

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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April 10, 2018
Start: 1:24 p.m.
Recess: 3:40 p.m.

HELD AT: Council Chambers - City Hall

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

COUNCIL MEMBERS: Fernando Cabrera
Margaret S. Chin
Rafael L. Espinal, Jr.
Mark Gjonaj
Brad Lander
Bill Perkins
Carlina Rivera
Helen K. Rosenthal
Ritchie Torres
Jumaane D. Williams
Speaker Corey Johnson

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

Leila Bozorg
Deputy Commissioner for Neighborhood
Strategies
New York City Department of Housing,
Preservation and Development

Matthew Murphy
Deputy Commissioner of Policy and Strategy
New York City Department of Housing,
Preservation and Development

Molly Park, Deputy Commissioner for
Development
New York City Department of Housing,
Preservation and Development

Tahica Fredericks
Board Member and Resident Leader
Banana Kelly Community Improvement
Association

Harry DeRienzo
President and CEO
Banana Kelly Community Improvement
Association

Wanda Swinney
Board Member and Council Leader
Banana Kelly Community Improvement
Association

Gregory Jost
Director of Organizing
Banana Kelly Community Improvement
Association

Berica Williams
Community Development Program of the Urban
Justice Center in the Equitable
Neighborhoods Practice

Adrien Weibgen, Attorney
Community Development Program of the Urban
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Veronica Cook, Staff Attorney
Civil Rights Justice Initiative
Legal Services and Member of the LSSA 2320

Marica Diaz, Director
Tenants' Rights Coalition
Legal Services and
Member of the LSSA 2320

Chinera Pierce
Policy Coordinator
New York Fair Housing Justice Center

Jawke Quomas [phonetic]

Albert Scott
Chairman and CEO
Homeowners' Association in East New York
Affiliated with the Coalition for
Community Advancement for Cypress Hills
East New York

Brother Paul Mohammed, Chair
Public Safety
Community Board 5
Land Use Committee

2 JOHN BEONDO: This is a microphone check.
3 Today's date is April 10, 2018. Committee Hearing on
4 Housing and Buildings being recorded by John
5 Beondo[phonetic].

6 CHAIRPERSON CORNEGY: [gavel] I'm Council
7 Member Robert Cornegy, Chair of the Committee on
8 Housing and Buildings and I'm joined today by Council
9 Member Cabrera and Council Member Perkins. Council
10 Member Gjonaj was just here as well as Council Member
11 Espinal. On April 11, 1968, seven days after the
12 assassination of Reverend Dr. Martin Luther King,
13 Jr., President Lyndon Johnson signed into law Title 8
14 of the Civil Rights Act of 1968, commonly known as
15 the Fair Housing Act. The legislation was
16 cosponsored by then Senators Edward Brook and Walter
17 Mondale and advanced an ambitious and progressive
18 vision to eliminate housing discrimination and
19 residential segregation in this country. As
20 envisioned, the Fair Housing Act is an important tool
21 for achieving both justice and equity. In signing
22 the bill, President Johnson proclaimed that long last
23 fair housing for all is now a part of the American
24 way of life. We've come sort of the way, but not
25 near all of it. Today marks the 50th anniversary of

2 the passage of the Fair Housing Act and our hearing
3 today is aimed at advancing policies that move us
4 closer to being a City where fair housing and
5 opportunity are the norm in all communities. Fair
6 housing is not just an important tool for eliminating
7 discrimination. It also helps to strengthen
8 families, communities, businesses and our overall
9 country. From filming of the letter and the spirit
10 of law means that every community can be a place of
11 opportunity where people can live in diverse,
12 inclusive, accessible neighborhoods with quality
13 schools, healthy foods, meaningful jobs, health care,
14 green spaces, quality credit and the other
15 opportunities that frame and affect our lives. Today
16 we'll hear three bills related to the City's creation
17 and preservation of affordable housing, Intro 601
18 which will require the Mayor to submit an annual fair
19 and affordable housing plan to the Council, Intro 607
20 which will require that any plan developed by the
21 City for the creation or preservation of affordable
22 housing be created in a manner that affirmatively
23 furthers fair housing and Intro 722 which will
24 require the Department of Housing, Preservation and
25 Development known as HPD to annually report on

2 expiring affordable housing units to the Council.

3 Briefly and in a few moments, Speaker Corey Johnson

4 will speak on the intro of these bills. I'd like to

5 remind everyone who'd like to testify today to please

6 fill out a card with the sergeant and we'll be

7 sticking to a three minute clock for all public

8 testimony. I will now have the oath administered.

9 COUNSEL: Do you affirm to tell the

10 truth, the whole truth and nothing but the truth in

11 your testimony before this committee and to respond

12 honestly to Council Member questions?

13 LEILA BOZORG: Yes.

14 CHAIRPERSON CORNEGY: Before you can

15 begin your testimony, if you could just identify

16 yourselves for the record.

17 LEILA BOZORD: Leila Bozorg, Deputy

18 Commissioner of Neighborhood Strategies at HPD.

19 MATT MURPHY: Matthew Murphy, Deputy

20 Commissioner of Policy and Strategy at HPD.

21 MOLLY PARK: Molly Park, Deputy

22 Commissioner for Development at HPD.

23 CHAIRPERSON CORNEGY: You can begin,

24 thank you.

25

2 MATT MURPHY: Thank you Chair. Good
3 afternoon Chair Cornegy, Speaker Johnson and members
4 of the Housing and Buildings Committee. My name is
5 Matt Murphy and I'm the Deputy Commissioner of Policy
6 and Strategy for the New York City Department of
7 Housing, Preservation and Development which I'll
8 refer to as HPD. I'm joined today by Leila Bozorg,
9 Deputy Commissioner for Neighborhood Strategies and
10 Molly Park, Deputy Commissioner for Development.
11 Thank you for the invitation to testify on the topic
12 of fair housing and on the three bills presented
13 today. Introduction 601 which would require the
14 submission and reporting on an affordable housing
15 plan to the Council, Introduction 607 which would
16 require that the City's affordable housing plan must
17 affirmatively further fair housing and Introduction
18 722 which would require HPD to annually report on
19 expiring affordable housing units. As Mayor de
20 Blasio shared at his State of the City address
21 earlier this year, we are working to make New York
22 City the fairest big city in America. Fair housing
23 is critical to this vision. We know that New York
24 City is a City of opportunity but this opportunity is
25 not shared equally by all New Yorkers due to

2 historical and contemporary injustices which includes
3 the legacy of housing discrimination and segregation.
4 Where New Yorkers live impacts their access to jobs,
5 economic opportunity, education, safety, public
6 transit, health outcomes and other important
7 opportunity indicators which is why it's critical
8 that our affordable housing investments work to
9 foster inclusive communities, promote fair housing
10 choice and increase access to opportunity for all New
11 Yorkers. As the Chair mentioned, tomorrow marks the
12 50 year anniversary of the passage of the Fair
13 Housing Act. On April 11, 1968, the federal
14 government passed the legislation as a part of the
15 Civil Rights Act of 1964. The Fair Housing Act among
16 other reforms outlawed housing discrimination and
17 required municipalities to affirm limiting further
18 fair housing. The 1968 Fair Housing Act protects
19 people against discrimination when they are renting,
20 buying or securing financing for any housing based on
21 seven federally protected classes, race, color,
22 national origin, religion, sex, disability and the
23 presence of children. This federal law strengthened
24 by the New York State Human Rights Law and the New
25 York City Human Right Law which include additional

2 protected classes like source of income, age, sexual
3 orientation and military status. Every five years
4 the U. S. Department of Housing and Urban
5 Development, HUD, required municipalities in regions
6 under this obligation to conduct and publish an
7 analysis of impediments to access the remaining
8 impediments to fair housing choice. In 2015,
9 President Obama's administration updated guidance on
10 obligations to affirmatively further fair housing
11 known as the AFFH Final Rule. The AFFH Rule
12 addresses a historic absence of regulatory guidance
13 on fair housing by clarifying and strengthening the
14 obligation to affirmatively further fair housing.
15 According to this rule, AFFH means taking meaningful
16 actions in addition to combating discrimination that
17 overcome patterns of segregation and foster inclusive
18 communities free from barriers that restrict access
19 to opportunity based on protective class
20 characteristics. In addition, these new guidelines
21 required jurisdictions receiving federal funds to
22 conduct an expanded evaluation known as the
23 assessment of fair housing or AFH in order to
24 continue to receive federal funding. The 2015 AFFH
25 rule outlines a balanced approach to clarify how

2 jurisdictions can take meaningful actions to promote
3 fair housing. A balanced approach means that cities
4 pursue what are called mobility and play space
5 strategies. Mobility strategies include increasing
6 the availability of affordable housing including
7 mixed income housing in areas of opportunity such as
8 through targeted siting, new construction, and the
9 removal of existing regulatory barriers. Play space
10 strategies include building rehabilitation as a part
11 of a concerted community revitalization effort, new
12 construction of mixed income housing and coordinated
13 investments in housing, schools, transit, health care
14 and other amenities to increase access to
15 opportunity. On the ground, this balanced approach
16 means creating and preserving affordable housing in
17 areas with good schools, public transportation and
18 access to other community assets and ensuring that
19 neighborhoods long neglected by the private market,
20 such as Brownsville or Far Rockaway, get the public
21 investments and opportunities they need to thrive.
22 Under Housing New York, the City is committed to
23 pursuing both of these strategies to expand housing
24 choice.

2 LEILA BOZORG: So, earlier this year HUD,
3 under the current President Trump, delayed
4 implementation of the required assessment of fair
5 housing. The due date was pushed back five years for
6 most jurisdictions meaning that New York City's
7 assessment of fair housing which was previously due
8 in 2019 would now not be required until 2024 and our
9 2019 analysis would revert back to the suggestions
10 HUD made guidance in 1996. That's the analysis of
11 impediments. We believe that delaying the
12 implementation of AFFH undermines an important tool
13 to keep cities accountable to addressing decades of
14 discrimination so regardless of delays at the
15 national level, the City of New York remains
16 committed to data driven, collaborative, fair housing
17 planning process and we've formalized this process
18 into initiative we're calling Where We Live NYC which
19 will address these same issues and content of the
20 assessment of fair housing and culminate in a final
21 public report. Through this process we will also
22 depend our analysis to focus on fair housing
23 challenges relevant to New York City as a high cost
24 city. As the City of New York, we take seriously our
25 obligation to affirmatively further fair housing. We

2 are working to combat individual housing
3 discrimination and we are ensuring our housing and
4 community development investments are creating
5 greater access to opportunity and housing choice so
6 building on the work that we already do, we see Where
7 We Live NYC as a critical step in furthering fair
8 housing. Where We Live NYC represents a
9 comprehensive, fair housing planning process to
10 study, understand and address patterns of residential
11 segregation and concentrated poverty in our
12 neighborhoods and how these patterns impact New
13 Yorkers access to opportunity including jobs,
14 education, safety, public transit and positive health
15 outcomes. Where We Live NYC will include extensive
16 community participation throughout all aspects of the
17 process as well as data and policy analysis that will
18 culminate with the release of a public report in the
19 fall of 2019. The report will include measurable
20 goals and strategies that are designed to foster
21 inclusive communities, promote fair housing choice,
22 and increase access to opportunity for all New
23 Yorkers. These goals and strategies will consider
24 all existing and new policies related to the
25 allocation of housing resources and other

2 investments. We see this as a unique opportunity for
3 us to zoom out from discussing individual development
4 projects or land use actions with the ultimate
5 purpose of promoting fair housing and equitable
6 access to opportunity for all New Yorkers so HPD will
7 be leading a robust and inclusive engagement process
8 to collect meaningful input from stakeholders
9 including community organizations and neighborhood
10 residents to inform this work. We want to better
11 understand how fair housing issues play out in the
12 lives of New Yorkers with a focus on seeking out
13 populations protected by fair housing law as well as
14 populations, communities and neighborhoods that
15 historically have been left out of government
16 decision making. We've divided our engagement
17 process into three key phases. We'll start with what
18 we call the learned phase which is gonna set the
19 ground work for the Where We Live NYC planning
20 process. It's an opportunity for members of our
21 stakeholder group representing a broad spectrum of
22 experts including community based organizations,
23 research organizations and community development
24 professionals to respond to our initial data, discuss
25 existing conditions and identify and prioritize

2 factors that contribute to fair housing issues in the
3 City today. The learned phase will be taking place
4 this spring and summer. Next, we'll enter into what
5 we're calling the create phase. This is an
6 opportunity for stakeholders to share ideas for
7 policy solutions based on the information we'll be
8 collecting and the contributing factors that were
9 prioritized during the learn phase. The create phase
10 is going to be taking place this fall. In 2019,
11 we'll transition to what we're calling the finalized
12 phase which will be our chance to share how the
13 public input and stakeholder input was used to set
14 policy goals and strategies. It's also an
15 opportunity for the stakeholder group and the public
16 to let us know if we've got it right and to make
17 final suggestions before we submit the report later
18 in 2019.

19 MATT MURPHY: So, to be clear, the City
20 does not have a predetermined outcome for this
21 process. We'll be working with our partners to
22 examine and understand priority issues and policies
23 and develop goals and strategies to implement moving
24 forward. All of us at HPD look forward to having
25 meaningful and candid conversations with our

2 partners, including all of you throughout this
3 process and working together to make our City
4 stronger, fairer and more equitable.

5 Now I'll turn to the legislation
6 beginning with Introduction 607 and I want to thank
7 Council Member Richards, the primary sponsor of this
8 legislation. HPD supports Intro 607. As I have
9 testified to, HPD is obligated to affirmatively
10 further fair housing and this will help hold us to
11 this commitment. The changes under the current
12 presidential administration show that the federal
13 government is likely working to dismantle key
14 provisions of the Fair Housing Act. Therefore, it is
15 critical that cities such as ours uphold our goals
16 and realize our vision and the vision of the civil
17 rights leaders of the 1960's. I want to thank the
18 City Council for stepping up and showing the federal
19 government that New York City will always be a place
20 where housing discrimination is taken seriously and
21 where attempts to combat it and to further fair
22 housing are significant and meaningful.

23 I will now speak to Introduction 601
24 which would require the submission of and reporting
25 on an affordable housing plan to the Council. I want

2 to thank Speaker Johnson, the primary sponsor of this
3 legislation. HPD supports transparency around our
4 affordable plan Housing New York and we support the
5 intent of this bill to do just that. We are
6 tremendously proud of the work we have done over the
7 past four years to build and preserve more homes with
8 deeper levels of affordability. Every quarter, HPD
9 reports information about our production, both
10 preservation and new construction, to ensure that the
11 public has access to information about the work that
12 we do. We include in this data set information about
13 location, income level, planned tax incentives and
14 number of units among other data points. HPD also
15 puts yearly city wide targets for project starts and
16 completions in the Mayor's management report which
17 reflect trends that we anticipate when it comes to
18 housing production. We look forward to working with
19 the Council on language to ensure that any reporting
20 we do is meaningful, feasible and protects the
21 confidentiality of the vulnerable populations in our
22 support of housing.

23 Finally, I will turn to Introduction 722
24 also sponsored by Speaker Johnson, which would
25 require HPD to annually report on affordable housing

2 units subject to regulatory agreements or other
3 affordability agreements that are expiring within two
4 and a half years after the audit date. HPD supports
5 the intent of this bill with regards to tracking
6 regulatory agreements with particular attention to
7 those agreements that are nearing the end of their
8 terms of affordability. Throughout HPD's existence
9 there has not been a centralized database to track
10 specific data from regulatory agreements and other
11 documents with affordability requirements such as the
12 year of expiration. All such documents are housed on
13 ACRIS, the Department of Finances database of
14 recorded documents but that portal is limited in
15 terms of search capabilities, sorting and other
16 technological functions. Further, the complex and
17 varied nature of the regulatory agreements reached
18 throughout the past few decades makes standardization
19 an extremely difficult task. For example, you may
20 see a new construction project financed with a 15
21 year home written agreement, low income housing tax
22 credits which have a 30 year compliance period, two
23 40 year mortgages, one with HPD and one with the
24 Housing Development Corporation, a 75 year ground
25 lease with the New York City Housing Authority and

2 20% of the units as permanently affordable. These
3 financing tools rely on different lengths of time by
4 rule on purpose. Given the complexity, the amount of
5 time and staff needed to conduct a review of this
6 type required in the legislation is extensive. For
7 the past few years, HPD has engaged in planning to
8 upgrade many of our data tracking systems including
9 plans to equip our systems with the kind of
10 capabilities envisioned by Introduction 722. This
11 particular plan has three prongs, standardization,
12 modernization and recapture. First, I will discuss
13 standardization. HPD has historically used and
14 continues to use a variety of regulatory documents
15 for affordable housing, each of which may take
16 different forms and may overlap in a single project.
17 This makes tracking data points like expiration dates
18 very difficult. While we need a certain degree of
19 flexibility for drafting regulatory documents for
20 each project, HPD is currently reviewing the various
21 documents we use to identify ways to make common data
22 points more standardized. Next, I will discuss
23 modernization, regulatory agreements tough several
24 divisions with HPD including development, legal,
25 construction monitoring, marketing and asset

2 management. In the past several years, HPD has
3 worked to secure funding to integrate the
4 Department's respective data systems and house shared
5 data in a centralized repository to allow us to
6 better track projects throughout their full life
7 cycles. Finally, HPD is in the midst of the first
8 stages of an extensive recapture process. HPD's
9 asset management division has begun a process to
10 research historic regulatory agreements and other
11 documents, an effort that requires significant
12 additional resources including staff members with
13 specific training to research and extract data for
14 each project. Separately, HPD is concerned that the
15 disclosure requirements linked to expiring regulatory
16 agreements and plans for their preservation could
17 lead to speculation by your predatory developers.
18 HPD works extensively with the projects in our
19 portfolio to preserve their affordability for the
20 long term. Beyond initial terms of affordability, we
21 conduct active outreach to older projects, work with
22 those in need of financial assistance and engage in
23 other aspects of strategic preservation that help us
24 keep as much housing affordable as possible. HPD
25 would like to work with the Council to ensure that we

2 are preserving affordable housing in a manner that
3 does not encourage speculation. As you can see, HPD
4 has invested significant time and resources over the
5 past couple of years to address the historic problems
6 with tracking regulatory information. We are
7 committed to standardizing and modernizing our system
8 for the future while ensuring that we capture the
9 information that may have been overlooked in the
10 past. We look forward to working with you towards
11 expanding on our plan to take HPD's regulatory
12 tracking system into the 21st century. Thank you
13 again for the opportunity to testify on these bills.
14 I look forward to answering any questions with my
15 colleagues you have at this time.

16 CHAIRPERSON CORNEGY: Thank you for your
17 testimony. We've been joined by Council Members
18 Chin, Rivera, Lander and Council Member Williams.
19 I'm going to begin by framing dialogue that we've had
20 with your office around attempting to compile a
21 robust look at all the affordable housing units in
22 the City of New York. I'm attempting to do that in
23 my district and I think most districts around would
24 love to have that data as an assessment tool so can
25 you provide the Council a breakdown on how many new

2 units have been created by the Housing New York plan
3 both under the original plan and Housing New York 2.0
4 and before you answer that, I would be remiss if I
5 didn't point out that if the seamless way that you've
6 shared your testimony today is any indication of the
7 way HPD intends to implement programs and work
8 collaboratively with the City Council, we're in for a
9 pleasant time.

10 MOLLY PARK: Thank you Council Member.
11 We have to date financed 87,557 units under Housing
12 New York. We consider Housing New York

13 CHAIRPERSON CORNEGY: I'm sorry, can you
14 just say the number again.

15 MOLLY PARK: Sure, 87,557 units. Of
16 those units, 28,492 are new construction and 59,065
17 are preservation. That is Housing New York in its
18 total. 2.0 reflects some updated programs but we
19 considered it to be all one plan.

20 CHAIRPERSON CORNEGY: Thank you so in
21 that particular portfolio, can you cite examples of
22 affordable housing built in the last five years that
23 are affordable to extremely low. I don't know if you
24 have this breakdown but, extremely low, very low or
25 low income households built in transit rich

2 neighborhoods and I think we all know what that's
3 called for, transit rich opportunities, transit rich
4 neighborhoods of opportunity.

5 MOLLY Park: Absolutely, one project that
6 I'd like to call out in particular is a new
7 construction project that we financed last year on
8 the grounds of the NICHA Fulton Houses. It's about
9 160 units. Twenty percent of those will be for very
10 low income households, another 30% of those will be
11 for low income households. It's a building, it's a
12 block in change from the high line. It's a fantastic
13 location. Another project that I would point out is
14 The Gilbert. It's on 1st Avenue just a couple of
15 blocks from the start of the 2nd Avenue subway. It's
16 got 16 extremely low income units, 38 very low income
17 units and 49 low income units. We have many other
18 projects that we have started the leverage
19 inclusionary housing and 421A to be able to do low
20 income units in very high income neighborhoods, 625
21 W. 57th Street for example, has a 142 low income
22 units. The Essex Crossings sites that we have
23 financed over the last few years have low income and
24 very low income units as well. I could keep going
25 but I think you get the idea.

2 CHAIRPERSON CORNEGY: I do and since we
3 have that kind of framework in context, I know in my
4 district and in a lot of districts across the City,
5 there is a call for this wide range of affordability
6 which actually includes Pathways to Home Ownership
7 and we've had this conversation ongoing with your
8 office. If you could cite for me as well one or two
9 of the programs centered around Pathways to Home
10 Ownership through HPD and if you could cite the
11 amount of units that are earmarked for purchase or
12 for affordable home ownership that you have in your
13 portfolio.

14 MOLLY PARK: Sure, 10% of the Housing New
15 York plan is targeted to homeowners. I will double
16 check on the exact number that we have started thus
17 far. To date, the majority of the home ownership
18 units have been in the preservation programs but I am
19 extremely excited to announce that we just last month
20 launched the open door program which is new
21 construction for, of co-op and condos. We closed the
22 first project last month. We have a robust pipeline
23 going forward and I think we will be expanding the
24 universe of home ownership opportunities going
25 forward.

2 CHAIRPERSON CORNEGY: Just, if you could,
3 cite for me any number or range in terms of the
4 amount of units.

5 MOLLY PARK: It's in the range of 9,000
6 or 10,000 units of home ownership that we have done
7 thus far but we can get back to you with the exact
8 number.

9 CHAIRPERSON CORNEGY: Thank you but the
10 percentage was 10%?

11 MOLLY PARK: 10%.

12 CHAIRPERSON CORNEGY: Thank you, we've
13 been joined by Council Member Torres and I'm going to
14 on my second round ask more questions. Oh, and
15 Council Member Rosenthal but I'll allow for my
16 colleagues who have very busy schedules to engage in
17 some questions right now beginning with Council
18 Member Lander.

19 [Crosstalk][Inaudible][Laughter]

20 CHAIRPERSON CORNEGY: Naw, it's awesome
21 to just do that like that. I'm so sorry

22 COUNCIL MEMBER LANDER: Well done,
23 Mr. Chair. I apologize.

24 CHAIRPERSON CORNEGY: I'm sorry, Council
25 Member Lander had a question.

2 COUNCIL MEMBER LANDER: Thank you
3 Mr. Chair. Thank you for convening this hearing and
4 taking up this really important issue. Obviously,
5 you know, here we are one day before the 50th
6 anniversary of the Fair Housing Act which was passed
7 just seven days after Dr. King was killed as a living
8 part of his legacy and I appreciate the attention
9 you're bringing this and I appreciate the attention
10 that the HPD team is bringing and this is a great
11 team so I really am enthusiastic about all three of
12 your work and about Commissioner Torres Springer. I
13 guess I do want to start with a, with a more
14 troubling note which is, you know, like all of our
15 responsibility and not the folks in this room that we
16 don't approach the 50th anniversary in a good shape
17 on segregation and integration in New York City. You
18 know, the more common measure, this dissimilarity
19 index says that 82% of New Yorkers would have to move
20 to have an integrated City where most cities have
21 actually from 1980 to 2010 made meaningful progress
22 and the average American dissimilarity index fell
23 from 73.1% to 59.4% from 1980 to 2010. Ours has
24 stayed stuck where it is so I think we need to like,
25 you know, step into this conversation understanding

2 though we are one of the most diverse big cities in
3 America, we are also one of the most segregated big
4 cities in America and the consequences of that are
5 not trivial or residual or historic. They are as you
6 know and as people in this room know and many people
7 better than me, you know, the consequence of
8 segregation in our neighborhoods and in our schools
9 is blocked upward social mobility and neighborhoods
10 like mine, like Park Slope, that are whiter and
11 wealthier, have great public schools, have great
12 transit, have the lovely parks, have good services
13 and unfortunately in so many neighborhoods of color
14 and low income neighborhoods, those things aren't
15 there and we reproduce in each generation the
16 consequences of inequality and like, it's not easy
17 for white New Yorkers to accept that segregation is a
18 form of hoarding privilege but that is the reality in
19 the City so I'm glad that we're here today talking
20 about the need to have a, that we're a united Council
21 and HPD and the administration on the fact that we
22 have to carry forward in this planning process but I
23 don't want to pat ourselves on the back too much. We
24 are starting from a place that is really like a
25 fundamental violation of Dr. King's core dream and we

2 keep reproducing it all the time and that's not
3 narrowly on the people at this table or, we all are
4 doing it in our individual choices and now it's doing
5 this for myself in where I live and where my kids go
6 to school and you know, in our public policies.
7 There's this great book by Richard Rothstein and I
8 urge people to read it, *The Color of Law*, which just
9 demonstrates our, we made public policy choices in
10 housing, in education, in transportation, in
11 infrastructure that produced a segregated country and
12 a segregated city and if we want to go the other
13 direction, we're going to have to make hard public
14 policy choices to go the other ways so this process
15 is an opportunity and I'm wholeheartedly supporting
16 each of these bills. I've got today a report that
17 some of you are partners on, including you,
18 Mr. Chair, that outlines 12 steps that if we could
19 get past denial might help us move toward a
20 desegregated City and I guess I just want to, I know
21 the planning process. You want to have a real
22 planning process so you don't start with ideas but I
23 will just mention a couple of the things that we
24 recommend and step 1 is having this process so it's a
25 good start but I guess I just offer three things.

2 You know, we offer the idea of making sure that as
3 we're doing inclusionary neighborhood rezonings,
4 we're not only rezoning low income neighborhoods like
5 East New York or East Harlem or the South Bronx but
6 whiter and wealthier neighborhoods. If inclusionary
7 is gonna be a tool for integration, it has to be in
8 higher income neighborhoods. We recommend fighting
9 discrimination in the co-op marketplace. This really
10 addresses the issue of home ownership and wealth
11 building where we aren't currently able to do testing
12 and we need some new legislation and the third broad
13 idea is just to make sure that it's not only about
14 housing policy. You mention in your testimony the
15 connections to education and health and
16 transportation, but there are so many things we need
17 to do in education and health and transportation
18 policy and I hope this will be an opportunity that
19 the plan, a) it won't just be a plan, it will really
20 be an agenda of action, and b) that it will connect
21 to all those other systems where we're also gonna
22 need to make change if we can move forward.

23 [applause]

24 MATT MURPHY: Thank you Councilman and
25 thank you for putting together that report. I think

2 it, it lays out the issues quite well and I encourage
3 everyone to take a look and the suggestions that are
4 laid out are also things that we kind of expect to be
5 surfaced through the process. Not many people
6 realize that the rules changed recently and the 2015
7 rule change I referred to under President Obama was
8 significant and progressive and so the concern is
9 that the promises of fair housing or the expectations
10 of fair housing don't actually get realized because
11 it's one step forward, one step back and we don't
12 want to be in that position. What we want to do is
13 take advantage of this moment, take advantage of the
14 2015 rule change, build on it and the process that
15 Commissioner Bozorg already laid out in terms of
16 where we live, we feel like is a very good
17 opportunity to take that step so the suggestions in
18 your report are exactly the kinds of things we expect
19 to come out and I'll make clear as well that what we,
20 as Councilman Lander pointed out, that one of the
21 values of the rule change was that there's more
22 concrete goals and strategies than there were, than
23 HUD asked of before and I think that's of tremendous
24 value because it actually shows that while we have a
25 complicated starting place that over the short,

2 medium, and long term, we're understanding the issue,
3 understanding what's contributing to the issue and
4 building that into the process and then working to
5 chip away at it by taking meaningful actions. Thank
6 you.

7 COUNCIL MEMBER LANDER: Mister, I have a
8 follow-up question but I'm happy to wait until the
9 end of the

10 [crosstalk]

11 CHAIRPERSON CORNEGY: Thank you I was
12 just gonna suggest that you leave it to the second
13 round and the next person up is my predecessor,
14 Council Member Williams. I'm sorry, so he's deferred
15 to Council Member Chin.

16 COUNCIL MEMBER CHIN: Thank you Chair,
17 thank you to the panel. In my district of Lower
18 Manhattan, especially in areas of Battery Park City
19 and even some in the financial district, there were a
20 small amount of affordable housing that was built but
21 I'm not sure the City is tracking it because
22 constituents now are coming to my office and said now
23 they're getting notices from their landlord that they
24 have to leave within a year, that the apartment is no
25 longer under a certain program. We had a whole

2 series of those, what was 421G and that a lot of
3 people did not know that they were moving into an
4 apartment that had that type of protection until it
5 was too late so right now what we are dealing with it
6 some of these programs might have been 80/20 with 20%
7 were affordable. This was in Battery Park City and
8 now the 20 years are up and then we also have
9 landlords who are trying to keep the affordability
10 telling the resident but then now they're gonna
11 charge, they're gonna do preferential rent so what we
12 have the situation is that residents who helped build
13 up the neighborhood in the early days are now being
14 forced to leave and some of these are not low income
15 housing, right. They're actually either middle or
16 moderate income housing and so how do the City, what
17 can HPD do to make sure that resident who help build
18 up these neighborhood who actually lived through 911
19 but remain there and fight and want to stay and now
20 some of them are seniors and they're forced to leave
21 so in terms of preserving the affordable housing and
22 making sure that the neighborhood keep that diversity
23 so what is, what is HPD doing in terms of some of
24 that type of housing?

2 MOLLY PARK: Sure, let me start by saying
3 we are deeply committed to affordable housing
4 preservation. I mentioned earlier that about 59,000
5 of our Housing New York starts to date our
6 preservation and of that two-thirds or about 40,000
7 units are units and buildings that had previously
8 existing HPD or other regulatory agreements so
9 maintaining the stock of affordable housing that we
10 already have is critically important to the success
11 of Housing New York and to protecting the tenants
12 that you are talking about. I want to pause for a
13 minute on 421G. That was a very specific and very
14 narrow program as written by the State government so
15 I think maybe we can circle back offline on that one.
16 More generally, we do do a lot of outreach to owners.
17 I think the fact that property tax exemptions by
18 definition expire is actually a very valuable tool
19 for us. It is challenging for owners to continue
20 operating when they do have to pay full property
21 taxes so that is a critical leverage point that we
22 use to engage with owners. We do proactive outreach
23 based on when exemptions are going to be expiring.
24 We do proactive outreach based on geography. We, but
25 I also want to mention, you mentioned that people

2 were getting notices saying that they had to leave,
3 everything that is going through HPD financing
4 programs, and again I'm going to set 421G aside just
5 because I'm not familiar enough with the specifics of
6 that particular program to talk on the record today
7 but everything that we do through our normal
8 financing programs is rent regulated which provides
9 an added layer of assistance. I think the track
10 record that I mentioned indicates that we do a very
11 good job of keeping programs in official affordable
12 housing programs but even if a building does exit,
13 the existing tenants should be protected so it does
14 sound like there is some potential tenant harassment
15 issues that we could follow up with you on.

16 COUNCIL MEMBER CHIN: Yeah, we appreciate
17 that. We, against, we have reached out to HPD but we
18 want to follow up making sure that a lot of these
19 residents will be able to continue to stay in the
20 neighborhood that they helped to build and we don't
21 want the property owner, the landlord to use it as a
22 harassment tool to try to get rid of these long-term
23 tenants and to be able to charge market rent and the
24 whole issue of preferential rent. I think our Chair
25 has a, is very, a lot of interest on that that we

2 have to figure out how do we protect tenants and not
3 allow, you know, because the preferential rent is set
4 up is something that we need the State to help change
5 that but we definitely could discuss more off-line
6 because I want to make sure that the affordable units
7 in neighborhoods where there are high income and
8 mixed income, we want to make sure that the working
9 families can continue to stay there.

10 MOLLY PARK: Agreed, we'll follow up with
11 you on that.

12 COUNCIL MEMBER CHIN: Thank you, thank
13 you Chair.

14 CHAIRPERSON CORNEGY: Thank you Council
15 Member, Council Member Williams.

16 COUNCIL MEMBER WILLIAMS: Thank you
17 Mr. Chair. Thank you for your testimony. Obviously,
18 it was a very disgusted connection between Dr. King
19 and the past legislation. Very often we talk about
20 the flowery language that Dr. King used and I just
21 wanted to read some additional cause of people that
22 I've known that were after his depression and close
23 to when he lost his life. There's a great article
24 about it in last weeks' *Time Magazine*. He said, "we
25 must see that the struggle today is much more

2 difficult. It's more difficult today because we're
3 struggling now for genuine equality. Negroes
4 generally live in worse slums today than 20 or 25
5 years ago. In the North, schools are more segregated
6 today than they were in 1954. The unemployment rate
7 among whites at one time was about the same as the
8 unemployment rate among Negroes but today the
9 unemployment rate among Negroes is twice that of
10 whites and the average income of the Negro today is
11 50% less than whites." And some of those things we
12 don't know if we'd be reading in the 60's or in 2018.
13 Also he talked about "Negroes having preceded from a
14 premise that equality means what it says and they
15 have taken white Americans at their word when they
16 talked of it as an objective but most whites in
17 America proceed from a premise that equality is a
18 loose expression for improvement. White America is
19 not even psychologically organized to close the gap.
20 Essentially, it seeks only to make it less painful
21 and less obvious but in most respects to retain it."
22 I think those are powerful words because it describes
23 the difficulties that we have in all of these
24 conversations. It's easy to talk about it in theory
25 but we need to get down to the heart and make the

1 changes. I'm not even sure if it's just white
2 America. I think people in general are, are, I don't
3 know if psychologically have grasped what that means
4 in the difficulty at hand of these tasks. With that
5 said, we have the responsibility to move the ball
6 forward and so I just want to say I'm excited that
7 these pieces of legislation are before us and I just
8 want to thank the Chair and the sponsors for that and
9 thank you for testifying. They're all important. I
10 did want to focus a little bit on Intro #722. I
11 didn't read the testimony so I apologize. That one
12 was important to me as a tenant organizer way back
13 before anybody knew what it was, before our President
14 Obama and my mother was very worried I would never be
15 able to pay the bills. We had, we ran from building
16 to building as we found out that the buildings were
17 up with their Section 8 Mitchell-Lama and that was a
18 very haphazard way of doing it and so I really want
19 to drill in to figure out what the issues you have in
20 the bill because I think that information would be
21 very useful to organizers who want to have a concrete
22 way of addressing the buildings before it's too late.
23 We're never gonna build our way out of the problem so
24 we have to do whatever we can to restore what we have
25

2 and I also want to see, the second question, if
3 you've been tracking, I'm sure you have, the
4 disbursement of affordable units in the housing plan
5 and if you've seen them at all concentrated in
6 particular neighborhoods?

7 MOLLY PARK: Sure, let me start with
8 Intro 722 which as my colleague mentioned in the
9 testimony, we absolutely support the intent of Intro
10 722. Operationally, there's some, we do have some
11 concerns and we would very much welcome the
12 opportunity to work more closely with the Council.
13 Just to elaborate a little bit on that, our
14 regulatory agreements tend to be very complicated and
15 layered. You might have a mortgage period that goes
16 for 30 or 40 years. You have a low income housing
17 tax credit that runs for another. You have a project
18 based rental subsidy contract that has yet another
19 period on it, maybe there's a ground lease, maybe
20 there's some permanently affordable units so to say
21 the expiration date is X is actually a particularly,
22 it quite challenging and that's on a new construction
23 project. When you then start layering it on
24 preservation where you have some existing
25 requirements and then you're adding on top of that

2 new requirements, it is not a straightforward thing
3 to do so I think again operationally we support the
4 intention of the bill but I think actually
5 translating it into operational reality is very
6 challenging. I also think there's some concerns for
7 tenants as well when we talk about reporting because
8 as written right now, the bill would require that we
9 report each of those various milestones even as
10 actually the layered combination of them means that
11 there is no risk for the tenant at that particular
12 point in time so I think there's some risk that would
13 actually cause significant anxiety for somebody who's
14 living in a building that appears to have an
15 expiration date coming up if they don't then
16 understand that there's something else underlying it
17 that puts much longer affordability period on top of
18 that but as I say, we would very much welcome the
19 opportunity to work with the Council on that moving
20 forward.

21 MATT MURPHY: Go ahead, I'll let you add.
22 On the note of the concentration of developments
23 spatially, we do report our housing data production
24 and what you see is, you see a lot of affordable
25 housing across the City but what you also see is

1 there, and what we expect this to be surfaced through
2 the Where We Live process is there are some barriers
3 to affordable housing development and these will be
4 what we kind of drawn out through the process and
5 identify as contributing factors, they'll be referred
6 to. I want to note that a majority of our work is
7 preservation so one of the things that, for example,
8 the 2015 update. While it helped, it also, it also
9 didn't talk too much or give very specific guidance
10 on displacement and how that is a fair housing issue
11 and we really want to work together to clarify to the
12 federal government, that is an issue for high cost
13 cities and we've been in contact with other ones so
14 in the context of, you know, is our housing
15 investment spatially distributed or evenly
16 distributed or are they geographic specific, you will
17 see preservation investments in areas where there
18 were affordable housing investments 20 or 30 years
19 ago because, you know, a lot of HPD's work was about
20 building up those communities so that is kind of the,
21 when you see that as well, when you see those
22 clusters, you also have to keep in mind that we're
23 not, we're looking to keep people in those
24 neighborhoods because as those neighborhoods grow,

2 it's an opportunity for integration in the moment as
3 well.

4 MOLLY PARK: If I could just chime in as
5 well, there's a map on our website of all of our
6 Housing New York starts so that is a great way to see
7 the spatial distribution.

8 COUNCIL MEMBER WILLIAMS: Thank you.
9 Mr. Chair, if I could close by saying, you know,
10 obviously at a time where someone like Dr. Ben Carson
11 who I always say is not just in the sunken place. He
12 helped develop it and he's trying to take away even
13 the need to have to have fair housing plan, it's
14 really up to us, think about fair housing and
15 segregation, desegregation, it's up to us to really
16 move the ball and I would like to at some point have
17 the Committee follow up on this. I understand what
18 you're saying about preservation. I was specifically
19 asking about the units being built. As you know,
20 particularly MIH which I hope this body reviews but I
21 am happy that the administration is now trying to
22 make up for I think time lost but in some of those
23 units that are being built, they are clustered and
24 not helping desegregate the City so I'm hoping we

2 could follow up with some of those questions. Thank
3 you.

4 CHAIRPERSON CORNEGY: Thank you Council
5 Member. We are on our second round of questions
6 starting with Council Member Lander.

7 COUNCIL MEMBER LANDER: Thank you,
8 Mr. Chair, so this builds on the answer that you gave
9 Council Member Williams so I think goes to some of
10 the same questions. One of the challenges we're
11 gonna face in the Where We Live process and the FFH
12 process is that the traditional HUD enforcement tools
13 around fair housing were, from my point of view, sort
14 of developed in a different time when what we were
15 facing was abandonment and there was a concern,
16 understandable and important to pay attention to,
17 that the investment of certain kinds of federal
18 resources would further segregation through
19 affordable housing investments and look, let's call
20 it what it is. We did some of that in New York City
21 and not for bad reasons. Neighborhoods were
22 abandoned. We wanted to bring them back. There
23 wasn't a housing market. We invested to build
24 affordable housing in those neighborhood. It was a
25 strategy I'm proud to have taken part in and it

2 augmented segregation. That is a consequence of that
3 strategy that we took for good reasons and not for
4 bad ones but now we're in this quite different
5 situation where displacement is a real fear and
6 anxiety as you mentioned where the challenge of
7 getting more affordable housing units in high cost
8 neighborhoods is extremely challenging so we need a
9 new set of tools because and there are, you know, so
10 some of the old tools it seems to me are, are, are
11 not the right ones so, you know, HUD's trying to end
12 our community preference program doesn't help us keep
13 people in neighborhoods and generate new affordable
14 housing, small area FMR's we all had to fight because
15 we didn't it to be impossible for people in the Bronx
16 to be able to use their Section 8 vouchers so, yes,
17 we'd like to be able to pay more in high cost
18 neighborhoods but not if that means you can only pay
19 less in people who had their vouchers in the Bronx
20 can't find a place at all and focusing on the low
21 income tax credit portfolio and saying you can't use
22 that in neighborhoods where you want to build the
23 most deeply affordable units as Council Member
24 Williams talked about. Like those are the
25 traditional HUD enforcement strategies and we need

2 new tools if we're gonna enable people to stay in
3 their neighborhoods as their neighborhoods grow and
4 change so that they can benefit from that and even
5 stronger new tools to find ways to make inclusionary
6 work at scale in high cost neighborhoods so I just
7 wonder like we can't just do a planning process that
8 kind of takes existing fair housing tools. We got to
9 think about and look at those but I guess I'm just
10 wondering what thought you've given to do you agree
11 with me that there's some mismatch and if so, even at
12 the beginning of the process, what can we do to make
13 sure the process we come out with achieves the goals
14 of fair housing and integration in a very different
15 New York City?

16 LEILA BOZORG: We do agree with you. I
17 think, we absolutely see and understand how some of
18 the existing tools have had some unintended
19 consequences even though we all are proud of the
20 housing work that we've done in the City especially
21 relative to nationally when you look at how much
22 affordable housing municipalities have been able to
23 build. New York's been able to do quite a bit. I
24 think for us, it's really in this process looking
25 about how we're going to be able to enable this

2 balanced approach of doing both place spaced
3 investments that go beyond housing as you note in
4 your report and as we are gonna be going through with
5 this process kind of enabling fair housing and
6 affirmatively furthering it goes well beyond
7 enforcement tools and well beyond housing tools so we
8 will be engaging our sister agencies and already have
9 been working with them in this planning process to
10 make sure that broader City investments are all
11 working together to do more to further fair housing
12 and we're not looking at this just about housing
13 tools and strategies but working closely with DOE on
14 their diversity task force with the Mayor's Office of
15 Sustainability and the Environmental Justice task
16 force with the Department of Health and Mental
17 Hygiene on some of the racial equity work that
18 they're doing so this is gonna require multiple
19 agencies and multiple tool to be reevaluated and
20 looked at together so we do agree with you.

21 MOLLY PARK: And just to chime in on a
22 couple of the strategies that we do have now, I don't
23 want to presuppose what will come out of the planning
24 process but, on the voluntary inclusionary front
25 which we spent a lot of time here talking about MIH,

2 but voluntary inclusionary is really important as
3 well. In 2017, the 18 tallest buildings that
4 completed construction so 18 buildings had close to
5 13,000 of affordable housing in them, right, and
6 those are really by definition in the highest market
7 neighborhoods so, you know, that is a piece of the
8 puzzle. It is a tool that we have to work with and
9 we continue to look at DIH to make sure that it is
10 effective. On kind of the opposite end of the
11 housing spectrum, I am really thrilled about the
12 neighborhood pillars program that we are launching
13 right now. This is designed to bring the existing
14 rent stabilized but not kind of officially affordable
15 housing stock under regulatory agreement. We issued
16 an RFQ last week for preservation purchasers, for
17 non-profits and other mission based developers to
18 participate in that program. We'll be issuing a term
19 sheet soon and I think it's a really exciting anti-
20 displacement strategy so we do continue to look at
21 our tools.

22 CHAIRPERSON CORNEGY: Thank you, Council
23 Member Rivera.

24 COUNCIL MEMBER RIVERA: Thank you so much
25 so you said just to go back, neighborhood pillars in

2 the RFQ, so we'll be receiving more information on
3 that program in the coming weeks?

4 MOLLY PARK: Sure, we're absolutely happy
5 to talk to you about that. The RFQ went out, I think
6 Thursday, something like that and we're happy to talk
7 to you about that but the idea is that we're gonna
8 help non-profits with the predevelopment funding,
9 down payment assistance, technical assistance so that
10 they can go out and compete in the private sector to
11 acquire these buildings and bring them into the
12 official affordable housing stock.

13 COUNCIL MEMBER RIVERA: That's great. I
14 want to talk a little bit about resources and I know
15 you have a great team. I see Sarah Mallory and Leah
16 Reece and they're excellent.

17 MOLLY PARK: We agree.

18 MATT MURPHY: Yes they are. Get that on
19 the record.

20 [Laughter]

21 COUNCIL MEMBER RIVERA: So I wanted to,
22 in your, I want to point to something you mentioned
23 directly in your testimony so you said you are
24 identifying ways to make common data points more
25 standardized and you said you are working to secure

2 funding to integrate the department's respective data
3 systems so what is that process like? What is the
4 timeline because I know that your hesitation in
5 fulfilling Introduction 722 is to quote "a difficult
6 task" so what are you doing to get to as close as
7 what that Intro would require?

8 MATT MURPHY: Thank you, it is a
9 difficult task and because of the complexity of the
10 information and also just the scale of the work. As
11 we mentioned in testimony, we did start this and I'd
12 be remiss not to point out as well. There have been
13 some times over the last 10 years that I know of that
14 where this has been attempted, the private market and
15 Furman Center because I was a research assistant
16 there at the time, was working with HUD and HPD and
17 HCR through a McArthur grant to try to document this
18 information and despite a lot of resources there and
19 despite a private grant, the, there, when it came to
20 the let's look at every regulatory agreement and
21 document the information, it became such a difficult
22 task that it was somewhat limited. It limited the
23 scope of their ability to get that information out so
24 what we really want to be doing here is not to do a
25 patch. We want to be understanding how all of our

2 data systems work together and we have a really
3 fantastic data team that is thinking this through,
4 building on the work that our asset manager and group
5 has started because for us it's not about saying
6 okay, let's just get through the next year and get
7 all that information documented and out. It's about
8 actually building on this so the next generation can
9 also use this. We here at the table are kind of
10 standing on shoulders and the people that did the
11 work in the 80's and 90's were working really hard to
12 put things in the regulatory agreement that, you
13 know, are kind of hooks and tools today so as
14 Commissioner Park pointed out, you know, that in some
15 sense requires people to come back but it also is for
16 us, you know, requires a digitization of information
17 from the 80's and 90's and 2000's which is just a
18 manual task that requires data entry and requires the
19 process to be solved going forward so for us, it's
20 about looking at how all of our data systems we use,
21 you know, I like to think of it on levels. You know,
22 we use household level information, there's tenant
23 information which includes multiple family members,
24 unit information which includes things like rent and
25 bedroom size and square footage, building information

2 like number of stories, and then the development
3 information. Sometimes there are multiple buildings
4 in the development and then on top of that you have
5 tax slots and sometimes there are multiple
6 developments on tax slots and so, it's all, it's all
7 to say like we absolutely support that this
8 information makes us more competitive. It makes us
9 more, find more preservation opportunities. It's a
10 matter of doing this right and taking the time in
11 order to do so, so a long winded way of answering
12 your question to say, we're in the midst of
13 developing. What exactly that plan looks like right
14 now, it will require skilled labor. It will require
15 people that know how to read, you know, these
16 regulatory agreements and look for specific
17 information and deeds and zoning requirements and
18 things like that so we're in the midst of that and
19 we'll, you know, report back when we have exact, a
20 more clarified plan about, and what resources exactly
21 are required.

22 COUNCIL MEMBER RIVERA: So, and my second
23 question is, in terms of the significant resources
24 that you mentioned, obviously just keep us in mind
25 because we want you to be able to do your job that

2 enables us to be better to our constituents. You
3 mentioned it is hard to track and it would be
4 difficult to almost create this transparent system
5 because you have real fears and speculation and I
6 totally understand that because we're from, you know,
7 Council Member Chin and I are from areas of Manhattan
8 that are incredibly desirable and have been for
9 decades and so on terms of tracking and not really
10 being able to give us a full number, do you have any
11 idea in terms of how many have expired? So for
12 example, a breakdown of units that have been lost due
13 to expiring subsidies and I know that everything is
14 different and you gave us a very good breakdown of
15 bullet points as to how nuance the property can be,
16 but do you know how many we have lost just straight
17 out of the affordable housing market and I guess that
18 would also include Mitchell-Lama units in terms of
19 how they've privatize and we've lost those.

20 MOLLY PARK: We can, I don't have the
21 Mitchell-Lama number with me right now. We can
22 certainly get back to you on that. The short answer
23 is because of the way that regulatory agreements have
24 been tracked or not tracked in the past, I can't give
25 you a straight answer on that but I do want to point

2 again to our track record on preservation. Within
3 the 59,000 units that we have preserved under Housing
4 New York, two-thirds of those had its previous
5 regulatory agreements. We do a lot of outreach. We
6 really structure the deal so that they do come back.
7 We do work in a public/private partnership. At the
8 end of the day, we have to make it appealing for
9 people to come back in either that the incentives of
10 not doing, the consequences of not doing so are so
11 negative and we do set-ups of the stick approach or
12 that there is positive approach, positive reasons for
13 doing it. We set that up as well but it is
14 fundamentally a market driven system and we can't get
15 to 100%.

16 COUNCIL MEMBER RIVERA: Okay, well, you
17 know, just in my district there are many HDFCs and
18 we're also going through a regulatory agreement
19 battle and I know those would count towards the
20 administration's preservation goals so I'm looking
21 forward to working with you on that as well. Thank
22 you, thank you, Chair.

23 CHAIRPERSON CORNEGY: So before we go to
24 Council Member Chin, I just had a question. So in my
25 district, we've lost, on the lines of preservation,

2 we've lost some units based on subsidies expiring and
3 I've been caught kind of going in after it's already
4 expired to try to renegotiate with the landlord which
5 is laughable obviously at this point. Can you
6 provide the Council a breakdown on the amount of
7 units that have been lost to expiring subsidies in
8 the three categories that I mentioned earlier which
9 is extremely low income, low income and moderate
10 income units? I know that's a lot but it's important
11 that we begin to look at it. Like I told you, I'm
12 from, from experience I'm speaking where as an
13 advocate for my community I tried to go in two years
14 after something at sunset.

15 MOLLY PARK: Understood, unfortunately
16 given the systems that we have in place right now, I
17 cannot give you exactly that answer. We have a very
18 strong preservation track record. We know we have
19 gotten to a very number, been able to preserve a very
20 large number of units. We remain committed to that
21 and we remain committed to structuring our deals such
22 that preservation happens as frequently as possible
23 but I can't give you the breakdown that you're asking
24 for, sorry.

2 CHAIRPERSON CORNEGY: So, that concerns
3 me. I really need to know that a methodology is in
4 place to catch these before they're sun setting and,
5 if it's not happening now, what can we do as a
6 Council to support an effort to make sure that that
7 particular incidence doesn't occur again?

8 MOLLY PARK: So let me talk a little bit
9 about the tools that we have to create strong
10 incentives for buildings to come back in because we
11 absolutely start thinking about preservation from day
12 one before we ever even close a deal. When we put a
13 regulatory agreement on a project, that regulatory
14 agreement is a recorded document meaning that
15 whenever there's a financial transaction, a sale, a
16 refinance or anything like that that the owner, that
17 the regulatory agreement comes up in the title search
18 and the owner and the financial institution have to
19 deal with HPD. We structure all of our agreements
20 with consent to transfer, consent to refinance and
21 even if the owner is looking to do something
22 nefarious, the financial institution knows that they
23 need to come deal with us because their collateral is
24 impacted if they don't do that so that is something
25 that we do again from day one. We also structure

2 most of our loans, virtually all of our loans, as
3 balloon mortgages meaning that the, rather than
4 amortize over the life of the mortgage that they all
5 accrue and come due payable at the end so at the end
6 of a regulatory period, at the end of the mortgage
7 period, that owner typically owes something like
8 close to twice what they borrowed. The reason we do
9 that is that that significant financial liability
10 becomes a strong hook to come back in and deal with
11 HPD. There's those are sort of two very key
12 structural aspects of our deals that we put in place.
13 I mentioned earlier that property tax exemptions
14 expire. That's actually a useful preservation tool
15 because that is a very immediate financial reality
16 that will very often bring owners back into dealing
17 with HPD so we structure projects such that there are
18 both carrots and sticks for reasons to come and deal
19 with us, reasons that owners should want to but also
20 financial consequences for not doing that but at the
21 end of the day, it is fundamentally a voluntary
22 system and if somebody opts not to do that, the co-
23 ops were mentioned earlier and there are certainly
24 situations where markets have changed such that
25 homeowners decide that they want to take advantage of

2 the wealth building aspect of it as opposed to the
3 ongoing affordability, that is the system that we
4 live in and we cannot preserve 100%.

5 CHAIRPERSON CORNEGY: So I really
6 appreciate that answer but it's actually a answer to
7 another question. What I'm trying to get to is a
8 mechanism in place that alerts us and I'm gonna say
9 us cause I'm counting that, you know, we're in this
10 together, that alerts prior to. What you've
11 mentioned are systems in place when you're at the end
12 of the sunset so for me we do a tax lien sale
13 abatement in my district and we have a 30/60/90 day
14 way of addressing people who may be on the list. I'd
15 like to see prior to the sunset, a negotiation
16 process with developers and/or landlords and
17 incentivizing, you know, five years out, three years
18 out, two years out cause what I'm finding is once you
19 get to the end, they've already made all the
20 necessary calculations whether it's a financial loss,
21 whether it's a penalty in taxes and built that in
22 until the sale or transfer of that property. I'd
23 like to have a mechanism in place that alerts us, you
24 know, five years, three years, two years prior to it
25 sun setting so we can begin a process in negotiation

2 for preservation as opposed to waiting to the end.

3 If you, I've seen this a thousand times already. If
4 you wait until the end, they've already done the
5 necessary calculations and an escape methodology that
6 puts at risk those affordable units. We should have
7 that process, you know, at least three times prior to
8 when we're negotiating with landlords and/or
9 developers.

10 MOLLY PARK: Understood, we do it quite a
11 bit now on a fairly retail level and we'd be
12 certainly happy to collaborate with you on buildings
13 that are in your district in that building by
14 building system. As we've talked about, we
15 definitely support the intent of the Intro to do
16 something on a more comprehensive basis, I think, and
17 we need to work through the operational concerns.
18 The other thing that I want to add is that I think
19 the multilayered and noncontiguous regulatory periods
20 that we've talked about a bit while cumbersome and
21 sometimes challenging to work with also have an
22 advantage because they do provide that multi, that
23 those trigger points throughout the lifespan of a
24 project so, for example, year fifteen is a critical
25 point in time for a low income housing tax project

2 because the tax writer and investor is gonna exit.
3 That is a moment where we always engage with that
4 property but the affordability actually goes through
5 year 30, right, so we have that interim system built
6 in. I know we have done some low income housing tax
7 credit preservation projects in your district and
8 that's something that is very important to us so, you
9 know, there are tools that we have now. They are not
10 as comprehensive as they potentially could be but
11 we're happy to work with you on the buildings that we
12 flag through the more retail process.

13 CHAIRPERSON CORNEGY: So I'm looking
14 forward to working with you on a process.

15 MOLLY PARK: Okay.

16 CHAIRPERSON CORNEGY: That helps preserve
17 affordability in any way that we possibly can and my
18 questions are not an indictment of what you're doing
19 now, but just an effort for us to collaborate on a
20 stronger way to hold this affordability not in
21 perpetuity but when we can stretch it out. Obviously
22 it's important to do that.

23 MOLLY PARK: Agreed that it's critical.
24 Thank you.

2 CHAIRPERSON CORNEGY: Council Member
3 Chin.

4 COUNCIL MEMBER CHIN: Thank you, first of
5 all I do want to thank HPD for working with me and we
6 did quite a large number of preservation especially
7 in a couple of the project based Section 8 and one
8 even exited the program, we were able to get back
9 half the building but I wanted to really look at to
10 see if HPD could work with us on a more proactive
11 approach with private homeowners, private landlords
12 because a lot of the program in terms of, you know,
13 providing the subsidy and regulatory agreement has
14 been used with buildings that are run by non-profits
15 but right now what we're exploring in certain part of
16 my district like in Chinatown, we're looking at a
17 possibility of doing a community land trust because
18 the private property owner are like desperate in a
19 way because they're complaining about the high
20 property tax and they want some relief and so we see
21 this as an opportunity to see if we can offer some
22 property tax relief in exchange for permanent or
23 affordable units for a certain period of time so
24 that's something that I think it will be good for us
25 to sort of explore with private property owner

2 because some of the property owner, they don't want
3 to sell but they tell me like every day they getting
4 calls, you know, from realtor wanting to buy their
5 building but they don't want to sell but then the
6 property tax keeps going up and they cannot afford to
7 maintain their building and then often time another
8 problem that happen is that the small businesses that
9 rents the storefront space, often time ends up with
10 picking up the property tax increase and that makes,
11 you know, it's very hard for small business to be
12 able to stay so we're looking at possibility of some
13 relief whether it's property tax exemption or
14 property tax deferral if an owner is willing to come
15 in and say in exchange for affordable unit and we
16 also have properties in our community where is owned
17 by an organization, a family association. They're
18 never gonna sell the building but their property tax
19 keeps going up and they want some tax relief so we
20 see that as an opportunity to maybe do some kind of a
21 community land trust, kind of bring them all together
22 or, you know, work with them individually.

23 MOLLY PARK: Right, we absolutely agree
24 with you. We do property tax benefits in exchange
25 for affordability on a regular basis. We typically

2 use the Article 11 tax exemption for that so they all
3 come through the Council and we thank you very much
4 for your support on those. There are some legal
5 requirements for compliance with Article 11 but
6 there's a fair amount of flexibility there so we'd be
7 more than happy to work with you on the buildings
8 that you've identified.

9 COUNCIL MEMBER CHIN: I think that's,
10 that would be good because I think often time with
11 Article 11 is that, you could use that also for
12 private property owner?

13 MOLLY PARK: There needs to be an HGAC in
14 the structure but yes, we are able to make that work.

15 COUNCIL MEMBER CHIN: Okay, all right,
16 thank you. Thank you, Chair.

17 CHAIRPERSON CORNEGY: Thank you Council
18 Member Chin. Council Member Gjonaj.

19 COUNCIL MEMBER GJONAJ: Thank you
20 Chairman. Certainly, affordable housing housing in
21 general is probably the City's most difficult
22 challenge in modern times to accommodate. I'm
23 wondering in discussing the affordability, the new
24 construction as well as the preservation of the
25 59,000 units, why aren't we doing more to take

2 advantage of the vacant lots New York City has? Why
3 aren't we developing those properties that are owned
4 by New York City?

5 LELIA BOZORG: I'd like to note that we
6 actually have a very robust pipeline of City owned
7 sites that we are working to develop. We've already
8 put out requests for proposals for close to 60
9 projects on publicly owned sites which is a
10 significant increase from past administrations. We
11 also developed a new program at the beginning of the
12 administration to try to develop really small,
13 difficult to develop sites. We call that they New
14 and Full Home Ownership Program and the New
15 Construction Program which is designed to develop
16 some of those smaller sites that traditionally have
17 been harder to develop so there aren't a lot of large
18 good to develop sites left in our inventory. There
19 are some very small sites that are challenging to
20 develop that are left in our inventory. We also
21 partner with other agencies to look at things that
22 are in their portfolio and build those into our
23 pipeline as well. Finally, I'll note that the pace
24 at which we're able to develop public sites also
25 depends on the availability of financing and our

2 housing plan depends on both public and private sites
3 and we really look to leverage private resources and
4 private land as well to be meeting our housing goals
5 so we have a very robust pipeline of public sites.
6 We plan to continue that. We also, I should note,
7 some of the public sites that are in our inventory
8 are in resiliency areas that we're still evaluating
9 whether it's possible to build there or whether it's
10 just too risky or too vulnerable environmentally to
11 do so, so for the most part we've been either
12 developing or in the process of developing the sites
13 that are in our pipeline.

14 COUNCIL MEMBER GJONAJ: I applaud you for
15 having 60 projects in the pipeline but affordable
16 housing is a real crisis and years later if we're
17 still evaluating what can be done with property that
18 has been vacant for decades, I think we're not doing
19 all that we can do. While we discuss preservation of
20 affordable housing, what are your thoughts on
21 programs that assure us housing remains affordable
22 such as SCRIE and DRIE?

23 MOLLY PARK: Sure, I think those are
24 really critical pieces of the housing toolbox. I
25 think they and they're particularly useful for

2 reaching households who may live in buildings that
3 are not under an HPD or other formal regulatory
4 agreement but they help the tenants obviously remain
5 in their homes and remain protected. You know, I
6 think the nature of SCRIE and DRIE, they're
7 critically important but when they lock in the rent
8 burden that a tenant has at the point of time that
9 they sign up so it is very useful for some households
10 and somewhat less useful for other households so I
11 think, I'm very glad we have them in the toolbox but
12 I think they are a piece of the answer and not the
13 answer as a whole.

14 COUNCIL MEMBER GJONAJ: Right, but a
15 useful program to preserving these affordable housing
16 for so many New Yorkers.

17 MOLLY PARK: Without a doubt.

18 COUNCIL MEMBER GJONAJ: Would you be
19 supportive of expanding those programs?

20 MATT MURPHY: So, we're supportive of
21 finding all tools that we can use to keep people in
22 their homes and keep people in their homes or give
23 them the choice to stay in their homes without having
24 to face rapid rent increases. SCRIE and DRIE operate
25 within the rent stabilized stock and we've talked a

2 little bit about rent stabilization but mostly been
3 focusing on the HPD regulatory agreement part. SCRIE
4 and DRIE do come at a cost to the City. They, the
5 City expends tax revenue or it's a tax expenditure in
6 order to subsidize these special populations and give
7 them the choice as senior citizens and people with
8 disabilities so SCRIE and DRIE are targeted programs
9 to these special populations which also does touch on
10 the fair housing conversation we've been having which
11 is around looking at people with protected class
12 status and doing more to help them stay in their
13 homes so yeah, we support all the tools but, you
14 know, we have to understand that they also operate
15 within larger systems like the rent stabilization
16 system which helps keep New York City diverse

17 COUNCIL MEMBER GJONAJ: But I agree with
18 you, doing all that we can is pertinent here and the
19 expansion that I'm referring to, not only protecting
20 New Yorkers, our most vulnerable, our seniors and
21 those that are disabled but an expansion through the
22 SCRIE program using the same criteria, families
23 earning under \$50,000 a year and making sure that
24 they will not be subject to future rent increases is
25 a way to make certain our affordable housing stock

2 remains affordable to those families and the tax
3 burden, as you put it, on the City would be at a
4 minimum compared to the investment that we're making
5 on preserving. These are units that already exist.
6 These programs would further help and assist those
7 families, the most vulnerable that we have, and that
8 is families that earn less than \$50,000 a year so I
9 would hope that we can talk a little bit more about
10 this and understand the importance of expanding such
11 programs.

12 MATT MURPHY: I believe we have a meeting
13 scheduled with you on April 23 to discuss it and, you
14 know, I think when we testified here last month on
15 the rent regulation renewal, it, you know, this
16 particular proposal had come up and so we're
17 following up to discuss. Just to reiterate that, you
18 know, rent regulation as a whole is obviously
19 critical to our entire City's diversity and we view
20 it as giving the choice for people to stay in their
21 neighborhood and there's not really a substitute for
22 that so, you know, we look forward to the
23 conversation. We expect a lot of proposals to be
24 discussed around rent regulation but it's important

2 that we're balancing the fiscal concerns with the
3 policy goals.

4 COUNCIL MEMBER GJONAJ: Thank you.

5 MATT MURPHY: Thank you.

6 CHAIRPERSON CORNEGY: Thank you Council
7 Member Gjonaj. On behalf of City Council Speaker
8 Corey Johnson who is unable to be here right now,
9 there are a couple of questions that were germane to
10 him and I'm gonna ask those on his behalf so how does
11 the City define an affordable housing unit that was
12 created in an affordable housing unit that was
13 preserved in Housing New York plan?

14 MOLLY PARK: Sure, so preserved means
15 very bluntly that the building and the unit already
16 exists and we are extending the affordability or
17 adding affordability. In some cases there are no
18 requirements at all. It can be, preservation unit
19 can be anything from, as we talked about, putting a
20 tax exemption on in exchange for affordability all
21 the way through gut rehab so it doesn't necessarily
22 involve construction but it does involve adding
23 affordability, that is the majority involve
24 construction but certainly not all. New construction
25

2 is exactly that. It is creating a building that
3 didn't previously exist before.

4 CHAIRPERSON CORNEGY: And is this method
5 consistent with previous housing plans that were
6 released by other mayoral administrations?

7 MOLLY PARK: Yes.

8 CHAIRPERSON CORNEGY: Thank you, the
9 Housing New York plan will now run to 2026 instead of
10 2024. That means that the housing plan will end four
11 years after Mayor de Blasio leaves office. What's
12 the reasoning to extend the period of the housing
13 plan?

14 MOLLY PARK: It is, producing the
15 affordable housing is, there's a lot to be said for
16 the momentum behind it. We are a big industry. We
17 are the people at HPD and HDC but we are also the
18 developers for profit, non-profit. We are the
19 lenders, the tax credit investors and creating that
20 momentum and investing the money in the budget, the
21 money is in the budget and that, it is, once the
22 machine is moving it is harder to slow it down so by,
23 by setting the standard, by putting out that we will
24 do 25,000 units of affordable housing every year and

2 ramping that machine up to produce that, it has a
3 powerful momentum behind it.

4 CHAIRPERSON CORNEGY: So obviously for
5 some of us that creates a little bit of a concern
6 because pushing things out into the years that
7 another administration is due to take over, we're not
8 certain that they'll be consistent with the plans of
9 the former administration so how does the
10 administration plan to ensure that the goals of
11 Housing New York will continue under a future
12 administration?

13 MOLLY PARK: Well, I think, first of all
14 as I mentioned, putting money in the budget. I'm
15 borrowing a line from the Mayor here, but it is much
16 harder to take money back once it's been put into the
17 budget and certainly for something that is as
18 critical in need as affordable housing and it has as
19 much support behind it so I think simply budgeting
20 and planning for it is in and of itself a powerful
21 statement. We, at the end of the day there is
22 opportunity to change goals. That happens, sometimes
23 goals change even within an administration if, for
24 example, there's a major change in the economy, we
25 would expect the plan to react to that but I think

2 the momentum really does matter. I will also say
3 that we aren't back loading this. This is a plan,
4 the expansion, the new programs, everything else
5 starts immediately so we are growing Housing New York
6 starting from the day that it was announced in the
7 fall.

8 CHAIRPERSON CORNEGY: So, some of my
9 colleagues believe that in a very strong housing
10 market that we should be demanding more from
11 development in terms of affordability and we can get
12 that because the market is so strong. What's the
13 difference between being very aggressive in a strong
14 market in terms of affordable units and demanding
15 that and in a weaker market and how are we
16 differentiating between the two markets for
17 affordable housing?

18 MOLLY PARK: Sure, so I think we are
19 absolutely drawing on market driven strategies right
20 now. Mandatory inclusionary housing, voluntary
21 inclusionary housing, 421A, these are all places
22 where we are able to get affordable housing without
23 putting in direct capital subsidy because we do have
24 a strong market because there is value in being able
25 to go higher or to be able to get some temporary tax,

2 relief from your taxes so we are doing that right
3 now. It's an important piece. We are also able to,
4 I think, get deeper affordability right now in a
5 relatively strong market because we can put some
6 units in buildings that have some, even 100%
7 affordable buildings, we can have some moderate or
8 middle income units to then cross-subsidize the
9 operation of really deeply affordable units so these
10 are all strategies that we are using right now in a
11 relatively strong market. When the market is, is
12 weaker, there are challenges and opportunities. I
13 actually was at HPD in 2008, 2009. It was a very,
14 very different kind of time. We were focused a lot
15 more on preservation. We were focused on purchasing
16 notes of distressed properties. One of the things
17 that I think is particularly exciting about
18 neighborhood pillars that I mentioned earlier that we
19 are structuring it today with an eye to preserving
20 buildings that could very easily be targets to
21 speculators where you could see rents go up. We're
22 targeting them today because they have the potential
23 to have significantly increased rents but the
24 programmatic infrastructure that we are creating that
25 is providing down payment assistance and technical

2 assistance to non-profits to acquire these buildings,
3 I think could also work very well in a down turn if
4 what you had is instead of properties at risk of
5 speculators, properties at risk of disinvestment.

6 CHAIRPERSON CORNEGY: So the last
7 question on behalf of the Speaker, I believe you may
8 have answered it but I think I asked the question
9 more broadly and he's way more concise. Can you walk
10 us through the steps that need to occur before the
11 expiration of regulatory agreement at a development?

12 MOLLY PARK: Sure, so if a building is
13 coming, if one of the various regulatory pieces of
14 the financing package or the regulatory agreement in
15 a building is expiring and I saw one of because there
16 are all of these multiple, overlapping,
17 noncontiguous, we will do outreach, owners will come
18 to us. You know, there is very often, we work very
19 closely with our community, non-profit partners.
20 They will often identify a building. We flag a
21 building as having this particular date in time,
22 right so for a long income housing tax credit
23 project, for example, that is coming up to year 15,
24 we will reach out to them, we will facilitate the
25 exit of the investor so there is a legal

2 repositioning that happens then. We will also
3 encourage the owner to do a physical needs assessment
4 to figure out whether or not there actually is work
5 required. We will take a look at whether or not the
6 building has sufficient reserves to do that work.

7 CHAIRPERSON CORNEGY: Wait, wait before
8 you finish answering the question, so you said that
9 you'll encourage. There's no mandate though to do
10 that assessment? You can only encourage?

11 MOLLY PARK: At the end of the day, we
12 are working in a public/private partnership market
13 driven system. At the point of year 15 where we
14 still have a lot of hooks for the property, the line
15 between encourage and require is a fairly thin one so
16 we're gonna get the physical needs assessment done on
17 that property but at the end of the day, it is the
18 owner of the property who is hiring the contractor to
19 do the physical needs assessment. They're hiring
20 somebody off of a HPD prequalified list but they are
21 the ones actually doing that. Based on an assessment
22 of the physical condition and the financial condition
23 of the building, we may steer it in a variety of
24 different routes. If the building is actually
25 physically distressed, we're gonna try and get it

2 into an HPD loan program where we are investing new
3 capital dollars into the physical condition of the
4 building. I do want to stress that, you know,
5 physical distress may or may not be a reflection of
6 the quality of the management. If the building had
7 been, had had a lighter rehab scope 15 years ago,
8 right, if it was a City owned building that had had a
9 fairly light rehab scope 15 years ago, it may need
10 more work now than if it was a new construction
11 building that was coming to year 15 so you need a
12 variety of physical needs. If it, so if there's real
13 need there, we will get it into a rehab program. If
14 there isn't significant physical need, we will
15 reposition the tax credit investor, restructure it.
16 We will add, typically look to add some affordability
17 there by extending the tax benefits by, you know,
18 providing other kinds of financial incentives so that
19 we are pushing out the end of that regulatory
20 agreement. As I say, it is a fairly retail process
21 where we are going building by building and dealing
22 with the individual projects, physical and financial
23 circumstances but we have a very strong track record
24 of success. I've said it several times, but I will
25 say it again that we've done 40,000 units within

2 Housing New York that are preservation of previously
3 existing regulatory agreement.

4 CHAIRPERSON CORNEGY: Thank you. If
5 there are no more questions from my colleagues, thank
6 you for your testimony. Look forward to working with
7 you.

8 MATT MURPHY: Thank you, thank you for
9 your leadership.

10 CHAIRPERSON CORNEGY: We are going to
11 call the next panel. Thank you to my colleagues who
12 are able to stay as well. Wanda Swinney, Tahica
13 Fredericks, Harry DeRienzo and Gregory Jost.

14 [pause]

15 CHAIRPERSON CORNEGY: So I just ask that
16 you indulge me in the idea that chivalry still exists
17 and we let the testimonies begin by the ladies first.

18 GREGORY JOST: They actually, they're our
19 bosses and they decided on the order last night at a
20 meeting so they're still in charge.

21 CHAIRPERSON CORNEGY: Okay, as long as
22 you've worked that out already.

23 [Laughter]

24

25

2 CHAIRPERSON CORNEGY: But if you can just
3 for the record identify yourself before giving your
4 testimony.

5 TAHICA FREDERICKS: My name is Tahica
6 Fredericks and I'm a board member and resident leader
7 in the Bronx.

8 HARRY DERIENZO: Harry DeRienzo,
9 president and CEO of Banana Kelly Community
10 Improvement Association.

11 WANDA SWINNEY: Wanda Swinney, board
12 member and Council Leader of Banana Kelly.

13 GREGORY JOST: Hi, I'm Gregory Jost and
14 I'm the director of organizing at Banana Kelly and
15 I'm gonna start us off and thank you very much for
16 having us here esteemed members of the New York City
17 Council and Committee on Housing and Buildings and
18 Banana Kelly Community Improvement Association is a
19 40 year old community based organization working on
20 community controlled neighborhood solutions and
21 improvement in the south Bronx and we're all here
22 today just to speak about Intro 607 which we
23 appreciate the spirit of and we just have some
24 concerns about some of the actual specific language
25 in so in addition to my work at Banana Kelly I'm also

2 a community researcher and scholar who works on the
3 history of redlining and how it's defined the Bronx
4 and many other cities around the country and thinking
5 about how it impacts segregation and how we
6 understand these as issues and so you may be very
7 familiar with this but when the federal government
8 first got intensely involved in the housing market
9 during the new deal, surveyors assigned levels of
10 risk to neighborhoods based primarily on the race and
11 ethnicity of the people who lived there using terms
12 such as "detrimental influences, Negro and Puerto
13 Rican infiltration". Redlining transformed the
14 explicitly racist language of the Jim Crow era into
15 relentless and pervasive structural racism collapsing
16 race in place in a way that would create the hyper-
17 segregated neighborhood that we are still dealing
18 with today. Yet as historian Craig Steven Wilder
19 writes about segregated Brooklyn, "That isolation was
20 only the lubricant for oppression. Racial
21 concentration set the foundation for broader social"
22 domination, excuse me, "Racial concentration set the
23 foundation for a broader social agenda that put the
24 black population at the mercy of their white co-
25 citizens."

2 CHAIRPERSON CORNEGY: Mr. Jost, what was
3 that author again?

4 GREGORY JOST: Craig Steven Wilder.
5 He's, the book is called *A Covenant with Color, Race*
6 *and Social Power in Brooklyn*. He's, he also wrote a
7 book that came out last year on *Ebony and Ivy*, about
8 the history of the ivy-league colleges and how
9 slavery built them.

10 CHAIRPERSON CORNEGY: I'm sorry, I see
11 that as footnoted here in your notes.

12 [Laughter]

13 GREGORY JOST: Thanks, the little
14 footnotes. So this white domination manifested not
15 only in unequal policing and education but also
16 through serial displacement on unprecedented levels
17 as seen in programs such as Slum Clearance and Urban
18 Renewal in the 50's and 60's followed by benign
19 neglect and planned shrinkage during the 70's and
20 80's and it was against this back drop of
21 displacement, exploitation, and devastation that
22 historically redlined people, primarily black and
23 Puerto Rican, came together to save their buildings,
24 blocks and neighborhoods through community control,
25 collective ownership, and sweat equity. Residents on

2 Kelly Street in the Bronx and in neighborhoods just
3 like that all across the City and country have been
4 battling overwhelming forces for decades, building
5 community, restoring social fabric and fighting both
6 disinvestment and displacement. Today in a climate
7 of speculation and gentrification across the City, we
8 fear that the vagueness of the language in Intro 607
9 specifically requiring that any affordable housing
10 plan developed by the City includes certain types of
11 actions that "address significant disparities and
12 housing needs and an access to opportunity replacing
13 segregated living patterns with truly integrated and
14 balanced living patterns, transforming racially and
15 ethnically concentrated areas of poverty into areas
16 of opportunity". While we understand this language
17 comes from HUD, we believe that left as is, this bill
18 can readily be interpreted to allow or even encourage
19 integration through gentrification and assumes that
20 communities of color will only become places of
21 opportunity by a significant increase in the presence
22 of white people. We reject this premise as well as
23 the understanding of segregation as the root cause of
24 the disparities you are seeking, or we are all
25 seeking to address.

2 CHAIRPERSON CORNEGY: So I'm just gonna
3 ask, while I respect and appreciate the preparedness
4 of this panel, I want to make sure everyone gets an
5 opportunity to be heard so if you can be as concise
6 as you possible can and I promise to follow up
7 because this is some great information going forward
8 so thank you.

9 GREGORY JOST: Great.

10 HARRY DERIENZO: Okay, my name is Harry
11 DeRienzo again and I also applaud the council members
12 for taking this issue up but I also urge the council
13 members to take a step back and make sure that
14 whatever is done legislatively is well thought out,
15 inclusive, participatory, comprehensive and not
16 capable of doing more harm than good. Upon passage,
17 the Fair Housing Act was a long overdue and
18 critically important piece of civil rights
19 legislation and in most America and closer to home in
20 the suburban areas surrounding New York City, the
21 legislation is as important today and as relevant
22 today as in 1968 but in certain area, particularly
23 urban, gentrifying areas of the City, the Fair
24 Housing Act has worked and has the potential to
25 continue to work against the very people it was

2 supposed to help. The language of Intro 607 focuses
3 on neighborhood like the South Bronx. That is
4 appropriate but if you take into account historical
5 patterns of segregation and discrimination within
6 historically redlined areas for the purpose of
7 restorative justice, in other words, any community
8 preferences should target public subsidy so those
9 population groups historically deprived of nobility,
10 choice and opportunities for multi-generational
11 wealth building. Furthermore, it should focus on the
12 work that needs to happen in wealthier, wider parts
13 of the City and quite frankly, the region as well.
14 Language in any fair housing plan needs to
15 acknowledge the specific and pervasive history of
16 segregation and racism in this country and
17 distinguish between the responsibility assigned to
18 neighborhoods that have benefitted from this history
19 and those that have suffered. Historically redlined
20 disenfranchise people should not be threatened with
21 displacement by actively seeking to integrate them on
22 someone else's terms based upon the Fair Housing Act
23 in the context of gentrification in formerly redlined
24 neighborhoods. This hurts the very people that the
25 Act was designed to help and promotes intentionally

2 or inadvertently in the disenfranchisement of our
3 most vulnerable citizens, many of whom have worked
4 for the last few decades rebuilding these very same
5 neighborhoods, preserving and rebuilding. At Banana
6 Kelly we have fought for decades to gain community
7 control over both process and resources. Any fair
8 housing plan should include language that ensures
9 that these values of inclusion, choice, particularly
10 the choice of opportunity to retain home and
11 community is maintained. Thank you very much.

12 CHAIRPERSON CORNEGY: Thank you.

13 TAHICA FREDERICKS: I'm next. Again, my
14 name is Tahica Fredericks. I'm a Board member of
15 Banana Kelly as well as a resident leader in the
16 Bronx. I am originally from Brooklyn, Bedford-
17 Stuyvesant, and my last stop before leaving Brooklyn
18 was in Ft. Green where I raised my children with my
19 husband and what concerns me about this particular
20 legislation for Intro 607 is that the patterns are
21 the same that I experienced in Brooklyn. The
22 instability is just something that I just cannot
23 tolerate. What I'm very, most concerned about is
24 that it leaves working families like my own seeking
25 housing elsewhere once these patterns have started.

2 Let me just find my place here and once we can't find
3 housing in our neighborhoods, we are left to look
4 elsewhere and if we can't find a place that's
5 affordable, what's left for us is the shelters which
6 is where my family and I ended up and nothing has
7 changed. We continue to work and pay our taxes and
8 we sent our children to college but we had to do it
9 while we were in the shelter. After two years of
10 being in the shelter, we actually found housing with
11 the help of Banana Kelly and one year into our
12 housing I'm beginning to see the same patterns in the
13 Bronx that I saw in Brooklyn so this language in this
14 particular legislation is concerning me so it just
15 looks like there's just being a pretty hat put on
16 gentrification so it's kinda scary so there's the red
17 flags there and whether you to believe it or not, it
18 is impossible to create and build personal wealth
19 without stability. We have to have roots and it's
20 instability that produces and maintains the poverty
21 so it's not integrating the neighborhoods because
22 once it's integrated, then people like myself we can
23 no longer afford our apartments and then we had to
24 leave so without those roots, we can't build our own
25 wealth so this is something that really needs to be

2 considered so there is no way that opportunity can be
3 created by integrating our neighborhoods so let's
4 call this what it is, it's a pretty hat on
5 gentrification and that's all I have to say.

6 CHAIRPERSON CORNEGY: Thank you.

7 WANDA SWINNEY: Okay, thank you. My name
8 is Wanda Swinney and I'm a Board member and resident
9 council leader of Banana Kelly. We have been working
10 for decades to collectively own our own, own and
11 control not only the buildings but the land also. We
12 have fought too long and hard for our neighborhoods
13 to not be at the table when their future is being
14 decided. Please look to the work we do as, well, I
15 would like you to invest in our work actually to be
16 honest. Mutual housing association and community
17 land trusts as a model for creating opportunity,
18 invest in us and the opportunities we can create for
19 ourselves. I'm tired, I'm tired of what gets pushed
20 upon us black communities, the people with racially
21 demoralizing propagandas trying to subdue us. There
22 are no more robotic mindsets here. Stop trying to
23 mislead us to believe. We've become our own worst
24 enemies and therefore we need, we need whites to
25 govern our lives, which is not true. It's

2 psychological welfare designed to make black
3 communities compliant with white, you'll have to
4 excuse me. Just whites has taken over our properties
5 and I have six children. I'm a mother of six
6 children. I have 16 grandchildren. I have a great
7 grand and I mean we deserve our own and just as well
8 as anybody else. I experienced going to the shelter
9 twice in my life, once by me going with my children
10 and then by my daughter going because she has to try
11 to find a way of her own. We have a right to our own
12 property and land also. Okay, I'm not trying to get
13 that far with it but you all have good intentions, we
14 all have good intentions with this bill but it is
15 clear, it isn't clear to us what you are trying to
16 accomplish with it. We ask you to be both explicit
17 and specific in what you want to do and make sure you
18 figure out what, figure out, figure out with us,
19 figure it out with us. Okay, and I just wanted to
20 say one more thing if it's okay. I just want to say,
21 so building on what we already do, we ask that you
22 would invest in us as we continue to move forward
23 with clarity for all.

24 CHAIRPERSON CORNEGY: So first of all, I
25 want to thank you all for your testimony. A lot of

2 myself and my colleagues' decisions and legislation
3 is informed by having these robust conversations and
4 I want to personally thank Banana Kelly for work that
5 you do in minority communities to empower. Thank you
6 for your testimony.

7 TAHICA FREDERICKS: If I may, please, one
8 more thing.

9 CHAIRPERSON CORNEGY: I'm only allowing
10 this because you are originally from Bedford-
11 Stuyvesant.

12 [Laughter]

13 TAHICA FREDERICKS: Thank you, if I may,
14 when the subject of certain affordability housing
15 programs are allowed in our community, the
16 pacification of just a few of these apartments that
17 are in the new developing buildings in our
18 neighborhoods is not enough. We refer to these,
19 these crumbs as poor doors because we know the people
20 who, you know, get lucky enough to move into these
21 buildings and they end up in the poor doors which is
22 just maybe a certain line of apartments that they
23 would get but they are denied certain services and
24 amenities so this is, you know, it is, we're not, you
25 know, objecting, you know, new development or

2 anything like that in our communities but this cannot
3 be considered fair just because it's affordable and
4 they're throwing a few crumbs from their table so it
5 needs to be a little bit more than this. If they're
6 gonna have these buildings in our communities, if you
7 can't do 50/50, do 70/30, 60/40 or whatever but poor
8 doors and columns and then denying us amenities
9 that's not gonna work so I just wanted to put that
10 out there.

11 CHAIRPERSON CORNEGY: Thank you. Council
12 Member Lander, question?

13 COUNCIL MEMBER LANDER: Thank you,
14 Mr. Chair and I really appreciate you guys, this
15 panel and your coming in and I guess I just want to
16 ask the question just so I'm sure I understand kind
17 of what the, what to take away. You know, I think
18 one challenge is it's easy for us in the context of
19 thinking about integration to imagine, you know, Ruby
20 Bridges, like one, you know, young African American
21 woman bravely, you know, integrating a white
22 institution. New York City is two thirds people of
23 color so the vision of an integrated New York City is
24 not that. It's got to be something pretty different
25 if we would be real about it, right, so I think this

2 issue like the idea of integration in a city, the
3 City we have today is not like you talked about
4 having, well, I guess it's that simple. Like, it
5 would, it would, if it were integrated it would be
6 majority people of color in every neighborhood. Like
7 that's what integration would look like so I, I just
8 want to understand, like I could imagine, I want to
9 make sure I understand between two things. One of
10 which is be careful, like pay attention to this
11 legislation and make sure that if we're talking about
12 affirmatively furthering fair housing, we're
13 investing in people so they can stay in their
14 neighborhoods, we're strengthen tenant protections,
15 we're creating new opportunities for wealth building
16 to make sure that folks can have a real stake and in
17 that context if we had that confidence, if we saw
18 those policies, yes, we would want not to have such a
19 segregated City. That would be Option 1. Option 2
20 would be like leaved us alone, we don't want to have
21 this process. You know, we want to kind of be about
22 our business and we're nervous that this is gonna do
23 more harm than good so we'd rather not see it and
24 it's okay if you feel some mix of both but I just
25 want to make sure I understand so as we're trying to

2 move forward here, we can do it mindful of what you
3 think.

4 HENRY DERINZEO: We've been having
5 meetings for years with our resident leaders and our
6 resident leaders are not against investment. They're
7 not against the diversity of retail. They're not
8 against having economic opportunities that we're
9 there before. They're against these things coming
10 into their neighborhoods at the expense of their
11 being able to stay there and that's the bottom line
12 and if we can't have development without displacement
13 then yes, you're right. It's number 2, we don't want
14 the development.

15 COUNCIL MEMBER LANDER: Thank you.

16 CHAIRPERSON CORNEGY: We're clear, thank
17 you. Gonna call the next panel at this time
18 beginning with Berica [phonetic] Williams, Adrien
19 Weibgen, Marica Diaz and Veronica Cook and again, I
20 just ask, before you give testimony if you would just
21 state your name for the record. We can begin
22 wherever you'd like to begin. I don't know, I always
23 feel like Verica, you should be the closer but you
24 can do whatever you want.

25 [Laughter]

2 BERICA [phonetic] WILLIAMS: Hi everyone.
3 Thank you for having me, Chair and for the Committee
4 so I provided my written testimony but also partly
5 inspired by that wonderful panel by Banana Kelly I
6 sort of want to focus in on a couple of things so
7 first off, we applaud the Council for taking on this
8 issue and really moving forward a conversation around
9 fair housing and likewise applaud the administration
10 for making the decision to go ahead and invest and
11 put resources and time and effort into working on
12 fair housing despite what the federal government
13 chose. That being said, I just want to highlight a
14 couple of things that both speak to the bills but
15 also the broader issue. One of which is the City's
16 obligation around fair housing extends beyond the
17 Affordable Housing Plan and any affordable housing
18 programs or policies. It covers the entire market,
19 all housing actors, all industries and all policies,
20 right, and I think it's important in how we talk
21 about this to not limit any of the legislation or the
22 way that we think about fair housing strictly to an
23 affordable housing plan. Second, I want to echo some
24 of what the Banana Kelly group said and also push us
25 to think about having a conversation of whether the

2 goal of fair housing is evenness, right, or whether
3 the goal of fair housing is to support and ensure
4 resources and investment in all communities, right.
5 I don't know if we as New York are looking to have an
6 even distribution of everyone all across the City if
7 what that costs us is a Chinatown, is a Little
8 Caribbean, it a Bengali neighborhood, is a Black
9 African American like middle class community. These
10 are core in what we understand is New York City and I
11 think that's a tough thing to grapple with. I also
12 think we've got to really struggle with many of the
13 things that have come up in the rezonings and
14 displacement and how these things are playing out in
15 a disproportionate way for many groups that are in
16 protected classes. Seventy-five percent of
17 communities of color earn below 60% AMI. When we
18 don't think about deep affordability, when we don't
19 think about things like that, we are creating
20 disproportionate impacts for communities of color
21 right off the bat so I'll leave it there for now.

22 CHAIRPERSON CORNEGY: Thank you.

23 ADRIEN WEIBGEN: Hi, good afternoon,
24 sorry. Berica is a tough act to follow. My name is
25 Adrien Weibgen. I'm an attorney at the Community

2 Development Program of the Urban Justice Center in
3 the Equitable Neighborhoods Practice.

4 CHAIRPERSON CORNEGY: I'm sorry, Adrien.

5 Can you pronounce your last name for me again? I have
6 a feeling that I'm gonna be calling it often.

7 ADRIEN WEIBGEN: It's pronounced Weibgen
8 or if you want to be fancy, Vivcan. It's German.

9 CHAIRPERSON CORNEGY: All right, thank
10 you.

11 ADRIEN WEIBGEN: So thank you so much for
12 the opportunity to testify and for introducing this
13 important legislation to address the issues that the
14 Fair Housing Act raises. This process in New York is
15 going to require us facing a lot of ugly truths
16 because too many communities, as you know, have
17 weathered and continue to weather significant
18 disparities caused both by private action and by
19 public forms of discrimination and investment and
20 many other ways that communities were created, both
21 good and bad so as James Baldwin teaches us, nothing
22 can be changed until it's faced and CDP and its
23 partners are grateful that both the counsel and the
24 de Blasio administration are facing these difficult
25 issues despite the federal government's disinterest

2 in doing so. That being said, we're a little
3 concerned that the scope of the bills is too narrow
4 to address what the Fair Housing Act requires both as
5 Berica said because the housing issues alone require
6 a wide array of strategies and because the Fair
7 Housing Act looks not only at housing but also as HPD
8 testified many other areas that relate to
9 neighborhood inequality and segregation including but
10 not limited poverty in these areas, investment in
11 schools, transportation and job access so these are
12 all things that CDP and its partners are very excited
13 to address as part of the Where We Live NYC process
14 and we hope that after that process concludes, it
15 will be possible for the Council to introduce
16 legislation that full addresses the array of
17 strategies that that process will have produced.
18 It's one that we hope that many of the communities
19 that are most impacted by fair housing issues will
20 have a real opportunity to participate in and there
21 will be a lot of need to address the indicators so
22 I'm gonna run over my time just a little bit to shout
23 out Banana Kelly for raising the particularly
24 difficult issue that gentrification causes within the
25 fair housing context which is one that Norland and

2 other cities had already undertaken. Their
3 affirmatively fair housing assessments have
4 addressed, gentrification doesn't create a stable
5 form of integration or benefit the people whose needs
6 the Fair Housing Act was designed to address. That
7 is why the rule calls for a balanced approach of
8 strategies that both address investment in place and
9 mobility of people and that is something that is
10 going to be extremely for the City to address within
11 its own fair housing process and one that we hope a
12 revised version of this legislation will track
13 indicators related to. Thank you.

14 CHAIRPERSON CORNEGY: Thank you.

15 VERONICA COOK: Hi, I'm Veronica Cook and
16 I'm a staff attorney in the Civil Rights Justice
17 Initiative at Legal Services. I'm here with my
18 colleague Marica Diaz who's the director of our
19 tenants' rights coalition and I'm also here today as
20 a member of the LSSA 2320 which is our union that
21 encompasses our staff members, our receptionists, our
22 paralegals, our attorneys, all of our non-management
23 staff at Legal Services. Thank you for the
24 opportunity to speak today. We're really grateful
25 and really thrilled that you all are introducing

2 these bills. We've had the opportunity as well to
3 meet with HPD on a couple of occasions and we're
4 really glad that they're continuing in their plan to
5 conduct a assessment of fair housing despite the
6 absence of an immediate federal mandate to do so and
7 we think that the codification of the affirmatively
8 furthering faith housing rule and the requirement
9 that the City perform or develop a affordable housing
10 plan are excellent first steps in ensuring and
11 fighting for fair and equitable housing opportunity
12 in New York City but they are just first steps. I
13 want to echo and build upon comments that you all
14 have made that that my previous, my colleagues here,
15 that Banana Kelly made about acknowledging that
16 affirmatively furthering fair housing is not just
17 about integration and is not just about looking at
18 areas that are predominantly white or higher income
19 as areas of economic opportunity and excluding or not
20 considering the values that are already present in
21 neighborhoods that are lower income or predominantly
22 made up of people of color. There is particular
23 language in the HUD rule that we think could be
24 incorporated into Intro 607 in particular and so just
25 to finish very quickly. There's language in the HUD

2 rule about engaging in activities to remove barriers
3 to the development of affordable housing and areas of
4 high opportunity, targeted investment and
5 neighborhood revitalization and stabilization,
6 promoting greater housing choice and greater access
7 and improving community assets and we think some of
8 that language could be incorporated into 607 as well.

9 CHAIRPERSON CORNEGY: Thank you.

10 MARICA DIAZ: Good afternoon. Marica
11 Diaz from Legal Services, NYC, hi. I direct City
12 wide anti-harassment tenant protection program at
13 Legal Services and we're focused on neighborhoods
14 that are facing rezoning and doing anti-displacement
15 work in those neighborhoods so, you know, through
16 that work we're really seeing firsthand the impacts.
17 Frankly in many neighborhoods, the mere announcement
18 of the creation of affordable housing through up
19 zoning and so we really do welcome these bills.
20 Right now is an opportunity to advance fair housing
21 in our City particularly at a time when as a national
22 level we're seeing deterioration in that regard and
23 so we definitely want to commend the council members
24 for addressing these gaps. Having said that, you
25 know obviously I reiterate the testimony of the

2 Banana Kelly panel and my co-panelists here where I
3 wanted to sort of add on is simply to talk about the
4 extent to which the bills require reporting from the
5 City administration and we feel like a lot more could
6 be done to give us a fuller picture of what's going
7 on when we're talking about creating affordable
8 housing and so, you know, one of the things about
9 affordable housing creation through up zoning which
10 has really been the center piece of the affordable
11 housing plan that we're seeing at the moment. One is
12 that it has the potential for gentrification
13 displacement resegregation potentially because of the
14 affordability levels being not what's required by the
15 existing community members and so really a greater
16 level of reporting could kind of get at that and
17 allow us as a City to course correct when our
18 affordable housing plans are actually just triggering
19 displacement or actually not creating affordable
20 housing and so when I say that, I'm talking about
21 things, you know, that are detailed in our testimony
22 in writing but things like requiring the
23 administration to actually evaluate and report on the
24 displacement that was triggered by rezoning actions
25 and up zoning and the creation of affordable housing.

2 You know, requiring the administration to report on
3 and evaluate secondary displacement in a way that
4 like the secret technical manual doesn't get at,
5 right, requiring them to report on the preservation
6 of the City's affordable housing stock with NYCHA and
7 the alienation of NYCHA land to sensibly create
8 affordable housing but at levels, you know, as I
9 referred today, that maybe don't get at the levels of
10 affordability needed in those communities and also
11 requiring the administration to report on the
12 preservation of the rent regulated housing stock that
13 we have which is some ways, you know, our greatest
14 [Inaudible] of affordable housing stock and yet what
15 we're hemorrhaging and so we really think that
16 additions like this could help, you know, better get
17 at the kinds of issues that we think these
18 legislations intended to address.

19 CHAIRPERSON CORNEGY: Thank you.

20 Chair, sorry, can I just say one
21 sentence, sorry.

22 CHAIRPERSON CORNEGY: Yes.

23 BERICA WILLIAMS: So just to add on to
24 one thing. I think one thing to highlight is that
25 where we got to the Fair Housing Act is because we

2 are rooted in policies and practices that had
3 structural racisms and xenophobia in them. I think
4 one thing also that we mentioned in our testimony and
5 that's come up is that the data and analysis that is
6 proposed in the bills and that we currently have also
7 track things around housing units but do not track
8 how people are being, the actions that are happening
9 to individuals, right, and I think that is also an
10 important piece to think about in this fair housing
11 legislation that the Council is considering. I might
12 be able to pull up either now or in the future, a
13 bunch of information on ELI, VLI, various units.
14 That does not mean that I will have the information
15 on whether or not we are acting differently on the
16 black residents, Puerto Rican residents, Chinese
17 residents and that is part of, and disabled, seniors,
18 veterans. That is core to our fair housing act and
19 core to how New York City has approached fair housing
20 that also we don't have and that isn't reflected in
21 this.

22 CHAIRPERSON CORNEGY: So actually I look
23 forward to working with you further to see how we
24 could to a better place with the legislation,
25 especially through the data and subsets of data that

2 would, would kinda equal the playing field because
3 that's obviously the intent and whatever we have to
4 do to get there, it's the right time to be attempting
5 to do that. Questions? Thank you so much for your
6 testimony and for your work on behalf of communities
7 around the City. Okay, we're gonna call the last
8 panel for the day. Chinera [phonetic] Pierce, Jawke
9 [phonetic] Quomas, Brother Paul Mohammed, and Albert
10 Scott. I would just like to note that I'm very
11 grateful that HPD has stayed around to hear the
12 testimony of the last three panels. We truly
13 appreciate that. So I have three gentlemen and a
14 lady so I'm going to let protocol apply and chivalry
15 to take place and just please state your name.

16 CHINERA PIERCE: My name is Chinera
17 Pierce. I'm the policy coordinator from the Fair
18 Housing Justice Center here in New York City. The
19 Fair Housing Justice Center, a regional civil rights
20 organization based in New York City, strongly
21 supports passage of local law Intro 607 and Intro 601
22 with some modifications. In our view, the passage
23 and implementation of these laws, with some minor
24 changes, could over time enable New York City to
25 gradually reduce residential racial segregation,

2 decrease poverty concentration and expand affordable
3 housing opportunities throughout the City for
4 populations whose housing choices have historically
5 been limited. The enactment of these local laws
6 would also establish a process that could aid the
7 City to fulfill its duty to comply with the Federal
8 Fair Housing Act by affirmatively furthering fair
9 housing. We are just one day from commemorating the
10 50th anniversary of the Federal Fair Housing Act.
11 That critical piece of historic legislation passed by
12 Congress and signed into law one week after the
13 assassination of Martin Luther King prohibited
14 housing discrimination throughout our nation. It
15 also included a key provision that the U. S., HUD and
16 all recipients for federal funds, implement all
17 housing and community development activities in a
18 matter that affirmatively furthers fair housing.
19 Now, reflecting on the past five decades, it is clear
20 that fair housing laws have not been vigorously
21 enforced and the affirmatively further requirement
22 has been largely ignored by the federal government as
23 well as the recipients of federal funds. Worse yet,
24 we are witnessing at the federal level, outrageous
25 actions that can only be described as regressively

2 retreating from fair housing. The shameful
3 rescinding of the AFH rule promulgated by the, under
4 the Obama administration, signals an unwillingness by
5 the current administration to implement one of the
6 most basic and important provisions of the civil
7 rights law. In view of developments at the federal
8 level, we do support Intro 607 because it is
9 consistent with the spirit and letter of the Fair
10 Housing Act and would hold New York City accountable
11 to affirmatively furthering fair housing. Intro 607
12 only has meaning and value if the City's fair
13 affordable housing plan, Intro 601, also captures and
14 reports data in a manner than enables policy makers
15 to readily access whether any facet of the plan is,
16 in any neighborhood tabulation area, reducing or
17 perpetuating residential racial segregation, reducing
18 or increasing poverty concentration and expanding or
19 constraining housing choice. In our view, a fair
20 affordable housing plan would need to include for
21 each neighborhood tabulation area, data on other
22 factors such as race, national origin, income level,
23 age of existing residents as well as the number of
24 existing affordable units and publicly housing
25 subsidized units in the area, including public

2 housing units and the number of households with
3 Section 8 subsidies and other rent subsidies.
4 Additional information on schools, neighborhood
5 amenities, recreational facilities and other
6 resources may be quite helpful in assessing whether
7 specific areas are best locations for creating
8 additional affordable housing and my last point. For
9 historically disadvantaged areas, is there a
10 comprehensive revitalization plan in place in which
11 includes economic development in the form of
12 commercial improvement, job creation and evidence of
13 private and public investment. The report also needs
14 to include a data on any land use zoning and any
15 other regulatory barriers to creating and preserving
16 affordable housing beyond those factors listed in the
17 proposed legislation. If this additional data is
18 included as part of the plan that is mandated, we
19 will fully support the legislation. Thank you.

20 CHAIRPERSON CORNEGY: Thank you.

21 MR. QUOMAS: Hi, I'm [Inaudible] Quomas.
22 I've testified at your meetings previously. I'll try
23 to be concise. The following remarks appeared in an
24 email that I received from HRA's Paul Romaine from
25 the Contracts Division at 2:30 p.m. today. "We were

2 unable to get a clearance for you at the 4 World
3 Trade, 150 Green Street. Accordingly today's 4 p.m.
4 meeting has to be rescheduled for another date and
5 time. We'll let you know as soon as find another
6 location to view the draft contract." That was about
7 a confirmed appointment for me to go to 4 World Trade
8 at 4 p.m. today to view a contract, a proposed
9 contract to be issued to Urban Pathways that I
10 discussed with you that has embezzled taxpayer cash.
11 The proposed contract is for \$10 million so
12 essentially my equal protection rights were violated
13 today and I'm going to take that up in court so let
14 me move on to the next

15 CHAIRPERSON CORNEGY: So wait,
16 Mr. Quomas. I want to just briefly, you've testified
17 at several of my hearings.

18 MR. QUOMAS: Yes, sir.

19 CHAIRPERSON CORNEGY: And I, and I have
20 asked that you would meet directly with my staff
21 because I realize that you are having some issues
22 around housing that can only be addressed not in
23 hearing but to meet individually with my staff. I
24 want to encourage you to do that.

2 MR. QUOMAS: I have contacted them. They
3 haven't followed up.

4 CHAIRPERSON CORNEGY: Okay, so I want to
5 encourage you to do that today. My chief-of-staff is
6 right over there.

7 MR. QUOMAS: But let me move on to the
8 rest of the testimony.

9 CHAIRPERSON CORNEGY: Is it, is it
10 pertinent to what the fair housing act?

11 MR. QUOMAS: It is

12 CHAIRPERSON CORNEGY: Okay, thank you.

13 MR. QUOMAS: So today's hearing is about
14 fair housing, civil rights, affordable housing so on
15 March 27 I asked the Mayor if he could get legal
16 representation for a woman who is in housing court
17 today to try to prevail against a slumlord I
18 previously beat in housing court. She was actually
19 in housing court against the Judge who illegally
20 evicted me from my apartment in Queens for which I
21 asked for legal representation from HRA to try to
22 have me restored to possession of my former
23 apartment. That hasn't happened. Instead HRA has
24 partnered with the same Judge who illegally evicted

2 me from my own apartment so can you do something
3 about that?

4 CHAIRPERSON CORNEGY: Yes, as soon as
5 you're done with your testimony, my chief-of-staff is
6 right, is still here so I'd like for you to step to
7 the side and just speak with her privately.

8 MR. QUOMAS: Thank you.

9 CHAIRPERSON CORNEGY: Because we need to
10 resolve some of your issues going forward and I think
11 we can only do that with a one on one so she's here.
12 Thank you.

13 ALBERT SCOTT: Good afternoon. My name
14 is Albert Scott. I'm chairman and CEO of the
15 Homeowners' Association in East New York and also
16 affiliated with the Coalition for Community
17 Advancement for Cypress Hills East New York. First
18 let me, I would like to do, we would like to applaud
19 the Council for commemorating the 50 year anniversary
20 of the Fair Housing Act by introducing a series of
21 bills intended to ensure that New York City
22 affirmatively furthers their fair housing on that
23 end. We would also like to state that the City's
24 obligation to affirmatively further fair housing
25 covers all housing actors, funding, and policies that

2 impact a protective class, individual, community and
3 neighborhood. Our obligation to ensure fair housing
4 is not limited to affordable housing development. We
5 ask that the City Council also introduce legislation
6 that furthers fair housing in all aspects and types
7 of housing for all actors. We ask that the City
8 Council introduce and/or expand the legislation to
9 include the fair housing impact of additional
10 protective classes including religion, age and source
11 of income, etc. We ask that the City Council require
12 an assessment of how the City's overarching housing
13 market and housing plan are disproportionately
14 impacting our protected class. For example, what is
15 the impact of luxury housing units on senior and
16 racial ethnic groups and family size, etc. but most
17 importantly, we ask the City Council require an
18 assessment of how the current housing market
19 including all market rate, affordable, and land use
20 base housing plans, policies and programs impact
21 historically disenfranchised people and those who
22 historically and currently face explicit and implicit
23 discrimination which will just lead me to an example
24 out in East New York which was recently on a rezone.
25 Just a quick second, the, on the corner of Liberty

2 and Ashford within the rezoned area, in the plan it
3 stated that HPD would for example, will track whether
4 development within this specific rezoned area would
5 actually whether they will be able to opt in or opt
6 out of the MIH program meaning that monies will be
7 disbursed. They could either pay out or they would
8 go along with the program. On this specific property
9 on Liberty and Ashford within the heart of the
10 rezoned area, we still don't know 1) how much money,
11 what's the formula of what that particular project
12 has to contribute to the fund, and then 2) what is a
13 formula whether it's from, if they intend to build 30
14 units, 10 units, or 50 units. Is it the same lump
15 sum money which is contributed, and then what is the
16 process and how is it reported back to the City
17 Council on how those monies are then distributed back
18 within the local district of East New York on that
19 end so I applaud these strategies as far as the
20 reporting efforts but also look at the mechanisms on
21 how the task agencies will be reporting back that
22 information to you and especially how the moneys will
23 be disseminated throughout the rezoned district.

24 CHAIRPERSON CORNEGY: So that's a very
25 clear and concise question and the members of HPD

2 have stayed. If you could answer that, not publicly
3 but if you could, when you leave, just pass by and
4 follow up with them and if you're not satisfied both
5 myself and your Council Member will follow up.

6 COUNCIL MEMBER ESPINAL: Espinal

7 ALBERT SCOTT: Okay, thank you.

8 CHAIRPERSON CORNEGY: Thank you.

9 BROTHER PAUL MOHAMMED: My name is
10 Brother Paul Mohammed. I'm on the Community Board 5,
11 Land Use Committee. I'm the Chair of Public Safety
12 in Community Board 5. I'm also on the Board of other
13 institutions in Community Board 5, the health and
14 hospitals [Inaudible] in Pennsylvania and I'm on the
15 Coalition of Community Advancement. We found and
16 we've testified here before the actual rezoning
17 [Inaudible] so we're more here and I'm with the
18 points that my comrade here but I want to go to two
19 of the specific points in this report that we've put
20 before you. Dealing with the fact of the assessment,
21 of the impact, let me read this here. I've got to
22 get these glasses on. We ask that the City Council
23 require assessment of how the City's overreach,
24 overworking housing market and housing plan are
25 disproportionately impacting and be protected

1 classes. Right there, we brought up in 2015, pre-
2 Trump, pre the vote and this City Council that we
3 talked, we actually said that it would be a great
4 injustice to folks here, cause I want to give you the
5 picture. We're here talking about Martin Luther King
6 and the 1968 Fair Housing Act and really we've done a
7 disservice to his memory. We bring him up every
8 year. We resurrect what he did but we don't stand on
9 what he did for the last 50 years. He was not a drum
10 major for freedom. He was a drum major for justice.
11 We have lost the fight for the fight for justice. I
12 think I see and Mr. Cornegy, the Chair, Mr. Cornegy,
13 I know in your neighborhood what's happening Bed-Sty.
14 I was just with 50 churches last week and we're
15 talking about reclaiming the prophetic voice at
16 Bethany Baptist Church and we found that the fact
17 over 400 churches have moved from downtown Brooklyn
18 and outside of Bed-Sty because they're being ran out.
19 If the churches are gone, the constituents are gone.
20 The constituents can't stay, the church can't live so
21 we're really, it's really a question of our moral
22 commitment to the fact that would we believe in
23 justice or are we really talking about an economic,
24 social engineering policies that have affected our
25

2 people. I want to say to you in East New York that
3 I'm, my family, I'm a 50 year example of what
4 happened. When my family moved in 1960 to East New
5 York, we bought into the Fair Housing Act. They were
6 burning buildings there and moving out. Blacks move
7 in, it was white flight. We bought the houses. We
8 built the neighborhood. We endured heroin, crack
9 cocaine and crime and we were disenfranchised. We
10 weren't invested in it but we stayed. Now what I've
11 found out, it's more like we've had deceit,
12 deception, now we're facing displacement so what we
13 had we bought and we bought homes. We went over
14 there. This law was not protecting us. They
15 shouldn't have been bought. They shouldn't have been
16 a lawsuit bought on behalf of the residents of East
17 New York cause our own Scott Stringer said 50,000 of
18 the present residents of East New York will be
19 displaced if that rezoning went through. They were
20 saying that, I said on the meeting, they said 67,000
21 new residents were coming. Not 67,000 new residents,
22 67,000 new residents. See, we, we have to study the
23 language. Gentrification has nothing to do with the
24 fact that what's really going on. You're replacing
25 one ethnic group with another and that's ethnic

2 cleansing. I see more people coming there that don't
3 look like. I see the people that look like me. I've
4 stayed in my family's own property for 50 years and I
5 bought another property. I have children that bought
6 into the concept of living in housing. I have to
7 tell them now to get in the lotto for a house. Who
8 said we wanted density? Who said we wanted 14 story
9 buildings in our community? We are a colony. We're
10 being dictated what we want in our community by
11 somebody else. That's against the whole principal
12 that Martin Luther King stood on so as we come here
13 today to talk about the Fair Housing Act and so get
14 back to the spirit of what it was built on. What
15 came? Blood went into these streets behind the Fair
16 Housing Act. People died to fight for the right to
17 have self-determination. We have our communities.
18 We fought to stay there. These policies are being
19 put into place do not go to the core of the racist
20 institutional policy that pervade this City and the
21 two wheel jerk that addressed that issue, building in
22 our community, you're gonna move us out, displace us.
23 I'm a homeowner and I'll finish on this. I talked
24 about Section 8 right now is now being subject to
25 fair market rates. I house people. Nobody's helped

2 me. HPD did not come to me with a plan to preserve
3 my housing. I have a three family house and I have a
4 two family house. I provide affordable rents for the
5 folks there but I can't now, aggressive water lien
6 sales, foreclosure sales, my property taxes going on.
7 The average of a homeowner in East New York is 58
8 years old, black and Latino. That's the demographics
9 so far of this date, 98%. So if you're going to tell
10 me a violation of fair housing, there it is. It
11 cause an adverse, disproportionate impact on any race
12 and that's what it caused and Scott Springer said
13 that in 2015 but this City Council voted yes on it 44
14 to 1. Tell me who was talking about fair housing
15 then. All I heard, you got to watch the devil with
16 the narrative. The narrative then was affordable
17 housing. Nobody was talking about fair housing and
18 the skewed AMI of this City. The average people of
19 East New York and Brownsville make \$31,000 a year.
20 The AMI of New York City is \$86,000 a year. You're
21 not building in Westchester. We've got this thing
22 all backwards. Why you including Westchester in the
23 AMI of New York City but you're not building there
24 but you're building in Brownsville and East New York.
25 Somebody's doing a lie here so we got to tell the

2 truth. This is a hand behind this and it's economic
3 racism. See you, you could see it easy back in the
4 60's. George Romney, Mitt Romney's father, he said
5 that the suburbs, when he was talking when he was the
6 HUD chair under Nixon, he said the suburbs are white
7 new surrounded by urban America. See, we've got this
8 thing all backwards and it's another book I'll leave
9 you. You need to take a look at would help founded
10 the whole policies behind this civil right act and
11 that was an act. Gunnar Myrdal, I think he was a
12 Swedish noble lord. He wrote a book in 1944 that is
13 the foundation and it's a 1,500 page treatise funded
14 by Karnegie and it's called An America

15 CHAIRPERSON CORNEGY: Hold on, let's be
16 clear. Karnegie not Cornegy.

17 BROTHER PAUL MOHAMMED: Karnegie, sorry.
18 Okay, sorry, yes sir. Karnegie but the book is
19 called *An American Dilemma: The Negro Problem in*
20 *Modern Living*. Now we are, we were seen as a problem
21 and that book did 100,000 copies and reprint in the
22 60's. We don't understand what we're looking at here
23 is an economic attack on the people of our City who
24 owned very valuable land but are poor people. Thank
25 you.

2 CHAIRPERSON CORNEGY: Thank you. You
3 said you have that report. I don't have it for my
4 record.

5 BROTHER PAUL MOHAMMED: We'll send the
6 report to you. Be sure you get it.

7 CHAIRPERSON CORNEGY: All right, thank
8 you.

9 BROTHER PAUL MOHAMMED: Thank you.

10 CHAIRPERSON CORNEGY: Thank you all for
11 your testimony. Mr. Quomas can you please just check
12 in with my staff so we can schedule a date to sit
13 down and for the record, New York City Community Land
14 Initiative has submitted testimony and we are going
15 to close this hearing at this time. Thank you so
16 much. [gavel]

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C E R T I F I C A T E

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



Date May 3, 2018