we
3 will be having the upcoming session after a slight
4 pause from the pandemic. So, certainly, I think we
5 welcome that conversation in that forum. We also--
6 I have been very fortunate to be able to have
7 recently sat in on some of the stakeholder
8 conversations that City Hall has had with different
9 groups around the tax lien sale and I, you know, very
10 interested and excited about the conversation,
11 hopefully, we will have over the next year as part of
12 the task force around potential involvement of CLT's
13 and stabilizing properties, including the role that
14 some of those organizations may play in helping to do
15 outreach and help owners access assistance to
16 stabilize outside of acquisition itself. So, I do
17 think there is potentially a role. I think, again,
18 the challenges that this is still a relatively
19 untested model in New York City and I think, you
20 know, before we can talk about, you know, CLT is
21 stepping in and acquiring a lot of property, that we
22 need a ramp. We need some more time to help these
23 organizations actually grow their experience and
24 their capacity. And so, I think there is a lot of

2 worthy conversations out there and that is an
3 important part of it.

4 COUNCIL MEMBER RIVERA: Well, thank you.
5 Thank you for answering my questions. I agree, to
6 grow in their capacity, I believe that my bill would
7 also give them an edge to do so, so I hope that you
8 will consider COPA. I think that there are some
9 proven successful results. You could look at Cooper
10 Square. Not only residential, but commercial space
11 that is affordable that has had long-term businesses
12 in there. Just take a walk along East Fourth Street
13 and, you know, I truly believe that CLT is preserve
14 affordable housing. So, I am looking forward to
15 working with you to pass this bill and to make sure
16 that we are supporting these organizations of which
17 you will look excited about in terms of because of
18 the trusted relationships that they built over years
19 of organizing. So, I want to thank all of them for
20 being here today. I sure that you will be listening
21 to their testimony and I want to thank you for
22 answering my questions. And to the Chair for giving
23 me the time. Thank you.

24

25

2 COMMITTEE COUNSEL: We will next be
3 hearing from Council member Lander and circle back
4 with Chair Cornegy for any final questions.

5 COUNCIL MEMBER LANDER: Thank you very much
6 for the opportunity. Associate Commissioner, it is
7 good to see you. You gave Council member Rivera a
8 warmer and more open response to her bill than to
9 mine, so I will start there and dig in a little bit.
10 You know, what I first heard you say was that the
11 idea of a land bank is duplicative. That we already
12 have mechanisms in place. I want to just use the
13 example of the distrust hotel units to really
14 understand how that would work. Obviously, we have
15 existing opportunities in place for supportive
16 housing groups to finance, acquisition, and rehab for
17 supportive or affordable housing, but that is a long
18 and slow process. We have to design the building and
19 like have a real plan for exactly how you are going
20 to redevelop it, already have secured your subsidy--
21 operating subsidy and service dollars from the state,
22 so the odds that we could work quickly at this moment
23 to acquire any meaningful chunk of distrust hotel
24 stock is not realistic under the current tools that
25 are available, which is exactly what the land bank

2 would be designed to do. To make acquisitions have
3 the city hold property and then be able to work with
4 folks to dispose it. So, just use that as an
5 example. What am I missing? What do we already have
6 in place that the land bank would be duplicative of?
7 Why would it not be a really strong tool for
8 something we urgently need right at this moment?

9 ASSOCIATE COMMISSIONER DARGA: Thank
10 you, Council member. So, I think we are absolutely
11 interested in exploring opportunities to help our
12 partners be more successful in acquiring sites,
13 buildings, across New York City.

14 COUNCIL MEMBER LANDER: I hear you. Answer
15 my question, though. I mean, I know you work with
16 supporting housing developers, but that doesn't mean
17 you have a tool to rise rapidly to the moment.

18 ASSOCIATE COMMISSIONER DARGA: Right.
19 So I think the challenge is a couple. There are a
20 couple big challenges. First I do think we have
21 really significant concerns about creating an entity
22 that would acquire property where there is not a
23 clear financing strategy with the resources lined up
24 because that could result in this new entity or land
25 bank having to hold land longer. Land or buildings

2 longer which makes carrying those costs. Adding cost
3 certainly, at the end of the day, makes it harder,
4 ultimately, to achieve, I think, the goals that we
5 would share which is--

6 COUNCIL MEMBER LANDER: Well, what do you
7 think is going to happen to the hotels we didn't
8 purchase? You think they are going to become
9 affordable or supportive housing and that the private
10 sector is going to take care of that? So, let's just
11 go with your example. First, I think you have backed
12 off of saying it is duplicative. I don't hear you
13 saying that we have a tool to do it. If the land
14 bank acquired is, you are right. There is some risk.
15 It might have to hold it for a while, but units that
16 it acquired or that it might have acquired and held
17 that wouldn't have gotten financed partners
18 immediately. Do you think those will be, affordable
19 housing in the longer term? Because, to me, it's
20 quite clear they will get scooped up by speculative
21 private equity actors. That's what happened in the
22 last financial crisis. I just seeing no reason to
23 believe that that is not what will happen here.

24 ASSOCIATE COMMISSIONER DARGA: Okay.
25 So, let me back up a little bit. So, we do have a

2 wealth of resources in New York City. Most of our
3 development and preservation nowadays happens on
4 private sites. I think on average we are talking in
5 the low 90 percent in terms of the projects that are
6 on private sites versus on public sites nowadays. A
7 lot of those involve acquisition and we have a range
8 of resources to help interested entities and actually
9 acquiring those sites.

10 COUNCIL MEMBER LANDER: But I asked about
11 this crisis. What entity is going to acquire
12 distrust hotel stock without already having secured
13 long-term operating and service subsidies to make
14 that supportive housing?

15 ASSOCIATE COMMISSIONER DARGA: Right.
16 So, we have a range of tools and there are a lot of
17 partners, I think, out there that are potentially
18 interested. I'm not personally an expert on the
19 converting hotel to housing model. I know there is a
20 lot of interest in it and I do believe there has been
21 recent hearings on that topic.

22 COUNCIL MEMBER LANDER: There are and the
23 answer is that no one is going to do it because,
24 until we can secure long-term operating and service
25 subsidies, there is no model that makes it worth it

2 to acquire them. So, anyway, it is not duplicative.
3 So, that is part one. You said this is duplicative.
4 We don't have a tool for doing that in this would do
5 it. If we don't want to do it because we would
6 rather just let the market do what it is going to do
7 with those properties rather than take the risk that
8 the city would have to hold them for a while through
9 the land bank, okay. That is what I think I heard.
10 I guess I-- The second thing I heard you say which I
11 really would like you to unpack a little is that
12 having a land bank through which the city could
13 acquire and hold property for public purpose would
14 distort the market. So, I mean, I can use been out a
15 little what you mean by how that would distort the
16 market?

17 ASSOCIATE COMMISSIONER DARGA: Yes. So,
18 you just go back for a second home in the previous
19 issue. So, owning property-- So, a city affiliated
20 entity acquires land that doesn't have a clear
21 financing plan in place to yield the end result means
22 adding costs to the city to hold that property until
23 such time as that that plan can be effectuated. And
24 I think one of our fundamental concerns is that, you
25 know, we have had more constrained resources recently

2 and we wouldn't want to put the city or city
3 affiliated entity like a land bank in a position of--

4 COUNCIL MEMBER LANDER: That's fine. We
5 just fear different things. I fear more the units we
6 don't require will be bought up by vulture and
7 private equity funds and will be lost to us forever
8 as a resource for affordable housing and I would
9 rather use city capital that we borrow for the long
10 term to do more to increase the footprint of
11 supportive and affordable housing to confront the
12 crisis. So, I respect the fear that that will cost
13 the city money, but I think the fear that we will
14 lose the opportunity at scale is just a bigger one.
15 And so, we don't have a tool right now to address it,
16 so creating a land bank would not obligate-- it
17 would never obligate the city to purchase. The city
18 affiliated land bank would decide what to purchase,
19 would have to set fair prices, would have to bargain.
20 It is not going to be given property, so it is still
21 going to be a set of transactions. You are going to
22 have to make a decision on every want, but you could
23 do a thing you can do today, which is the use city
24 capital to buy a chunk of hotel rooms that are
25 currently vacant, probably help the city economy at

2 the moment. So, actually, in the long run, you might
3 help spur economic growth and activity, and have the-
4 - But, anyway, tell me about distorting the market
5 because I was want that like I really--

6 ASSOCIATE COMMISSIONER DARGA: Yeah.

7 COUNCIL MEMBER LANDER: I've got to say I
8 don't think there is any way in which the creation of
9 a land bank that would have the ability to acquire
10 private sites under clear terms and acquisitions in
11 the kinds of rules HPD and its partners set up would
12 in any way distort the market. That just seems to me
13 like the kind of fear that people say when they don't
14 want to do something, but what is the argument that
15 it really would distort the market? Because I would
16 take that seriously if it were real.

17 ASSOCIATE COMMISSIONER DARGA: Okay.

18 So, I do think-- So, just fundamentally, we
19 absolutely support trying to do more in terms of
20 affordable housing. I think what we want to make
21 sure we are doing is that we are efficiently using
22 public resources--

23 COUNCIL MEMBER LANDER: Amen. And every
24 one of the--

25 ASSOCIATE COMMISSIONER DARGA: Okay.

2 COUNCIL MEMBER LANDER: acquisitions the
3 land bank would have to make would have to be
4 underwritten and being, you know, carefully tended to
5 to make sure--

6 ASSOCIATE COMMISSIONER DARGA: Right.

7 COUNCIL MEMBER LANDER: to make sure it was
8 an efficient use of resources and no one-- anyway.
9 You're not going to let the Council decide on what
10 the acquisition is, so you will still be able to make
11 sure you can make efficient use of the resources.

12 ASSOCIATE COMMISSIONER DARGA: So, the
13 moment the city says, I want property, so we have
14 successful programs in New York City, including the
15 New York City Acquisition Fund which has now existed--
16 - I might need to turn my camera because it looks
17 like my Internet connection is unstable. One second.
18 That allows entities to acquire sites, including for
19 conversion purposes, to actually create affordable
20 housing and it is done with a private entity that
21 negotiates that. Our concern is certainly if we then
22 put the city at the face of that negotiation, it puts
23 us at a disadvantage from a pricing and negotiation
24 perspective. In addition to the fact that the
25 potential hold time that we are talking about in

2 terms of achieving the end goal, producing the new
3 housing would potentially be longer, adding costs and
4 thereby also under binding the goals associated with
5 the program.

6 COUNCIL MEMBER LANDER: Okay. I accept
7 that there would be costs associated. So, what I
8 heard you say in your testimony at first is it will
9 distort the market and is duplicative. I don't hear
10 you backing up either of those things. I hear you
11 saying that it will cost money and each deal would
12 need to be carefully underwritten to make sure there
13 wasn't too much exposure. And I actually agree with
14 those things and they would be details you would want
15 to work out, but that is not duplicative and it is
16 not distorting the market. So, anyway, I don't
17 imagine that this is actually going to get stood up
18 between now in the end of the administration, but I
19 appreciate the feedback. I want to go a little more
20 into a couple of things that you said about the
21 city's support for the wider variety of nonprofit
22 land trusts and other social housing actors. Could
23 you tell me what percent of city subsidy or what
24 percent of city land for new housing production and

2 construction goes to a for-profit developers versus
3 the broad category of nonprofit ones?

4 ASSOCIATE COMMISSIONER DARGA: Thank
5 you, Council member. That is a very tough question
6 to answer. We have, for years now, I think, gotten
7 versions of that question and, unfortunately, given
8 the complexity of ownership structures, it is really
9 hard to unpack that. And so--

10 COUNCIL MEMBER LANDER: Go ahead.

11 ASSOCIATE COMMISSIONER DARGA: Let me
12 finish. So, we are trying to figure out systems
13 where we can better track that. Often times, because
14 there are joint ventures and partnerships, it is
15 unclear. We have, though, recently made some changes
16 to our disposition strategy for city-owned land that
17 makes it easier for MWBEs and nonprofits to play a
18 role. So, for example, late last year, we made a
19 change to require that every RFP now requires that a
20 MWBE or a nonprofit entity have not just 25 percent--
21 at least 25 percent ownership interests, but also a
22 financial stake in the project.

23 COUNCIL MEMBER LANDER: So, I am going to
24 ask you about that in one second, but I guess so I
25 just want to, you know, for the record year, the

2 Association for Neighborhood and Housing Development
3 has done research looking at disposition and subsidy
4 dirtying the-- Well, really going back to the
5 Giuliani and Bloomberg, but especially just for these
6 numbers in the de Blasio administration, and found
7 that 79 percent of subsidy for new construction and
8 76 percent of the land disposed for affordable
9 housing went to for-profit private developers. So,
10 essentially, 80 percent of the subsidies to for-
11 profits and 20 percent to the full universe of
12 nonprofit, including CLT is, but also community
13 development corporations and 76 percent of the land.
14 So, I don't think it is that it is that complicated
15 to track. I don't think you want to track it. Like
16 this administration has not been committed from the
17 beginning. When I came on the scene there was a much
18 larger footprint of nonprofits that got shifted in
19 the Giuliani and Bloomberg administrations and it has
20 not been shifted back in this administration. It is
21 a policy choice. It's not-- you know, you could
22 defend it, but if you don't even measure it is, if
23 you can't even give us an answer, it is hard to
24 believe that there is a commitment to really changing
25 it. So, on the 25 percent ownership stake for MWBEs

2 and nonprofits, what do you think of the-- what is
3 the purpose of that? What is the point of giving a
4 nonprofit-- let's go with a nonprofit here for a
5 minute because I understand with and MWBE, their
6 ownership stake is an equity stake. They will make
7 some money in the deal. But, for a nonprofit, what
8 is the point of having a nonprofit has a 25 percent
9 ownership stake in the joint venture for a city-owned
10 piece of land?

11 ASSOCIATE COMMISSIONER DARGA: So, I
12 think we have-- a lot of folks have asked us why we
13 are not making sure that our nonprofit and MWBE
14 partners have access to the city-owned sites. We
15 have taken that asked very seriously and, you know,
16 certainly there are many of our partners that we are
17 joint venturing is not necessary. They have a deep
18 bench. Their own organizational capacity and
19 certainly may be the sole entity involved in the
20 project. Some of our MWBE and nonprofit partners, it
21 makes more sense to partner for a particular project.
22 And so, this is a way to make sure that, even in
23 those partnerships, there is a meaningful stake by
24 that organization.

2 COUNCIL MEMBER LANDER: And I value that,
3 you know, on the public place sites, the Gowanus
4 Green team, as you know, the is a nonprofit junior
5 partner that I feel very strongly about and I think
6 that that project is a good one, but does 25 percent
7 stake give a nonprofit decision-making power over
8 what rents will be? What in, families will be served
9 or what to do at the expiration of affordability
10 requirements?

11 ASSOCIATE COMMISSIONER DARGA: So, I
12 think it is between the individual partners in a
13 project to work out the relationship they have with
14 that project and their role--

15 COUNCIL MEMBER LANDER: Can you imagine one
16 where in exchange for a 25 percent equity stake that
17 you would have majority decision-making control over
18 those critical questions? Because I have never seen
19 one like that.

20 ASSOCIATE COMMISSIONER DARGA: So,
21 again, this is a minimum requirement. It's not a
22 maximum. We have many projects that solely involve
23 MWBEs or non-profits, but this is a way to ensure
24 that each of our project involve a MWBE or a non-
25 profit entity in a meaningful manner. And it

2 ultimately would be between those partners to work
3 out the details, but I cannot imagine an organization
4 signing their name to documents if they're not
5 comfortable with the transaction.

6 COUNCIL MEMBER LANDER: Well, if I may-- I
7 mean, there's a far way between being comfortable
8 with a transaction and having decision making control
9 over what happens and I will wrap up here because
10 there are lots of folks planning to testify, but, in
11 a funny way, I feel like the 25 percent stake
12 actually shows the disagreement really well and
13 almost gets it exactly backwards. Like the goal is
14 not to turn nonprofits into 25 percent equity stake
15 holders so they will get 25 percent of the gains on
16 sale when a project is sold off. The goal is kind of
17 precisely the opposite to the poll housing as much as
18 possible out of the speculative marketplace so that
19 permanent affordability and democratic decision-
20 making are what governs sites. And, in this case, it
21 began as city-owned land. So, on privately owned
22 sites I can see much more reason, of course, to have
23 private actors in the marketplace acquiring, but were
24 we amidst to housing crisis of long duration, have
25 city-owned sites that are already owned by the

2 public, transferring then to the private sector and
3 then you being a little bit of nonprofit ownership so
4 that they could get some of the money made on sale.
5 Anyway, that is not the goal of the community land
6 trust. That is not the goal of the strategies that
7 we are talking about here today. It's to achieve
8 more permanently affordable housing in that broader
9 democratic footprint. So, I will just close by
10 saying that virtually am sitting here in front of
11 Penn South which is one of those long-standing
12 entities that has a couple of thousand units of
13 cooperative housing. You're right that there only a
14 few land trusts that are in the market today, but if
15 you look at the bigger universe of CDCs, of
16 nonprofits, of co-ops, of Mitchell Lama co-ops, and
17 of land trusts, we have a robust sector of housing
18 that is outside of that for-profit speculative
19 marketplace and the goal of today's hearing, I think,
20 and the goal of a lot of the strategies we are
21 proposing, is to grow it ambitiously. Not with
22 thousand units, which is wonderful for the thousand
23 families that got set, but on the scale that Mitchell
24 Lama co-ops were created, on the scale that might
25 actually impact the housing marketplace. So, I am

2 going to leave it there because I want to hear from
3 the folks who are doing the work on the ground who
4 have that ambition, but that is the goal of this
5 hearing. Not just a couple of bills and a few more
6 units, but some meaningful transformation because
7 what we're doing right now is just not working for so
8 many families and we really need more ambitious
9 strategies to address it. So, Chair, I want to thank
10 you for convening this hearing and I look forward to
11 hearing testimony from the folks who have come.

12 COMMITTEE COUNSEL: Thank you. We will
13 circle back to any final questions from Chair Cornegy
14 before moving on to public testimony. Chair Cornegy?

15 CHAIRPERSON CORNEGY: Yeah. So, now. In
16 other people and waited a little bit of time. Can
17 you hear me?

18 COMMITTEE COUNSEL: Yeah. Yeah.

19 CHAIRPERSON CORNEGY: So, I don't mind
20 moving to the next part of appearing in hearing from
21 the public testimony. I think that my colleagues
22 have been very good in asking questions, most of
23 which I was going to ask, as well, so I'm good.
24 Thank you.

2 COMMITTEE COUNSEL: Sounds good. So,
3 we will now be moving forward to public testimony. I
4 would like to remind everyone that, unlike our work
5 in person Council hearings, we will be calling on
6 individuals one by one to testify. Once your name is
7 called, a member of our staff will unmute you and the
8 Sgt. at arms will set the timer and announced that
9 you may begin. I would now like to welcome Robert
10 Altman followed by Christopher Wildelo and Anne
11 Korchak.

12 SERGEANT-AT-ARMS: Time starts now.

13 ROBERT ALTMAN: Thank you very much and
14 thank you for taking me early. I have submitted
15 written testimony today regarding Intro 1977 which
16 the Queens and Bronx Building Association opposes.
17 And I would also like to point out that a number of
18 our members are also affordable housing builders and,
19 therefore, posing that, as well, despite that. The
20 bill is extremely cumbersome minutes process and it
21 does elongate the process of selling. As a result of
22 elongating the process of selling, it will-- trust
23 me. It will lead to reduced purchase prices and
24 uncertainty in the marketplace and when there is
25 uncertainty in the marketplace, prices go down. The

2 problem is that people also want to know that they
3 are dealing with something that they affirm and
4 dealing minute and, after a while looking at all your
5 buyers in this type of situation, you're going
6 actually be able to negotiate something with one
7 person and get a deal done. If you're constantly
8 going back and forth, as the bill might create, have
9 a not for profit gets involved through the beneficial
10 portions for it, that can be a problem for the
11 transaction. I wouldn't say that it is not that
12 anybody has any issues in getting the not for profits
13 involved. If the Council wanted to pass a bill that
14 would require a, in a sense, a listing service run by
15 HPD to list all the buildings of the nature that is
16 contemplated within the legislation and that the
17 brokers would be required to put it on there so that
18 nonprofits could know what is on sale at any given
19 time, that is not going to be a problem and the
20 nonprofit would then have the ability to compete in
21 the marketplace, just like everybody else. So, that
22 is not necessarily a bad thing, but in the situation
23 to put it something where it is six months here in a
24 couple weeks there, and a couple months there, it
25 just spreads it out way too long. I don't think the

2 bill is ultimately properly conceived because of
3 that.

4 SERGEANT-AT-ARMS: Time expired.

5 CHAIRPERSON CORNEGY: Thank you.

6 COMMITTEE COUNSEL: Thank you. We will
7 now hear from Christopher Wildelo followed by Anne
8 Korchak and Athena Berncopf.

9 SERGEANT-AT-ARMS: Time starts now.

10 CHRISTOPHER WILDELO: Hi. Good
11 afternoon. My name is Chris Wildelo. I am the
12 director of external affairs NYSAFAH. We are the New
13 York State Association for Affordable Housing and
14 thank you to Chair Cornegy and members of the
15 Committee for this hearing in the opportunity to
16 testify. NYSAFAH, we are the trade association for
17 New York's affordable housing industry. We have
18 nearly 400 members and we include everyone from
19 developers to lenders, investors, attorneys, and so
20 forth, you know, with contractors and architects and
21 really anyone that is involved in the financing and
22 the construction of affordable housing. We have
23 opposition to Intro 1977. With respect to preserving
24 affordability and stability in residential buildings,
25 it is want of NYSAFAH's mission. And as the

2 affordable housing industry grew, you know, we work
3 on behalf of all of our members to strengthen funding
4 streams for the preservation of programs to increase
5 supply of affordable housing and to brainstorm with
6 agencies and other advocacy groups around creative
7 new solutions like converting struggling hotel and
8 office space into affordable and supportive housing.
9 While the intent is well meaning, the real world
10 impact, should Intro 1977 be enacted, is very
11 troubling to the affordable housing owners and
12 providers that make up NYSAFAH's membership. First,
13 there's the presumption that non-profit entities are
14 simply, by nature of being a 501©(3), inherently
15 better stewards of affordable housing or better
16 operators of residential buildings. There are
17 nonprofit owners and operators of residential housing
18 with good track records and with that track records
19 as it relates to building maintenance, financial
20 management of the building, repair, responsiveness,
21 and more in the same is true for for-profit owners.
22 NYSAFAH has both for-profit and nonprofit companies
23 in its membership and on our executive committee.
24 The companies work together in the shared mission to
25 expand affordable housing and make the industry

2 stronger for the benefit of all player. For our for-
3 profit affordable housing, provider members have
4 viewed, with alarm, recent Council bills that
5 appeared to stem from a perspective that they are
6 problematic when their collective track records, many
7 thousands of units of affordable housing, created and
8 preserved suggest otherwise. The practical elements
9 of the bill are also troubling. It's difficult to
10 envision how the real estate market generally will
11 react to the significant new slowdown in activity and
12 month-long freezes on sales that this bill would
13 impose, but a financial crisis is not the time to
14 find out. It's unclear how HPD, facing the same
15 difficult project context as most other agencies in
16 this environment, has had a capacity to serve as a
17 bureaucratic overseer of the most new sales of
18 residential properties. I think, in closing, you
19 know, to be a qualified not-for-profit entity capable
20 of making a bona fide offer on residential properties
21 that number in the many millions of dollars would
22 require significant cash on hand. This bill would
23 empower a small number of well-financed citywide
24 nonprofits who might conceivably be in a position to
25 make offers, but the vast majority of 501(c)(3)'s could

2 not. There is a discussion to be had about
3 empowering nonprofit capacity, but the scope of this
4 bill is just too vast to benefit too few. So, thank
5 you very much for your time.

6 CHAIRPERSON CORNEGY: Thank you.

7 COMMITTEE COUNSEL: Next, we will hear
8 from Anne Korchak followed by Athena Berncopf and Leo
9 Goldman.

10 SERGEANT-AT-ARMS: Time starts now.

11 COMMITTEE COUNSEL: Anne, you are still
12 muted. Just one moment.

13 ANNE KORCHAK: Oh. I apologize. I
14 thought I was unmuted. I am speaking today in
15 opposition to the bill, 1977. My family provides
16 housing for 20 families in District 6 for three
17 generations. Legacy ownership buildings like ours,
18 you know, are still family owned and, in many cases,
19 need to be sold quickly for estate tax purposes or
20 for family's financial needs. Small properties like
21 ours do not have the resources that a corporate or
22 institutional owner might have to, you know, navigate
23 a financial crisis. So, the requirements of this
24 bill, where we would have to wait 120 days for one of
25 these nonprofit entities to tell us, you know, that

2 our building would be one that they would want to
3 purchase, you know, really puts building owners like
4 us at a disadvantage. And if we were in the middle
5 of the financial crisis, you know, that extra 120
6 days is now going to greatly impact the residents of
7 the building. You know, if we were short on funds,
8 you know, could we keep up with the building expenses
9 and utilities and that sort of thing? So, I just
10 wanted to, you know, also add that, you know, small
11 property owners like ours have been greatly impacted,
12 obviously, by Covid and also the passage of the
13 housing bill in 2019. You know, we are providing a
14 huge portion of the affordable rent regulated housing
15 stock in the city and, frankly, we need your support.
16 You know, we don't need one more bill that is going
17 to make running our businesses, you know, more
18 difficult. And I just had one thought, too, after I
19 heard that Commissioner from HPD speaking about, you
20 know, the parties that are interested, potentially,
21 in getting involved in these sort of transactions, if
22 they don't have experience, they would need to
23 partner with inexperienced entity and as soon as she
24 said that, that was a red flag to me. I pictured,
25 you know, the project renewal type of organization

2 that is now running the Lucerne. You know, these are
3 slick corporate types and--

4 SERGEANT-AT-ARMS: Time expired.

5 ANNE KORCHAK: you know, I just don't
6 see the residents of the city, you know, benefiting,
7 you know, from a group like that been involved in
8 these transactions. So, thanks for your attention.
9 I appreciate, you know, the opportunity to speak
10 today.

11 CHAIRPERSON CORNEGY: Thank you for your
12 testimony.

13 COMMITTEE COUNSEL: We will next be
14 hearing from Athena Berncopf followed by Leo Goldberg
15 and Ryan Hickey.

16 SERGEANT-AT-ARMS: Time starts now.

17 COMMITTEE COUNSEL: Athena? You are
18 unmuted, but we can't hear you. Try it again. There
19 may be an audio issue. We can move on and you can
20 submit testimony for the record or we can-- just one
21 moment. Let's move to testimony from Leo Goldberg
22 followed by Ryan Hickey and Barika Williams.

23 SERGEANT-AT-ARMS: Time starts now.

24 LEO GOLDBERG: Thank you, Chair
25 Cornegy, and the Committee on Housing in Buildings

2 for this opportunity to testify. My name is Leo
3 Goldberg. I am senior project manager at the Center
4 for New York City Neighborhoods. The center promotes
5 and protects affordable homeownership in New York
6 City and is a member of the Interborough community
7 land trust, which stewards permanently affordable and
8 community controlled homeownership housing for low
9 income families in New York. We are also a member of
10 the New York City community land initiative with a
11 number of other groups that are going to testify
12 today. At the Center, we are preparing for a
13 potential wave of foreclosures and mortgage distress
14 this spring as tens of thousands of homeowners leave
15 forbearance plans and we have also been tracking the
16 huge increase in investor activity in the small home
17 housing stock and the homeownership space generally
18 over the last few years. So, that is cash buyers and
19 flippers targeting small homes, co-ops, and condos
20 that typically are owned by owner occupant families.
21 That combination makes it especially important now to
22 make sure our low income communities are in a
23 position to own the land and housing in their
24 neighborhoods with safeguards for permanent
25 affordability. Interborough community land trust is

2 [inaudible 01:49:52] Assistant Commissioner Darga,
3 recently completed our first pilot acquisition that
4 was of a home at risk of foreclosure. We have
5 stabilized the home by bringing them onto the
6 community land trust and we think that that is the
7 kind of project in the community land trust can take
8 on as mortgage distress and financial changes
9 continue to sweep through the city during Covid.
10 Both intro 1977 and intro number 118 A offer
11 promising paths for word to increase the amount of
12 land and housing that we remove from the speculative
13 market. In both cases, we ask that the Council
14 consider how acquisition and redevelopment financing
15 can be prioritized to make sure that these
16 initiatives are effective. In particular, with the--

17 SERGEANT-AT-ARMS: Time expired.

18 LEO GOLDBERG: Community Opportunity to
19 Purchase Act, acquisition financing has been pointed
20 out by those in support and opposition to the bill,
21 is really going to be critical to make sure that the
22 nonprofits that partner with tenant's are actually
23 able to make these acquisitions and make use of the
24 bill. I would also like to highlight that, on the
25 abasement conversion pilot, we strongly support the

2 extended timeline for use of the funds in the pilot.
3 We think that is going to be a critical pilot to show
4 how abasement conversions can be legalized across the
5 city and that can be an important part of our
6 affordable housing plan. So, we look forward to
7 working with the Council on-- we think there is
8 potentially key changes to both the land bank and
9 COPA bills to come. We want to explore more of how
10 the eligibility for COPA and timelines can be
11 tailored to make sure that it is as effective as
12 possible and that we are targeting the right types of
13 buildings and thank you for this opportunity to
14 testify.

15 CHAIRPERSON CORNEGY: Thank you.

16 COMMITTEE COUNSEL: Thank you. Next we
17 will hear from Ryan Hickey followed by Barika
18 Williams.

19 SERGEANT-AT-ARMS: Time starts now.

20 RYAN HICKEY: Good afternoon, everyone.
21 Can everyone hear me? My name is Ryan Hickey and I
22 am the project director at the Cooper Square
23 Community Land Trust. As we have heard, we are the
24 oldest functioning community land trust in the city.
25 We were founded on the struggle against Robert Moses

2 and the Urban Renewal Plan and we have 328 affordable
3 residential units on our property, as well as 22
4 commercial spaces. On average, just to kind of
5 clarify some of the discourse that was previously
6 mentioned, you know, even though our regular trade
7 agreement states that we have an AMI up to 80 percent
8 of area median income, on average, our residential
9 area median income hovers around 30 percent of AMI.
10 So, we are deeply, deeply affordable. Probably the
11 most affordable housing, potentially, in Manhattan.
12 So I'm not going to go into the landscape that we are
13 currently in. We all know that we are completely at
14 risk of a huge wave. An avalanche of foreclosures.
15 You know, real estate investors, back in April 2020
16 said-- and I am quoting here in the Wall Street
17 Journal, quote, our thoughts and prayers are with all
18 of our fellow Americans and nobody wants to
19 capitalize on anybody's misfortune, but I will tell
20 you real estate investors, when you take the emotion
21 out of it, many of them have been waiting for this
22 for a decade. So, we are on the brink of something
23 completely catastrophic on par with 2008 and if we do
24 not act strongly, swiftly, in terms of passing COPA,
25 passing Council member Lander's land Bank bill, we

2 will see a potentially even bigger transfer of wealth
3 and property assets to private equity and real estate
4 firms on a scale that we haven't seen yet. So, you
5 know, renditions of COPA have been successfully
6 implemented across this country. For example, in San
7 Francisco over half a dozen successful transactions
8 have been carried out by local community
9 organizations since the bills passing in late 2019,
10 preserving community-- preserving affordable housing
11 in a rapidly gentrifying city. It should be said,
12 however, that COPA's success in San Francisco--

13 SERGEANT-AT-ARMS: Time expired.

14 RYAN HICKEY: is amplified by the city's
15 existing small sites program which dedicates funding
16 for acquisition and renovation, which is why it is
17 crucial to actually set aside funding to incubate
18 CLT's and set aside funding streams to acquire and
19 preserve properties. And just to kind of put this in
20 perspective, you know, we acquired two new buildings
21 at the end of 2019-- and this is going back to some
22 of the questions that folks have asked beforehand.
23 So, we have a mix of limited equity co-ops, we have
24 rental apartments, and we have commercial spaces on
25 our properties. We, and that transfer property, we

2 are preserving not only affordable housing, but
3 tenant -controlled housing. So, we are doing virtual
4 leadership development, virtual trainings, virtual
5 workshops to move tenants to leaders and leaders to
6 board members. I don't think any other housing model
7 in the city really is trying to do what NYCCLI is
8 doing and, of course, we are a part of the New York
9 city Community Land Initiative. But, again, this is
10 why it is so crucial to pass COPA to stave off the
11 worst effects of a potential catastrophic housing
12 collapse in New York City. And, you know, I am
13 excited to answer any questions people may have of
14 our model and to work to pass these two bills. Thank
15 you.

16 CHAIRPERSON CORNEGY: Thank you, Ryan.

17 COMMITTEE COUNSEL: And before we move
18 on, we just want to circle back to Athena Burke off
19 to see if we can sort out this audio issue.

20 SERGEANT-AT-ARMS: Time starts now.

21 COMMITTEE COUNSEL: Athena? We still
22 can't hear you. All right. Just as a reminder for
23 anyone, if we have any technical or audio issues, you
24 are encouraged to submit testimony for the record.
25 You have until three days after the end of the

2 hearing to submit that and we will read that. Thank
3 you. So, next we will be going to Barika Williams
4 followed by Deyanira del Rio and Valerio Orcelli.

5 SERGEANT-AT-ARMS: Time starts now.

6 BARIKA WILLIAMS: Hi, everybody. Thank
7 you to Chair Cornegy and to the Council members of
8 the Housing in Buildings Committee. My name is
9 Barika Williams. I am the Executive Director at ANHD
10 Association for Neighborhood and Housing Development
11 and most of you know who we are, so I won't use up my
12 time for that. And if you will allow me, when I will
13 actually put my time to is more so answering some of
14 the things that have come up in the questions as
15 opposed to sort of rehashing anything. So, first
16 off, to pick up some more were Ryan left off with
17 Cooper Square, which is an ANHD member and one of our
18 board members, as well, is that the fear of a lost
19 opportunity for bringing in and converting many of
20 the distressed assets in this moment in time and in
21 this recession is very, very real. ANHD did a bunch
22 of work in trainings around lessons learned and
23 things that we wish we had in place, things that we
24 took too long to get in place, post the 2008
25 recession. There is a lot to be learned there that

2 we could be building on in order to be bringing in
3 more units to affordable housing in this moment in
4 time instead of losing things. And the question is
5 are we going to actually transition and put better
6 policies in place and then match that with funds and
7 resources necessary to be able to actually preserve
8 those units? I want to speak to specifically the
9 role and place of mission driven development in this
10 and I think it is important to highlight that it is
11 not the same to-- there are many developers who
12 believe and invest in their buildings and communities
13 who are not mission driven developers and we do want
14 to speak to and lifted that up. Like that is a real
15 thing. There are folks who run those buildings in
16 their communities. I am fortunate enough to live in
17 one, so I do think it is important to recognize that.
18 However, the role of mission driven development, and
19 nonprofit developers who are mission oriented, co-
20 ops, the HDFC's, land trusts, things like this are--
21 is very different and unique. They are different
22 stewards and it goes beyond--

23 SERGEANT-AT-ARMS: Time expired.

24 BARIKA WILLIAMS: building and
25 maintenance. All right. So I will skip that part.

2 I want to say on the COPA piece, the question of
3 scaling's and the concern that HPD-- the concern is
4 that HPD would do a one by one, piece by piece model
5 and what we really need to be doing is pushing the
6 city to meet the scale of what is possible in the
7 market, not letting the agency's appetite and ability
8 to set the scale of what is possible. We really need
9 to be in diverting those things. I think, for
10 Council member Rivera's question, I think an
11 important thing to lift up is that the current
12 administration has not shown its willingness to stand
13 up for the current challenge for our current right of
14 refusal, let alone an expansion, which is currently
15 under threat and legal threat at this time and the
16 administration hasn't signed on to stand with that.
17 The question of whether or not it would impact the
18 market and distort the market is, with all respect to
19 Assistant Commissioner Darga, a little bit of a red
20 herring. 421 A is a \$1 billion dollars a year
21 distortion of land values in the real estate market,
22 so that already exists. The market is already
23 distorted. And, lastly, if Council member Cornegy,
24 if you can ask me about MWBE and nonprofit, I'll be
25 able to answer that. And I will also say that I'm

2 one of the few people in this conversation who can
3 speak to COPA as a real thing. I am originally from
4 the DC area. Did the first COPA deal in Washington
5 DC in the mid-2005 and so actually have the
6 experience of tenants purchasing their building from
7 their landlord which is still working 102 unit
8 cooperative to this day.

9 COMMITTEE COUNSEL: Thank you.

10 CHAIRPERSON CORNEGY: So, thank you for
11 your testimony, Ms. Williams. I certainly would like
12 to ask you about MWBE's and nonprofits.

13 BARIKA WILLIAMS: Thank you. Sorry.

14 CHAIRPERSON CORNEGY: Wait. Wait. Wait.
15 You're muted again.

16 BARIKA WILLIAMS: Good?

17 CHAIRPERSON CORNEGY: Yes.

18 BARIKA WILLIAMS: So, I think, Chair
19 Cornegy, one of the things that was coming up and
20 that is the distinction between being a minority or
21 women-owned entity versus an MWBE and, unfortunately,
22 ANHD, we are only non-profit members, owners,
23 developers, and advocacy organizations. We run into
24 this constantly. I am very proud that I have a huge
25 part of our ANHD membership that is POC led

2 organizations, however, since they are not for-profit
3 entities, they do not qualify as MWBEs. And I think
4 that is an important thing to lift up in the
5 distinctions. So folks like Impact and Northwest
6 Bronx and AFI [sp?] and Chiya and any time that we
7 set MWBE requirements are actually excluded from
8 being a part of those set-asides and I think that
9 this is important to highlight because so many of our
10 leaders in this area of color-- not exclusively
11 because we do have great MWBE partners on the for-
12 profit side, but many of our folks end up in mission
13 oriented organizations because they want to be a part
14 of this. They want to serve their communities. They
15 do so not just in the development way, but in the
16 mission and community rooted way. And then run into
17 the fact that they are also then simultaneously
18 excluded from many of the things that focus
19 exclusively on MWBEs. So, I think that is an
20 important piece to lift up because what we don't want
21 to do is create a dynamic where we are trying to get
22 to POC ownership stakeholder ship, and investors and
23 controlling interest and, by doing so,
24 unintentionally divergent and exclude many of our POC
25 led nonprofit community organizations.

2 CHAIRPERSON CORNEGY: So, I respect and
3 appreciate that. We should probably have a call off-
4 line.

5 BARIKA WILLIAMS: Yep.

6 CHAIRPERSON CORNEGY: Thank you.

7 COMMITTEE COUNSEL: We also have a
8 question hear from Council member Lander.

9 SERGEANT-AT-ARMS: Time starts now.

10 COUNCIL MEMBER LANDER: Thank you very
11 much, Chair. And, Barika, it is good to see you.
12 Two questions that I will ask both of and then you
13 can answer and then I am done. One is, actually, I
14 just found the answer you just gave really
15 interesting and I was wondering whether you guys have
16 thought within ANHD about like what an antiracist
17 approach to nonprofit development would be and would,
18 looking at POC leadership and control be something
19 that might make sense so that we are making sure we
20 are also pulling the nonprofit affordable housing
21 sector in the direction of representing the folks
22 who, you know-- you know, and antiracist approach,
23 people of color led approach? And you could think
24 about that for co-ops, as well, obviously, if you are
25 creating a limited equity co-op that is going to be

2 owned, you know, overwhelmingly by people of color,
3 that is an ownership model that is putting wealth and
4 control in the hands of working class, low income,
5 and BIPOC New Yorkers. And then, my second
6 question is if you could just talk a little bit about
7 the scale question. Obviously, you know, part of
8 what, you know, HPD is saying, as well, we've got a
9 few CLT's and we could give them a few scraps, you
10 know, few units, but we can't have a seriously scaled
11 program because they don't yet have the capacity and
12 we are going to like make them go through a drinking
13 straw for a long, long time. So, you know, for those
14 of us who would really like to see something scaled
15 up, but, of course, do care about the resources to
16 maintain the buildings and invest in the leadership
17 that is needed, you know, what do you have to say
18 about where that capacity is in the sector and what
19 it would take to have the capacity in the sector that
20 we want?

21 BARIKA WILLIAMS: I will take the second
22 one first, if you know mine. So, I think-- and I
23 think the other person you could probably speak to
24 this is Ryan from Cooper Square experience with this,
25 as well. I think one of the challenges is that, for

2 the nonprofit sector, we are limited in our ability
3 to scale by the agency's willingness to match us,
4 right? So, let's take, in theory, that if Cooper
5 Square had been in a place in position and had the
6 funding and resources to support them--

7 SERGEANT-AT-ARMS: Time.

8 BARIKA WILLIAMS: and expanding and
9 investing in new buildings 10 years ago and then 10
10 years before that, where they would be versus what
11 happens if that opportunity comes just three years
12 ago or two or three years ago, right? So, we
13 ultimately are restricted in our ability to scale and
14 it is kind of this constant like we are in this
15 constant-- I'm bad at these things. The circles.
16 Where, you know, we constantly hear the refrain of
17 capacity, but our capacity is constrained as long as
18 there is not a pipeline, right? So, nonprofit
19 members can't-- they will say, oh, you need to show
20 more units, but if we don't have those bigger deals
21 to do, then we are not in a position to show that
22 capacity, right? Yes both nonprofit and for-profit
23 sectors have actors that struggle with their
24 portfolio and maintenance, but we also try to account
25 for that internally. ANHD runs the affordable

2 housing Institute to the trying to get everybody to
3 the place as best we can, being able to properly run
4 and manage quality buildings over time. But I think
5 the scale question is we could trickle through and do
6 a little bit here and there for the next couple of
7 months to a year and then scale up to a bigger scale
8 in three years, but at the moment in time to uphold
9 most of these units into preservation is going to be
10 in the next three years. That is the critical time.
11 So, if we don't scale up until after this crisis is
12 over, we are going to realize, oh, now we have got
13 the-- and this happened last time. Oh, we have got
14 the term sheets. We figured things out and now there
15 is no longer the buildings to then go and acquire and
16 move into a preservation portfolio and then we end up
17 with a, well, we didn't really need this because only
18 two buildings have happened with this term sheet.
19 Well, of course, because now we are on the backend
20 and there's only two buildings left. And it just
21 becomes this self-fulfilling prophecy that just gets
22 incredibly frustrating for all of us because we are
23 like, we wanted to do this three years ago when there
24 were 300 of them, right? So, and then I think to the
25 other piece, I think, to Council member Cornegy's

2 point, it is a little complicated because what we
3 don't want to do also is be put in a place, as
4 nonprofit POC led nonprofits to be competing with our
5 MWBE for-profit partners. Often times those are
6 local residents in the community, too. So, what we
7 are really trying to do is think about how we don't
8 get excluded, right? And I think that is the real
9 concern now is that we don't want our POC leaders who
10 choose to pursue a career in nonprofit industry to
11 then be excluded from the recognition of investing in
12 POC-based development. And I think that that is
13 something that we are going to have to struggle with,
14 right? Technically, my owners are my board and my
15 members, so it becomes a little complicated in
16 traditional terms to say what is your ownership and
17 do you have 51 percent people of color or women
18 ownership?

19 COUNCIL MEMBER LANDER: Thank you.

20 COMMITTEE COUNSEL: Great. Now we will
21 move on to testimony from Deyanira Del Rio followed
22 by Valerio Ocelli and Kirk Goodrich.

23 SERGEANT-AT-ARMS: Time starts now.

24 DEYANIRA DEL RIO: Okay. Can you all hear
25 me? Great. Good afternoon, Committee Chair Cornegy

2 and members of the committee. Thank you so much for
3 the opportunity to testify today. My name is
4 Deyanira Del Rio and I am the codirector of New
5 Economy Project. We're a citywide organization that
6 works to build an economy that works for all. We
7 work in coalition with grassroots groups throughout
8 the city to advance cooperative and community led
9 development, including through community land trusts
10 and social housing as well as public banking, worker,
11 and financial co-ops and other strategies. I just
12 want to make a couple of points in my verbal
13 testimony which was one that we strongly support,
14 Intro 1977, the Community Opportunity to Purchase
15 Act, as well as Intro 118 to establish a municipal
16 land bank. We strongly believe that New York City,
17 more than ever, needs transformative and community
18 led solutions to our city's affordability crises that
19 advance racial equity and adjusts recovery. Passage
20 of these bills will give communities and the city
21 itself new tools to keep New Yorkers safely housed,
22 to expand CLT's and social housing, and to curb
23 speculation in the wake of Covid 19. We want to
24 thank the Council members, Rivera and Lander, for
25 their leadership and urge the committee to advance

2 this legislation. Secondly, the legislation being
3 considered today builds on groundbreaking steps that
4 New York City has already taken to expand CLT's and
5 social housing in all five boroughs. Most notably,
6 the city Council's discretionary funding that has
7 provided absolutely vital training-- support for
8 training, incorporation of CLT's, grassroots
9 leadership development, partnerships including with
10 non-profit and other developers, property acquisition
11 and much more. I'm really sorry that you all didn't
12 get a chance to hear from Athena from East Harlem El
13 Barrio CLT which has made just massive progress in a
14 few short years. In the past couple of years, the
15 city has-- the CLT landscape has grown from one CLT
16 to more than 15 that are established or information
17 in black, brown, or immigrant neighborhoods across
18 the five boroughs from the South Bronx to
19 Brownsville, East New York, Jackson Heights, and
20 beyond. I just want to underscore that CLT's are
21 proven and flexible model. There's a lot of talk
22 about CLT's being new and untested, but they've
23 actually been in existence in high cost cities
24 throughout the country, as well as in other areas,
25 for many decades and there's many case examples,

2 proof of concept that we can show both locally and
3 nationally. The local CLT's that are taking root are
4 looking not just at affordable housing, although,
5 obviously, that's centered in their work.
6 Permanently affordable rental as well as limited
7 equity housing, but also combatting displacement of
8 local small businesses that provide critical jobs and
9 preserving green space and many other community
10 needs. CLT's also have a track record of stabilizing
11 housing in the wake of economic downturns as well as
12 natural disasters. The CLT's that we're supporting
13 throughout the city are also looking at community
14 solar and just much more, you know, holistic
15 communitywide development. By addressing
16 unaffordable and substandard housing, as well as
17 those environmental degradation and many other
18 conditions, CLT's are working to address root causes
19 of housing and health disparities in this city and
20 they are creating conditions for true community
21 safety and self-determination. So, in short, the
22 time is ripe for passage of legislation like COPA and
23 creation of a land bank and other policies that can
24 now build on the groundwork that has been laid in New
25 York City and actually direct to land and housing now

2 to these CLT's, many of which have capacity, others
3 which are partnering with experienced developers. We
4 urge that the final bill language strongly prioritize
5 CLT's and others that commit to deep and permanent
6 affordability in a meaningful community governance.
7 And as others have echoed, and have already stated, I
8 want to echo that the Council administration must
9 work to develop dedicated funding sources so that
10 CLT's and other qualified entities will have a real
11 opportunity to purchase and reach deep affordability
12 levels that their neighborhoods need. We look
13 forward to working with this committee and the
14 Council at large to finalize and ensure passage of
15 this critical legislation. Thank you so much.

16 CHAIRPERSON CORNEGY: Thank you for your
17 testimony. I asked the Commissioner about how she
18 thought CLT's will impact communities or have
19 impacted the communities. You absolutely and said
20 that in your testimony, but I just want to know if
21 you can give me the top three ways, right, for those
22 of us who don't have tremendous attention spans.
23 What are the top three ways in your opinion that
24 CLT's impact community?

2 DEYANIRA DEL RIO: I think that, first of
3 all, they have mechanisms for ongoing community
4 organizing, education, and engagement so that they
5 facilitate true community decision making over
6 development in their neighborhoods. Secondly, that
7 CLT's own and control development on a land. And
8 through that, they can ensure permanent affordability
9 working in partnership with an MHA, a limited equity
10 co-op, or any kind of entity. So those are two
11 critical ways and then the third, again, is just that
12 CLT's can support holistic community development, not
13 just housing, but thinking about all the things that
14 you need for a neighborhood to thrive, for residents
15 to have opportunities in terms of jobs, healthy food,
16 and energy that's owned by the community. And the
17 CLT's that we're working with around the city-- you
18 know, New York CLT's are in a unique position where
19 many of them are getting off the ground at the same
20 time. We did a lot of learning together through the
21 Learning Exchange. That has been mentioned. Groups
22 are working together through the city Council CLT
23 initiative and there is a laudable opportunity to
24 support collaboration and scale so that the CLT

2 movement can grow and be sustainable over the long
3 term.

4 CHAIRPERSON CORNEGY: And then, lastly,
5 you know, my statement was that I spent my entire
6 career trying to create affordability in every
7 community. It seems as though whenever we have a
8 program, whether it is good or bad, it focuses on or
9 is relegated to communities of color in parts of the
10 city that are of color. I want to know how CLT's can
11 be scaled to meet the need of affordability in every
12 single portion of our city. The way that we are
13 doing affordability doesn't have much equity, so
14 every community should be responsible for pitching in
15 to create an affordable environment and we've been
16 segregated so much as a city which, obviously,
17 impacts education and healthcare. So, the
18 disparities that the pandemic has illustrated are not
19 only those disparities in and of themselves, but they
20 are contributed to by the fact that we continue to
21 segregate ourselves as a city and the CLT's, which is
22 a new model which I happen to have an affinity for,
23 are relegated to those very communities that have
24 been insulated and the burden of affordability have
25 been cast upon, then I think we are only going to

2 continue to propagate unintentionally segregation.
3 What is your opinion about creating or making sure
4 that the model is applicable to every community and
5 not just relegated to communities that have already
6 been overburdened with having to carry affordability?

7 DEYANIRA DEL RIO: Yeah. I mean, I do want
8 to defer to some other groups that are creating CLT's
9 to talk about why they are contributed is identified
10 that as the sort of next step that they need in
11 promoting--

12 CHAIRPERSON CORNEGY: The only reason I'm
13 putting this on you is because your answers are
14 thorough and in depth. That's why I wanted you to do
15 that. It's not an indictment on you. I'm just
16 curious.

17 DEYANIRA DEL RIO: No. I mean, I will just
18 say that, you know, I think that it's a little
19 different in that the CLT's are-- again, it is not
20 just about planting, you know, one type of housing
21 development in a neighborhood or, as you know is you
22 were saying, it is share or more of affordable
23 housing. But it is really about changing the
24 underlying conditions in their communities and making
25 sure that people in the neighborhood have a say over

2 what kind of housing they get, if they get housing at
3 all, or what other kind of housing the need. So, I
4 think others here can speak more effectively based on
5 their work and sort of how, again, their community
6 members landed on CLT's and what needs they are
7 trying to meet, but your point is well taken.

8 CHAIRPERSON CORNEGY: Thank you.

9 COMMITTEE COUNSEL: Thank you. We will
10 now hear from Valerio Orcelli followed by Kirk
11 Goodrich and Hannah Anousheh. Valerio?

12 VALERIO ORCELLI: Hey. Can you hear me?

13 COMMITTEE COUNSEL: Yep.

14 VALERIO ORCELLI: Okay. Mr. Chair and
15 members of the Housing in Building Committee, my name
16 is Valerio Orcelli. I'm the project director of This
17 Land is Ours CLT. We are also members with NYCCLI
18 and I am also a founding member of Cooper's Square
19 MHA and Cooper's Square CLT. I am here to support
20 Intro 118 and Intro 1977. It is long overdue that
21 New York City establish a land bank. I support the
22 proposal to prioritize this position of properties
23 acquired by the land bank to community land trusts
24 while proposing the following additions: commitment
25 by the CLT's to explore expansion of opportunities

2 which are financially and mission compatible.

3 Secondly, CLT's should have a demonstrated capacity,

4 however, CLT's are only now becoming a citywide

5 movement with many emerging organizations. The city

6 needs to provide a capacity building funding stream

7 and by that I don't mean city Council discretionary

8 funds or enterprise grants that use Attorney General

9 office money from the settlement. A steady funding

10 stream. Third, the failure to compete with other

11 bidders, the city needs to provide substantial

12 funding for acquisition. For comparison, San

13 Francisco allocated 3 million dollars over three

14 years for capacity building under their COPA program.

15 New York City, with more than nine times the

16 population, should allocate some 27 million dollars

17 for capacity building alone. San Francisco provided

18 up to 375,000 dollars per unit and a total of 37

19 million for acquisition in fiscal year 19 and 20.

20 New York City should be able to provide some 343

21 million for acquisition. Billions in tax lien sales

22 should be prioritized for disposition of CLT's for

23 redevelopment of low income housing. The land bank

24 and COPA should also look at underutilized city owner

25 properties and that's probably owned by sanitation--

2 SERGEANT-AT-ARMS: Time expired.

3 VALERIO ORCELLI: parks-- do I have
4 some--

5 CHAIRPERSON CORNEGY: Please continue.

6 VALERIO ORCELLI: [inaudible 02:18:53]

7 CHAIRPERSON CORNEGY: Please continue.

8 VALERIO ORCELLI: Okay. By the city owned
9 property, not just HPD owned properties. They exist
10 in the Lower East Side and also Chelsea, Clinton, and
11 the Upper West Side. It was mentioned by Ryan from
12 Cooper Square that their housing affordability level
13 at Cooper is 30 percent of AMI and that has been true
14 for the last 25 years. And the reason being that we
15 have relied on for capable loans and enforcement
16 mortgages to the extent that you have to borrow money
17 to create the renovation that does not result in
18 deeply affordable housing. That is something that
19 city Council needs to address. Thank you.

20 CHAIRPERSON CORNEGY: Thank you for your
21 testimony.

22 COMMITTEE COUNSEL: We will now hear
23 from Kirk Goodrich followed by Hannah Anousheh and
24 Izoria Fields. Kirk?

25 SERGEANT-AT-ARMS: Time starts now.

2 KIRK GOODRICH: Good afternoon. My name
3 is Kirk--

4 COMMITTEE COUNSEL: Oh. You got muted
5 again. We have to unmute you once more. There you
6 go.

7 KIRK GOODRICH: Good afternoon. My name
8 is Kirk Goodrich. I am president of Monadnock
9 Development and chair of NYSAFAH. I am offering
10 testimony in opposition to Intro 1977. There seems
11 to be a sense among the sponsors of this legislation
12 that maximizing the ownership of multifamily housing
13 assets in New York City by nonprofits is an ideal
14 outcome for New Yorkers, although it is a fact that
15 affordability is dictated by regulatory agreements
16 and has nothing to do with the nonprofit status of
17 owners. As someone who has spent the last 25 years
18 financing and codeveloping projects with nonprofits,
19 I don't need anyone to convince me of the greatness
20 of community development corporations. While I am
21 predisposed to see nonprofits as heroic institutions,
22 they have limitations and there are problems that
23 they cannot be expected to adequately address. Chief
24 among them is the most intractable problem of the
25 last century plus which persists to this day. The

2 massive wealth disparity between black and white
3 households. The median black household has just 13
4 percent of the wealth of the median white household.
5 This has everything to do with federal policies which
6 reinforce and extend patterns of racial
7 discrimination in the real estate and finance
8 industries. Despite the Civil Rights Act in 1968 and
9 decades of social housing initiatives, including
10 CLT's and limited equity co-ops, the wealth gap
11 persists. Unfortunately, this problem has never been
12 given the amount of attention in the community
13 development world that it deserves. Instead of only
14 exploring ways to enhance nonprofit ownership, we
15 should be focused on enabling hard-working New
16 Yorkers, particularly those of color, who have been
17 left behind to accumulate assets and close the wealth
18 gap. This would allow families from historically
19 disenfranchised groups to borrow money, to pay for
20 education, start businesses. We need an affordable
21 housing policy that sees people of color as more than
22 just tenants and clients. Thank you.

23 COMMITTEE COUNSEL: We will now hear
24 from Hannah Anousheh followed by Izoria Fields and
25 Sahara San.

2 SERGEANT-AT-ARMS: Time starts now.

3 HANNAH ANOUSHEH: Good afternoon, Council
4 member Cornegy. Thank you for the opportunity to
5 speak. My name is Hannah Anousheh and I am the
6 coordinator of the East New York Community Land Trust
7 and I am also on staff at Cypress Hills local
8 development Corporation which has a long history of
9 building and preserving deeply affordable housing in
10 East New York. The East New York Community Land
11 Trust is a grassroots people of color led nonprofit
12 founded by East New York and Brownsville residents
13 dedicated to preserving affordable housing for future
14 generations and building the generational wealth of
15 the whole community. We are excited to announce that
16 we recently incorporated as a nonprofit and we have
17 been organizing more aggressively than ever during
18 the pandemic. We are also members of the NYCCLI
19 coalition. We believe that the land bank and that
20 community opportunity to purchase legislation are
21 crucial steps that the city must take now to move
22 property out of the speculative real estate market
23 and into community ownership. Over the last six
24 months, East New York has been leading the fight to
25 abolish the tax lien sale. I want to highlight that

2 the city could replace the tax lien sale with a
3 system that involves transferring distressed
4 properties to the land bank which would then transfer
5 the properties to CLT's. I also want to point out
6 that CLT's work in partnership with mission driven
7 nonprofit developers like ours-- or developers, so
8 prioritizing new CLT's like ours does not preclude
9 land disposition to experience to nonprofit
10 developers. It just adds a necessary layer of
11 community stewardship and also ensures that the
12 housing is permanently affordable. So, I just want
13 to conclude by saying that we are looking forward to
14 working with Council to make sure that CLT's are
15 prioritized and that these builds are tied to
16 permanent funding streams. In order to promote
17 social housing, the city really must inaudible
18 02:24:11]--

19 SERGEANT-AT-ARMS: Time expired.

20 HANNAH ANOUSHEH: budget and we believe
21 that the city can do this by defunding the NYPD and
22 reinvesting funds to social housing. Thank you for
23 your time.

24 CHAIRPERSON CORNEGY: Thank you.

2 COMMITTEE COUNSEL: Now, we will hear
3 from Izoria Fields followed by Sahara San and Deborah
4 Ack.

5 SERGEANT-AT-ARMS: Time starts now.

6 COMMITTEE COUNSEL: Izoria?

7 IZORIA FIELDS: Hello?

8 COMMITTEE COUNSEL: Yes. We hear you.

9 IZORIA FIELDS: Hello, everyone. Thank
10 you for the opportunity to speak on today. My name
11 is Izoria Fields and I am with the B Snark Community
12 Land Trust then we are also a part of NYCCLI which is
13 the New York City-- Sorry. Which is the New York
14 City Community Land Initiative. And as a member of
15 the East New York Community Land Trust, I come to you
16 stating that we need to take bold action to make sure
17 that property is taken care of and used to house
18 people within our communities. As an organization,
19 we have surveyed hundreds of lots that are city
20 owned; owned by HPD and other city entities that
21 could be used for housing our people and it is not
22 being used in that manner or any manner at the
23 current time. And we need to take bold action and
24 specifically on the city owned properties as has been
25 done in other cities across the nation, including

2 Philadelphia and Los Angeles. Now, Covid has also
3 added to our housing crisis causing more families to
4 be displaced and, due to Covid, we have seen a pause
5 in evictions and foreclosures, however, once the rent
6 moratorium, the eviction moratorium is lifted, then
7 we may see a huge influx of evictions and things like
8 that in housing court and so we have even more people
9 we have to be concerned about housing. And we are in
10 support of the land bank as a method to actually--

11 SERGEANT-AT-ARMS: Time expired.

12 IZORIA FIELDS: Sorry?

13 CHAIRPERSON CORNEGY: Your time is
14 expired, but please finish her statement.

15 IZORIA FIELDS: Okay. Sorry. We are in
16 support of the land initiative. Thank you.

17 CHAIRPERSON CORNEGY: Thank you for your
18 testimony.

19 COMMITTEE COUNSEL: Thank you. We are
20 actually now going to move forward to Deborah Ack
21 followed by Lyric Thompson and John Kaminski.
22 Deborah?

23 SERGEANT-AT-ARMS: Time starts now.

24 DEBORAH ACK: Good afternoon, Council, and
25 Council on Housing and Buildings. My name is Deborah

2 Ack and I am a resident of East New York and have
3 been a resident here for 10 years-- 12 years just
4 about. I am a board member of the East New York
5 Community Land Trust, which is a not-for-profit
6 organization also affiliated with NYC-- with the
7 NYCCLI coalition. The East New York Community Land
8 Trust is a grassroots-- sorry. Not-for-profit
9 founded by community residents dedicated to
10 preserving affordability for future generations in
11 building the generational wealth of our community.
12 We know that the time is right to create a community
13 land trust because of the lessons we learned from the
14 last economic crisis. Our fight for community
15 control of the land is urgent. The pandemic is
16 likely to exacerbate the predatory real estate
17 activity as private financial actors look to take
18 advantage of the real estate down cycle and resident
19 increase economic vulnerability. I am excited to
20 also announce that the East New York CLT has just
21 recently been incorporated as a nonprofit
22 organization. I here to testify in support of the
23 Intro 1977 - 20, the Community Opportunity to
24 Purchase legislation, better known as COPA, and also
25 the 118 - 18 land bank legislation. We need the city

2 Council to take bold action to create this real
3 social housing in New York City and that means
4 prioritizing CLT use when it comes to land
5 disposition. East New York CLT has been leading the
6 fight to abolish the tax lien sale. When the city
7 abolishes the tax lien sale, it could transfer--

8 SERGEANT-AT-ARMS: Time expired.

9 DEBORAH ACK: any foreclosed properties to
10 land bank-- to a land bank which would then transfer
11 the properties to CLT's and the other mission driven
12 non-profits. CLT's work with mission driven non-
13 profit developers, so prioritizing CLT's does not
14 preclude land disposition to non-profit developers.
15 It just adds a necessary layer of community
16 stewardship. With the COPA legislation, it will
17 ensure that communities are taking care of each
18 other. Who better to do this than the people of the
19 community? I implore you now to advance these two
20 legislations. Thank you for your time.

21 CHAIRPERSON CORNEGY: Thank you for your
22 testimony.

23 COMMITTEE COUNSEL: We will now hear
24 from Lyric Thompson followed by John Krinsky and Isla
25 Herrington. Lyric?

2 SERGEANT-AT-ARMS: Time starts now.

3 LYRIC THOMPSON: Hello. Hello. Can you
4 hear me?

5 CHAIRPERSON CORNEGY: Yes.

6 LYRIC THOMPSON: Hi, Council member
7 Cornegy. How are you doing?

8 CHAIRPERSON CORNEGY: Good, Lyric. How
9 are you?

10 LYRIC THOMPSON: I'm still waiting for
11 you to call me. I am here to speak about HPD
12 accountability or the lack thereof. We talk a good
13 game about affordable housing and affordable housing
14 is extremely important. I have been an area that is
15 gentrifying and, to be straight with you, I can't
16 walk down the street without meeting somebody that is
17 getting screwed in their rent-stabilized apartment.
18 In particular, I would like to bring up as an example
19 the MPLP program. Last week on Twitter I saw an
20 advert by HPD for some new buildings accepting
21 applications now. 16 newly renovated apartments at
22 2110 2185 Amsterdam Avenue, 2488 Seventh Avenue, and
23 2794 Eighth Avenue. All units are rent-stabilized
24 and start at 695 a month. Not one of those buildings
25 is registered with the Department of Housing

2 Preservation and Development. How are the tenants
3 supposed to know of their legal status if they don't
4 bother to register the apartments? Which brings me
5 to my issue with HPD. A lack of oversight. It's
6 abusive and it is extremely expensive for our city
7 when we have no oversight over these programs. I am
8 in a 421 A building that was never completed. Rather
9 than properly registering our building, HPD assembly
10 rubberstamped the application, ignored all the
11 fraudulent filings, and through us at 311. We have
12 had over 300 inspections before I realized the
13 entrance door on our building wasn't fire rated
14 which, Council member Cornegy-- I'm going ask you
15 again, sir, please have an oversight hearing into why
16 HPD is not upholding the standards, you know,
17 regarding entrance doors. You know, it's a matter of
18 public safety that these doors are kept up to code.
19 One would've thought that the Bronx fire would've
20 taught our city something, but we seem to hold onto
21 an issue for about 10 seconds and then we just--

22 SERGEANT-AT-ARMS: Time expired.

23 LYRIC THOMPSON: Council member Cornegy,
24 the tenants at the Decatur buildings are still
25 waiting for you to fulfill the promise you gave us

2 two years ago when you said we're going to have a sit
3 down with HPD and straighten all this out. Why have
4 you chosen to ghost us rather than help us? And
5 that's all I have to say.

6 CHAIRPERSON CORNEGY: Thank you, Lyric.
7 I'm very proud that you now have a new Council member
8 who is one of the most active and engaged Council
9 members in Dharma Diaz. I'm actually working with
10 her to follow up with her on what she needs to do on
11 the ground. We've already had several meetings on
12 this and other meetings that are germane to HPD and
13 her district. So, I'll be following up with Council
14 member Diaz. Thank you.

15 COMMITTEE COUNSEL: We will now hear
16 from John Krinsky followed by Ayo Harrington. John?

17 SERGEANT-AT-ARMS: Time starts now.

18 JOHN KRINSKY: Chairperson Cornegy,
19 members of the Housing and Buildings Committee, thank
20 you for providing the opportunity to testify this
21 afternoon. I hope you and yours are and remain well.
22 My name is John Krinsky and I'm a professor of
23 political science and community change studies at
24 City College and a founding board member [inaudible
25 02:33:33] city community land initiative on behalf of

2 which I testify. NYCCLI is an eight year old
3 coalition of neighborhood based and citywide housing
4 groups, community developers, and economic justice
5 organizations and supporting organizations. We
6 advocate for the expansion of community land trusts
7 across the city to meet flexibly many of the
8 challenges the city faces in providing deeply and
9 permanently affordable housing, as well as other
10 community valued land uses. And as you saw, many of
11 the organizations testifying today are members of
12 NYCCLI. We're excited to support Intro 1977, COPA,
13 and thank Council member Rivera for her leadership on
14 the issue. COPA would level the playing field for
15 community based, mission driven housing groups such
16 as community land trusts and help them to acquire
17 property for long term stewardship and deeply
18 affordable housing and other uses. It's important,
19 moreover, to develop funding streams that will make
20 the opportunity to purchase real. We hope to discuss
21 in the coming weeks and months ways to raise revenue
22 for capital grants and deeper subsidy for community
23 based acquisitions and stewardship of property. We
24 are also excited to support Intro 118 A which would
25 create a land bank for New York City. This bill

2 thanks the leadership of Council member Lander is
3 another important step in helping community land
4 trusts and other nonprofits access land. A further
5 bill not being considered today would prioritize
6 community land trusts and other mission driven
7 nonprofits for public land disposition in these bills
8 recognize the centrality of the government in
9 directing our most precious resource, land, to people
10 or to profiteers and they prefer the former over the
11 latter in a break from decades of city policy. As a
12 coalition of community land trusts, NYCCLI wishes to
13 emphasize the importance of their strengths even
14 relative to other nonprofit organizations.

15 SERGEANT-AT-ARMS: Time expired.

16 JOHN KRINSKY: They emphasize permanent
17 affordability and a certain flexibility. All right.
18 They can work with nonprofit housing developers and
19 even potentially Mitchell Lama style landlords.
20 Mutual housing associations and limited equity
21 cooperatives and even single family homeowners, while
22 providing an extra level of stewardship expertise and
23 economies of scale. In addition, CLT's can work with
24 small businesses, whether retail or light industrial
25 uses, making possible genuine local develop

2 [inaudible 02:35:47] where it might otherwise be
3 priced out. CLT's around the country have worked
4 with occupied [inaudible 02:35:53] question before.
5 Further, CLT stewardship has historically protected
6 low and moderate income homeowners, too. The limits
7 on equity for homes on CLT owned land are compensated
8 by the protection of housing from many foreclosure
9 risks. In the 2008 crisis, foreclosure and the loss
10 of equity in many black and brown households was that
11 minuscule levels on CLT owned land. As we face a
12 crisis of epic proportions-- epic because of Covid's
13 health and economic effects only add to the severe
14 housing and homelessness crisis for small businesses
15 in the jobs that went with them, we have a chance to
16 intervene in areas of the real estate market that are
17 at the root of the problems we face and we can move
18 towards a more economically and racially just city
19 and these bills are critical steps on this path. I
20 would also just note that we understand that the city
21 is facing some of the most serious budget shortfalls
22 it has for several generations and, yet, even as we
23 may look forward to some federal aid, it is important
24 to work on investing NYCCLI in investing wisely in
25 the future and it's [inaudible 02:36:59] to raise at

2 this point that police, over time, has amounted to
3 nearly three quarters of a billion dollars in the
4 last year alone and further funds will likely be due
5 from lawsuits against its protest and policing
6 tactics. So, last summer's call to reallocate
7 funding from the NYPD's budget to create
8 opportunities for deeper justice still resonate and
9 so do calls for prioritizing housing over shelters
10 which now costs in the billions. Further, because up
11 front capital subsidy for affordable housing is one
12 of the most important elements of reaching deep
13 affordability, it makes funding to acquisition and
14 renovation. Others to fund affordable housing.
15 [Inaudible 02:37:41] to consider, as well, at a
16 significant level while CLT's could actually preserve
17 that-- the value of that subsidy in perpetuity
18 because of the 99 year renewal ball ground leases
19 that they provide. Thank you.

20 CHAIRPERSON CORNEGY: Thank you for your
21 testimony.

22 COMMITTEE COUNSEL: We will now hear
23 from Ayo Harrington and then we will circle back to
24 Athena Berncopf one more time just to see if he is
25 still working on his audio issues.

2 CHAIRPERSON CORNEGY: Thank you, Austin.

3 SERGEANT-AT-ARMS: Time starts now.

4 COMMITTEE COUNSEL: You are still
5 muted. One moment.

6 AYO HARRINGTON: Hi. Good afternoon. I
7 can attest to the fact that community land trusts
8 have existed for decades.

9 CHAIRPERSON CORNEGY: Ms. Harrington?

10 COMMITTEE COUNSEL: We may have just
11 lost Ms. Harrington. One moment. In the meantime,
12 can we circle back to Athena one more time to see if
13 this audio works?

14 ATHENA BERNCOFF: Can you all hear me?

15 COMMITTEE COUNSEL: We can. Yes.

16 CHAIRPERSON CORNEGY: Welcome. Welcome.

17 ATHENA BERNCOFF: Thank you. Thank you
18 for trying again.

19 SERGEANT-AT-ARMS: Time starts now.

20 COMMITTEE COUNSEL: Oh. You are muted
21 again. One moment.

22 ATHENA BERNCOFF: Can you all hear me?

23 COMMITTEE COUNSEL: Yes.

24 ATHENA BERNCOFF: Apologies.

25 CHAIRPERSON CORNEGY: Yes.

2 ATHENA BERNCOF: Thank you, again, for
3 circling back to me. I'm Athena Berncopf. I am the
4 project coordinator at the East Harlem El Barrio
5 Community Land Trust, also a member of NYCCLI. I'm
6 here to speak in support about the land bank and COPA
7 bills which we believe to be important steps towards
8 a just recovery for a city in crisis. We know New
9 York City was in a housing crisis before Covid hit
10 the scene. The city has spent millions of dollars on
11 temporary and ineffective solutions to confront the
12 outrageous number of people who are homeless every
13 night or people who are constantly on the verge of
14 eviction throughout the city. If a fundamental goal
15 of ours collectively used to preserve affordable
16 housing then one of the most direct steps we can take
17 to counter this is to give communities the
18 opportunity to stay in and invest in the places where
19 they already live. Similarly, the fundamental goal
20 is to restore affordable housing in the face of all
21 that has been lost. There needs to be more
22 deliberate mechanisms on the city level for directing
23 land and property towards that purpose. The COPA and
24 land bank bills are practical steps towards keeping
25 people how most, ensuring long-term housing

1 insecurity, and increasing the affordable housing
2 stock in the city. By prioritizing community land
3 trusts , both the bills account for the support
4 systems necessary to implement these policies in
5 alignment with the needs of black and brown working
6 class communities. CLT's center of the leadership of
7 community members and actively build up community
8 planning capacity through organizing, as well as
9 stabilizing properties through long-term renewal ball
10 ground leases. As mentioned earlier, East Harlem El
11 barrio CLT and our partners, mutual housing
12 Association, recently acquired for residential
13 properties, some of which also have commercial
14 spaces. It should be noted that many of the current
15 tenants of these buildings have been living in
16 terrible conditions or completely displaced from
17 their own homes for over a decade. We are working
18 correctly with our community-based developer
19 partnered to the rehab and improve the conditions in
20 the properties and also develop a training series to
21 equip residents to engage meaningfully in the
22 stewardship of their homes and of spaces for local
23 businesses. And, with that said, CLT's are not only
24

2 a viable option in New York, they are already here
3 and growing.

4 SERGEANT-AT-ARMS: Time expired.

5 ATHENA BERNCOFF: And an expanded CLT
6 ecosystem will allow for more and more communities to
7 be equipped to effectively put these sorts of
8 legislation into effect as well as to contribute to
9 the large and more effective equitable community
10 planning processes throughout the city. It's our
11 hope that these bills will also prevent more families
12 from the years' long struggle of securing rehab and
13 operations support like the experience of some of the
14 East Harlem El Barrio Community members. Of course,
15 any purchasing policy must be connected to permanent
16 funding streams that allows community members to
17 actually access and participated in some of these
18 high cost transactions. We urge city Council to
19 establish these bills, move the legislation forward,
20 but also invest in the resources needed to make them
21 effective. Thank you.

22 CHAIRPERSON CORNEGY: Thank you.

23 COMMITTEE COUNSEL: Thank you. Will
24 circle back to Ayo Harrington now.

25 SERGEANT-AT-ARMS: Time starts now.

2 AYO HARRINGTON: Okay. Hello? Okay.
3 Sorry about that. So, I just wanted, very quickly,
4 Rain Community Land Trust is over 30 years old. It
5 is the first community land trust in New York State.
6 I am a long time resident since the 60s on the lower
7 East side and, for the record, we are located in
8 Council member Rivera's district. So, our trust
9 evolved from the squatting movement. I was lucky, as
10 a mom, to find a group of people already organizing
11 to secure a band and affordable housing in the
12 neighborhood. Long story short, today we are nine
13 buildings. We have a 99 renewable ground lease with
14 our buildings. There are over 86 families in our
15 building and the original families, like me,
16 literally gutted with our bare hands-- no modern-day
17 equipment-- our buildings with our bare hands.
18 Building and renovating. While Rain is a land trust,
19 it is also made up of all HDFC's. HDFC's should--
20 enjoyed great support from HPD in the early years.
21 The city support has largely disappeared over the
22 years. Many of the HDFC's, as a result-- well-
23 intentioned, but suffered tax lien sales, they are no
24 longer affordable to our community. On the other
25 hand, without any consequence whatsoever from the

2 city, tasked with monitoring HDFC's, if you have sold
3 for over half a million dollars and, at least two in
4 recent years for over \$1 million dollars. How did
5 this happen and what did it do? It takes every
6 single one of those units out of affordable housing
7 for members of our community. So, we are in support
8 of Intro 118 A and 1977, as well. They are both
9 needed to safeguard existing affordable housing and
10 to secure more of it. However, like one of the last
11 speakers, we are very concerned, should they be
12 approved, of how the city will provide sufficient
13 funding--

14 SERGEANT-AT-ARMS: Time expired.

15 AYO HARRINGTON: and oversight of these
16 initiatives. And we recommend that the city start
17 with buildings that are on the tax lien sale and
18 specifically the 33,000 units of HDFC's which might
19 be in financial distress right now before a new
20 generation of gentrifiers takes over these buildings,
21 as they already have started to-- so that remain
22 affordable in perpetuity which was the intention of
23 the state law. And, finally, while I applaud the
24 work of so many good intentioned organizations that
25 have done much to move this conversation forward, I

2 would like for Black Lives Matter to not just be a
3 slogan and to be a very much a part of the details in
4 these laws and executing them and the oversight. So,
5 on behalf of Rain CLT, I look forward to working with
6 your committee to make them a reality. Thank you so
7 much.

8 CHAIRPERSON CORNEGY: So, Ms. Harrington,
9 hi and thank you for your testimony. I'm curious as
10 to why, in previous testimonies, there were only two
11 CLT's that were mentioned and yours wasn't mentioned.

12 AYO HARRINGTON: I couldn't begin to tell
13 you that. Maybe we can have an offline conversation
14 about it.

15 CHAIRPERSON CORNEGY: Okay.

16 AYO HARRINGTON: But, again, Rain
17 Community Land Trust was the very first community
18 land trust in all of New York State.

19 CHAIRPERSON CORNEGY: Okay. Well, if
20 somehow you could drop your-- Well, I will find you.
21 I would love to be able to carry on this conversation
22 and see whether or not I am missing CLT's in the city
23 that weren't mentioned earlier. I would be of grave
24 concern to me.

2 AYO HARRINGTON: Understood. Thank you.
3 Thank you for your testimony.

4 COMMITTEE COUNSEL: Thank you. This
5 actually concludes our public testimony, so if we
6 have inadvertently forgotten to call on someone to
7 testify, if you could raise your hand now using the
8 zoom raise hand function, we can hear from you.
9 Seeing none, I will turn it over to Chair Cornegy to
10 close the hearing.

11 CHAIRPERSON CORNEGY: Again, I want to
12 thank my colleagues for joining me today. I want to
13 thank the advocates who testified. I think it is
14 very important at this particular juncture when we
15 are having deep conversations about recovery and
16 resiliency and riveting and shifting to make sure the
17 new model is considered as we go forward of
18 affordability for the hard-working families in the
19 city of New York. Thank you for this hearing. It is
20 now concluded.

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1 COMMITTEE ON HOUSING AND BUILDINGS

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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 February 22, 2021