

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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February 23, 2023
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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Pierina Ana Sanchez,
Chairperson

COUNCIL MEMBERS:

Public Advocate Williams
Alexa Avilès
Charles Barron
Tiffany Cabàn
David M. Carr
Eric Dinowitz
Oswald Feliz
Crystal Hudson
Ari Kagan
Gale A. Brewer
Lincoln Restler
Sandy Nurse

A P P E A R A N C E S

Kim Darga

Deputy Commissioner of Development with the New
York City Department of Housing, Preservation and
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Lucy Joffe

Assistant Commissioner of Housing Policy with the
New York City Department of Housing, Preservation
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Christopher Norman

Executive Director of the Metro Atlanta Land Bank

Akilah Browne

Board of New Economy Project

Elise Goldin

New Economy Project

Richard Heitler

In a Mitchell Lama co-op since 1975

Karim Hutson

President and CEO of Genesis Companies

Andrea Kretchmer

Affordable and Supportive Housing Developer

Jolie Milstein

President and CEO for New York States Association
for Affordable Housing

A P P E A R A N C E S (CONT.)

Craig Livingston
Board Chair of NYREC, New York Real Estate
Chamber

Alexis Foote
Founder of the Real Edgemere CLT in Far Rockaway

Valerio Orselli
Project Director of This Land is Ours Community
Land Trust

Athena Bernkopf
Project Director of the East Harlem El Barrio CLT

Rachael Brown
Steering Committee and the Outreach Committees of
the Western Queens Community Land Trust

Juan Barahona
Principal of SMJ Development

Phyllis Gray
Resident in the Bronx

Ann Tirschwell
Cofounder and Principal of Type A Projects

Joelle Ballam-Schwan
Supportive Housing Network of New York

Samuel Stein
Senior Policy Analyst at the Community Service
Society of New York or CSS

A P P E A R A N C E S (CONT.)

Paula Segal
Senior Staff Attorney at Take Root Justice

Ellen Davidson
Staff Attorney at the Legal Aid Society

Brianna Soleyn
Board Member of the East New York Community Land
Trust

Kirk Goodrich
Developer in East Flatbush

Danielle Mowery
Housing advocate

Jay Hauben
Living 40 of 81 years of life in social housing
in New York City

Cecile DeLaurentis
Steering Committee of the Western Queens
Community Land Trust

Manny Tavares
Agallas Equities

Michael Perles
Urban Planner

Albert Scott
President of the East New York Community Land
Trust

A P P E A R A N C E S (CONT.)

Boris Santos

East New York Community Land Trust

Debra Ack

Member of the East New York Community Land Trust

2 SERGEANT AT ARMS: Test, test, test, this is a
3 test on the Committee on Housing and Buildings. This
4 is being recorded by Sakeem Bradley. Today's date is
5 February 23, 2023, and this is being recorded in the
6 Chambers.

7 SERGEANT AT ARMS: Shh, quiet down, we're getting
8 ready to begin. Good afternoon and welcome to
9 today's New York City Council meeting on Housing and
10 Buildings. At this time, please place electronic
11 devices on vibrate or silent mode. If you want to
12 testify, please go to the Sergeant at Arms desk and
13 fill out this testimony slip. If you want to submit
14 testimony, you may do so at
15 testimony@council.nyc.gov. Again, that is
16 testimony@council.nyc.gov. Thank you for your
17 cooperation. Chair, we may begin.

18 CHAIRPERSON SANCHEZ: [GAVEL] Good afternoon
19 everyone. I am Pierina Sanchez, Chair of the
20 Committee on Housing and Buildings. I want to thank
21 you all so much for joining today's hearing. One,
22 that I have been anticipating since before I even ran
23 for office. I would like to thank and acknowledge my
24 colleagues from the City Council who are present
25 today, Council Member Barron, Council Member Cabàn,

1 Council Member Brewer, Council Member Hudson, Council
2 Member Avilès, Public Advocate Jumaane Williams,
3 Council Member Ari Kagan, Council Member Oswald Feliz
4 and I'm sure we will be joined by others.
5

6 New York City and municipalities across the
7 United States of America are facing a dire housing
8 crisis. It is not one that is felt equally by all
9 New Yorkers or all those who call America home. But
10 one with pain concentrated in low-income communities,
11 communities of color and one that is felt by
12 underrepresented people like persons living with
13 disabilities, sexual and gender minorities, religious
14 minorities, they feel it the most.

15 That this pain is felt differentially is widely
16 documented. It is the function of the history of
17 this great nation. Government and private sector
18 policies like redlining that devalued certain
19 communities because they house people of color.
20 Investments like the GI bill in favorable mortgages
21 and policies that transferred no less than \$100
22 billion and \$1950 which equates to \$1 trillion in
23 2023, transferred to White families in the post war
24 period and this at the exclusion of minority
25 communities.

1 This set the stage for White families to have an
2 average network today of \$188,000, versus Black
3 families who have a median net worth of \$24,100, an
4 eight-fold difference. To the lowest income New
5 Yorker being housing insecure, means homelessness.
6 This is the 70 percent of my constituents in District
7 14 who are housing cost burdened. And a worker in my
8 community earns just \$21,000 per year. This means
9 children who are forced to commute for hours from a
10 shelter in Queens to their school in my district in
11 the Bronx, often times missing invaluable class time
12 because of the long distances traveled. Missing key
13 moments with their school friends. It means a parent
14 being far from family and social supports. It means
15 community level stress that blocks opportunities.
16 That entire blocks and neighborhoods feel when their
17 apartments are falling apart, when heating is
18 insufficient and when they look at their paychecks
19 nonetheless and their bills at the end of each month
20 and know fully that they will not be able to make
21 ends meet.
22

23 And as we now, the manifestation of the community
24 level stress, that source from housing insecurity, it
25 ripples through our communities in terms of job

1
2 insecurity, food insecurity, poor health outcomes and
3 ultimately even; as 64,000 New Yorkers have said, in
4 violence in communities.

5 Today's hearing is about working toward a
6 response to the housing crisis that includes these
7 stories and experiences. More that includes that
8 centers, these stories and experiences. The
9 president of the United States issued a housing
10 supply action plan in May of 2022, including policies
11 to preserve and create hundreds of thousands
12 affordable units with air quotes, producing housing
13 costs, ensuring affordability through rental
14 assistance, down payment assistance. Yet, we don't
15 hear about the deepest levels of affordability.

16 The Governor's budget and housing compact
17 includes a goal to build 800,000 new units of
18 housing. It includes a mandate that communities
19 across the state need to contribute to this goal.
20 Laudable but it is also devoid of mention for whom
21 the housing will be built. Yes, we need to build
22 more housing to serve all income levels and we need
23 to support home ownership. Yes, we must focus on the
24 reality that it is the lowest income New Yorkers who
25 are suffering the most.

1
2 Without a mass infusion of dedicated resources,
3 capital dollars for the lowest income affordable
4 housing production and preservation, a meaningful
5 infusion of housing access vouchers that allows
6 tenants to pay expensive rents, we will not move the
7 needle. The Mayor's housing blueprint and the city
8 zoning proposals contain policies also to reduce red
9 tape, to spur development, and improve importantly
10 customer service and experience at the agencies that
11 interface with our lowest income New Yorkers. But
12 not a capital commitment. Not a deep dollar figure
13 that is going to move the needle.

14 So together, these efforts yes, are laudable. I
15 will be largely in support of many of these and we're
16 glad to see; I am glad to see attention finally
17 coming to housing policy. But we need an incisive
18 focus on the lowest income New Yorkers. Enough is
19 enough. It's too expensive to build and stabilize
20 folks in their homes, can no longer be the reason for
21 inaction.

22 And so, we are here today because we say yes and.
23 The and let's build housing, let's build all across
24 but that and, is let's make it affordable and let's

1
2 make it reverse trends of historic inequities and
3 racism through social housing.

4 Social housing refers to housing for social good.
5 At least that's how I talk about it. It includes
6 housing that is meant to be permanently, deeply
7 affordable. Removed from commodification interest,
8 remove from speculation and it includes housing that
9 can be more community controlled, democratically
10 governed. It means that we look at city assets, even
11 ones that are problematic in a positive light. We
12 have over 15,000 underutilized parcels of land in the
13 City of New York. How many units can we fit on
14 those?

15 We have over leveraged properties, speculators
16 who have taken more and more and more debt and put
17 buildings in distress. What about if we can give
18 those landlords, those owners, a way out that
19 includes ownership via social housing? Social
20 housing centers mission driven entities, including
21 cooperatives, nonprofit owned and controlled
22 entities. Community land trusts, HDFC's Mitchel
23 Lama's and public housing and importantly,
24 critically, for me, social housing discussions that
25 we are starting in the City of New York here, must

1 center the construction and the building of Brown and
2 Black wealth. Without a focus on wealth building for
3 historically excluded communities and families, we
4 are not moving the needle. Without stabilizing
5 families in their homes, we're not moving the needle.
6 Today, is about a beginning to expand the
7 conversation to meet the challenging realities that
8 folks are facing.

9
10 I, for one am tired. I'm tired of coming back to
11 my community after this press release or this
12 announcement and getting the question Pierina, what
13 does that mean for me? Am I going to get one of
14 those 800,000 apartments and the answer being
15 probably, no. That's not fairness. That's not
16 justice for a community like mine.

17 We need a paradigm shift. A discussion of
18 housing that does not leave out the vast majority of
19 New Yorkers who feel the most pain. For me, the
20 discussion must center homeownership. Protecting the
21 middle class, yes and stabilizing the most
22 vulnerable. We're never going to address the issues
23 if we don't talk about who is hurting the most. And
24 the bills today, they create containers for truly,

1
2 deeply, affordable housing, wealth building
3 opportunities and community stability.

4 In December, this committee, the Committee on
5 Housing and Buildings held a hearing on Code
6 Enforcement. Examining tools that the city has to
7 create and protect what could be social housing.
8 See, this is part of a narrative. This is part of a
9 shift that we are continuing to pursue in the City
10 Council and so, today, we are going to be hearing
11 several pieces of legislation.

12 I'll touch on them but the bill sponsors will do
13 their own introduction, a few because we need to grow
14 this sector, devoted to housing for social good and
15 community organizations with the financial wear with
16 all should have the opportunities to purchase first
17 Intro. 196 sponsored by Council Member Carlina Rivera
18 would create the first opportunity to purchase the
19 Community Opportunity to Purchase Act. Because we
20 cannot miss a single opportunity to create social
21 housing on public land, Intro. Number 637 sponsored
22 by Council Member Restler relates to the disposition
23 of real property by the city.

24 Because land banks are a proven model across this
25 nation and New York City is late to the game, Intro.

2 714 sponsored by Council Member Gale Brewer relates
3 to the creation of a land bank. Because our city's
4 leadership needs to focus on growing the social
5 housing sector, Intro. Number 932 sponsored by
6 Council Member Nurse, relates to studying the
7 feasibility of establishing a social housing agency.

8 Because folks should have the right to remain in
9 their long-time homes and build equity, Resolution
10 Number 38 sponsored by Public Advocate Williams calls
11 for state legislation, mandating that any owner
12 selling a multiunit residential dwelling, was first
13 offered to sell that building to tenants within the
14 building. When I say COPA, you say TOPA.

15 Because stabilizing our lowest income New Yorkers
16 should be a priority, Resolution 344 sponsored by
17 Public Advocate Jumaane Williams, calls upon the
18 State Legislature to pass and the Governor to sign
19 A.3701B and Senate Bill 2804B creating a housing
20 access voucher program.

21 Because we need to stabilize renters in their
22 homes, Resolution Number 506 sponsored by Council
23 Member Nurse calls for the passage of Good Cause
24 Eviction. We – and I will stop there. So, we are
25 our teams here in the City Council. I'd like to

1
2 thank deeply all of the staff that was involved in
3 the preparation for this hearing, my Chief Sam
4 Cardenas, Legislative Director and Communications
5 Director; that's two jobs you all Kadeem Robinson, as
6 well as Housing and Buildings Committee Staff Taylor
7 Zelony, Audrey Son, Jose Conde, Charles Kim, Dan
8 Kroop and Brooke Fry. Thank you for your tireless
9 work leading up to this hearing.

10 Now, I will acknowledge my colleagues to
11 introduce - to open remarks on their legislation.
12 So, first up are Public Advocate Jumaane Williams.

13 PUBLIC ADVOCATE WILLIAMS: Thank you Madam Chair
14 and thank you so much for your leadership in holding
15 this hearing today. As mentioned, my name is Jumaane
16 Williams and I am Public Advocate of the City of New
17 York. For years, New York State has trailed behind
18 the rest of the country in rates of homeownership.
19 In 2022, it had the lowest homeownership rate in the
20 country at 53.6 percent, 12 percentage points below
21 the national average of 65.8 percent.

22 With a market that is predominantly rental, New
23 York City falls even further behind with a rate of
24 31.9 percent homeownership as of 2019. The COVID-19
25 pandemic exacerbated the housing crisis in both city

2 and state leaving many of them unable to pay their
3 rents and at risk of eviction. Property owners and
4 other landlords seek to return a profit during the
5 pandemic, sold their properties leaving tenants in
6 these buildings at higher risk of eviction and
7 displacement.

8 Resolution 38 calls on the New York State
9 Legislature to pass legislation to pass and the
10 Governor to sign legislation mandating that any owner
11 intending to sell a multiunit resident dwelling, must
12 first make a failure prairie off a sale to the tenants
13 between the residents before making any sale offers
14 to third parties. Tenants would then have an
15 opportunity to sell their interest to a community
16 nonprofit or community land trust that would then own
17 and maintain the building. This would place these
18 properties in the hands of those who have the
19 residents best interest at heart and would restore
20 security and stability in the lives of tenants. By
21 enacting this law, New York stands to boost
22 homeownership, preserve affordable units and further
23 mitigate displacement amidst the housing and
24 homelessness crisis.

2 The impact of the program is best exemplified by
3 the Tenant Opportunity to Purchase Act, TOPA enacted
4 in Washington DC in 1980. Through tenant advocacy,
5 TOPA was significantly contributed to DC's total
6 number of limited equity cooperative housing units
7 which commonly stands at 4,400 units.

8 Resolution 3344 calls on New York City
9 Legislature to pass and the Governor to sign A.3701B
10 and S.2804B establishing a housing access voucher
11 program. Rental assistance in the form of the
12 housing vouchers to New Yorkers who are homeless or
13 who face an imminent loss of housing is a vital tool
14 to help in homelessness and to keep those at risk of
15 homelessness housed. With rising rents and stagnant
16 wages, preventing families from losing housing is key
17 in fighting future homelessness. This program is
18 actually one of the things that we can immediately do
19 to help people who are struggling to pay their rent
20 or facing homelessness.

21 The production and preservation of social housing
22 is key for city and state plans in addressing the
23 housing crisis, I know the name scars people. I've
24 been trying to think of another name but I can't, but
25 it's still a great program. Don't be afraid. The

1 passing of this Resolution as well as several other
2 key pieces of legislation such as Intro. 196, when
3 you COPA we say TOPA, will be a first step in
4 committing to and implanting social housing
5 principles and policies. We do want to make sure
6 that we're clear that the corporate structure of
7 making sure people make as much money as possible is
8 part of the problem in health care. That looks like
9 people dying because they can't afford it. In
10 housing, it looks like people dying because they
11 don't have homes. We have had the highest amount of
12 homeless New Yorkers dying last year than ever
13 before. And when I had to travel the state recently;
14 I won't talk about that, but we did push trying to
15 have units billed to preserve, so I'm happy to see
16 that the Governor and the Mayor pushing on that.
17 What is missing from plans in my opinion, is
18 discussions of preservation and discussions of
19 affordability and that's something that we have to
20 make sure includes in that. We are now in the
21 highest rental market in the country, some studies
22 say the world. We also have the highest amounts of
23 violations. In order to fix this, we have to change
24 the modality that exists. So, thank you again Madam
25

1 Chair and thank you to all of my colleagues who have
2 bills being heard today.

3
4 CHAIRPERSON SANCHEZ: Thank you. Thank you so
5 much. I'm filling your shoes, big shoes to fill as
6 Housing Chair Public Advocate.

7 PUBLIC ADVOCATE WILLIAMS: I'm looking forward to
8 help. You're doing so much better. You are doing
9 that, much better than my shoes.

10 CHAIRPERSON SANCHEZ: Thank you. Thank you so
11 much Public Advocate. So, next up, I want to call
12 Council Member Restler for intro. remarks.

13 COUNCIL MEMBER RESTLER: Thank you so much Chair
14 Sanchez. We are incredibly fortunate to have you
15 leading this Committee. It is a direct result of
16 your leadership that we're hearing this incredibly
17 important package of legislation today. I just want
18 to express my most immense gratitude to you and to
19 each of the bill sponsors, Council Members Nurse and
20 Brewer, Rivera, Public Advocate Williams on really
21 the tremendous legislation. I am introducing Intro.
22 637, which was previously - an earlier version of it
23 was previously introduced by then Council Member
24 Lander. So, I especially want to thank him and the
25 new economy project and tremendous coalition of new

2 land trust and development corporations across the
3 city that have been pushing for this legislation.

4 It's this simple, when public land is being
5 redeveloped, it should be for the public good. We
6 should be prioritizing nonprofit developers and
7 community land trusts to redevelop every single piece
8 of public property in the City of New York. For
9 housing, for economic development purposes, for
10 recreation, across the board.

11 And I appreciate that HPD has discretion to
12 require affordability when redeveloping sites, but
13 the stats are clear. It hasn't been happening and we
14 want to make sure that it isn't subject to the
15 discretion of this or any future administration. We
16 want to mandate it into law. The data couldn't be
17 clearer. That nonprofit developers are far more
18 likely than for profits to build affordable housing,
19 take on complex projects and maintain affordability
20 in perpetuity.

21 In the previous administration, 78 percent of all
22 city owned sites that were redeveloped were awarded
23 to for profit developers. For profit companies
24 developed just 18 percent of those new units for the
25 lowest income bands. Nonprofit organizations

1 allocated twice as many new units for the lowest
2 income earners.
3

4 If we're going to actually build deeply
5 affordable housing on public land, it means
6 prioritizing nonprofit developers. To put it in
7 context, just 720 units were developed by nonprofit
8 developers from 2014 to 2018, compared to 3,000 units
9 by for profit developers. That data is profoundly
10 unfortunate and we have to do better. Public land is
11 a treasure and we have to make sure that we maximize
12 the opportunity when we develop each and every lot.
13 We are failing to do that.

14 I mean, I'll give an example. It's a block out
15 of my district in Council Member Hudson's district
16 but if you go across the street from Bam, 15
17 Lafayette in downtown Brooklyn Fort Greene. Public
18 land was sold to Jonathan Rose Companies for \$1.00.
19 It was redeveloped with 25 units at 100 percent
20 AMI's, 24 units at 165 percent AMI's. I don't know
21 why we even count AMI's that high and 74 units at
22 market rate. There was no real affordable housing
23 built in a project that was given away to a developer
24 for \$1.00. And we could go over example after
25 example, after example of administration after

1 administration giving away public land and not
2 delivering the affordable housing we need. We
3 welcome the Mayor's approach to building more
4 affordable housing - to building more housing but we
5 need to make sure that there's actually affordable
6 housing that's being generated. And if we don't do
7 it on public land, it's never going to happen.

9 I do not believe that the market will ever solve
10 for the people who are struggling hardest to get by.
11 We need to prioritize it. HPD needs to lead and
12 that's why we need to pass Intro. 637. Thank you
13 very much.

14 CHAIRPERSON SANCHEZ: Thank you. Thank you so
15 much for your leadership here Council Member Restler.
16 I want to acknowledge that we've been joined by
17 Council Member Nurse and Council Member Carr. Next
18 up, I'm going to call up Council Member Brewer to
19 talk about the Land Bank Bill.

20 COUNCIL MEMBER BREWER: Thank you very much.
21 Intro. 714 which will probably be 714A because there
22 will be some changes. But as you know, a Land Bank
23 could be tasked with acquiring where housing and
24 transferring real property to develop, rehabilitate
25 and preserve affordable housing. And I too want to

1
2 thank then Council Member Lander for his initial
3 introduction and also say we're not the first city to
4 do this. You will hear from the Chair that she
5 worked in Newbird New York. They have a land bank
6 and you'll hear later from Chris Norman, who is head
7 of probably the best land bank in the country, in
8 Atlanta Georgia and he has agreed to come and be with
9 us via Zoom. So, there's a lot of information out
10 there about land banks. What they would do is in
11 particular, focus on creating housing obviously
12 because they would be able to transform abandoned
13 properties and return them to productive use. Land
14 banks can focus on affordable housing, which is what
15 we're all facing in terms of a crisis but they can
16 also fresh food stores, public spaces like parks.
17 Some of them have done wildlife conservation areas
18 and obviously commercial theaters, commercial
19 property like theaters, all of which we need.

20 And the notion would be because they're nimble,
21 because they can accept - they're a nonprofit so they
22 can accept foundation grants in Atlanta. Many, many
23 foundations are also supporting them, where they can
24 hold the land tax free. They can obtain the property
25 at low or no cost, tax foreclosure processes, it

1
2 could be a gift. It could be an agreement with the
3 municipality. Many of them have MOU's with land
4 trust and we have great land trust in the city. Some
5 of them are sitting here in the audience. They could
6 get demolition liens in Atlanta, the U.S. Attorney
7 because there's a lot of money laundering that goes
8 off of property, have given it to the land trust.

9 And then, the issue is you're exempt from many
10 kinds of mandates if anybody giving property to via
11 the city would have to deal with. So, you can make
12 contracts, you can give guarantees, you can incur
13 liabilities, you can borrow money, you can enter into
14 contracts that perhaps others cannot. You can broke
15 your insurance, you can invest your property for
16 something else, you can collect rent, sell property,
17 charge fees. What you need of course in all of this,
18 is a good board. One that is responsive to the issue
19 and the challenge ahead, obviously a good director.
20 All of that is subject to whatever we decide in terms
21 of the legislation itself.

22 I don't want to spend a lot time; I think you get
23 the idea. The concept is to be nimble, to be
24 transparent. So, everything up on the — should be up
25 on the web as to what you are in the process of

1
2 working on. What's your goal is and exactly what
3 you're going to do with the land. And so, I'm here
4 to say, we need every tool in the toolbox in order to
5 provide affordable housing, even ideas for open
6 spaces and obviously ideas for small commercial
7 enterprises to exist. Everything is needed and a
8 land bank to do all of that. You got good governance
9 and as I said, has good transparency and obviously
10 follows the law in terms of making sure that it is
11 the kind of land bank that we want in our city.

12 Thank you very much Madam Chair.

13 CHAIRPERSON SANCHEZ: Thank you. Thank you so
14 much Council Member Brewer and excited to hear from
15 your guest from Atlanta. Thank you so much. So, the
16 next Council Member we'll hear from is Council Member
17 Nurse who has two bills today.

18 COUNCIL MEMBER NURSE: Thank you Chair. Thank
19 you for holding this hearing. Today I'm introducing
20 two bills. The first, Resolution 506 is calling on
21 the state to pass and the governor to sign good cause
22 eviction.

23 The second bill Intro. 932 is a feasibility study
24 on creating a municipal social housing development
25 agency. New York City has a rich history of social

2 housing, including public housing, cooperative and
3 community land trust. But these inroads have been
4 stymied by divestment or malicious and racist
5 narratives that serve to undermined social housing,
6 despite its successful track record. This report
7 would pave the way for a more expansive social
8 housing sector and identify areas of collaboration
9 between city agencies, labor unions and social
10 housing practitioners.

11 This bill would also look at how we can better
12 streamline social housing development and unlock more
13 funding streams to build housing for those currently
14 left out of the market. Lastly, this bill would
15 change how we organize and fight for social housing,
16 opening up the possibility of truly guaranteeing
17 housing for all. Our good cause resolution calls on
18 the state to pass good cause eviction for the two
19 state bills A.5573 and S.3082 which would provide
20 some of the strongest set of tenant protections in
21 our lifetime. This bill would prohibit exploitative
22 rent hikes and guarantee lease renewals for up to
23 784,000 New York City renter households.

24 Importantly, this bill allows tenants to fight
25 for better conditions and power in their buildings

1 without fear of retaliatory evictions. We cannot
2 wait any longer to pass good cause and I will do
3 everything in my power to see its passage. Thank you
4 again to our wonderful Chair, my colleagues and to
5 all the staff who helped get these bills over to the
6 finish line to this hearing and who are behind the
7 scenes today.

9 CHAIRPERSON SANCHEZ: Thank you. Thank you so
10 much Council Member Nurse. And with that, that
11 concludes our Intro. remarks from bill sponsors. I
12 will now turn it to our Committee Counsel to
13 administer the oath and I want to thank the members
14 of the Administration for being here today.

15 COMMITTEE COUNSEL: Thank you. Please raise your
16 right hand. Do you affirm to tell the truth, the
17 whole truth and nothing but the truth before this
18 Committee and to respond honestly to Council Member
19 questions?

20 PANEL: Yes.

21 COMMITTEE COUNSEL: Thank you. You may begin
22 when ready.

23 KIM DARGA: Good afternoon Chair Sanchez and
24 members of the New York City Council Committee on
25 Housing and Buildings. My name is Kim Darga and I'm

1
2 the Deputy Commissioner of Development with the New
3 York City Department of Housing, Preservation and
4 Development. I'm joined by Assistant Commissioner of
5 Housing Policy Lucy Joffe. Thank you for the
6 opportunity to testify about social housing, an
7 important and timely conversation as well as proposed
8 legislation relating to the Community Opportunity to
9 Purchase Act, land banks, public dispositions and the
10 creation of a dedicated social housing agency.

11 As you all know well, the last several years have
12 been difficult for many New Yorkers. In particular
13 low- and moderate-income tenants citywide have
14 struggled to find and remain in stable housing. Our
15 vacancy rate remains low, below one percent for units
16 renting under \$1,500 and rent burden continues to be
17 high, over 53 percent of New Yorkers are paying more
18 than 30 percent of their income toward rent.

19 Homeowners too have struggled to remain in their
20 homes due to income disruptions and rising costs. We
21 testified before this Committee just weeks ago, about
22 dwelling units acknowledging that many low- and
23 moderate-income homeowners have been renting out
24 parts of their homes illegally and unsafely just to
25 make ends meet.

1 We all hear regularly about the mom-and-pop
2 building owners, many of whom have invested their
3 life savings in small buildings across the city and
4 in your districts. They too are struggling with
5 rising costs, such as gas prices, the high cost of
6 building repairs, labor shortages. Nonprofit and
7 MWBE owners and developers face many of these same
8 challenges and when all these folks can't make ends
9 meet, when they can't afford to pay the gas bills or
10 to fix the boilers or to pay the building staff,
11 critical parts of our housing suffer and the tenants
12 who are collectively here to serve suffer too.

14 Our housing system is highly interconnected.
15 Within that system HPD plays a critical role.
16 Offering a range of programs to encourage building
17 owners to build new and make capital investments in
18 their buildings, which become income restricted
19 rental housing, so it will be affordable to more New
20 Yorkers. And while we are committed to innovating
21 new approaches to achieve our mission, our primary
22 obligation is getting tenants into safe, affordable,
23 stable housing quickly.

24 We want to make sure that when we innovate, we do
25 it in ways that minimize major disruptions, which

1 could immediately harm tenants and could harm
2 homeowners and building owners to play a critical
3 role in providing the safe, quality, rental housing
4 New Yorkers need.
5

6 The topic for today's hearing is social housing.
7 They're a wide range of definitions for social
8 housing and a wide range of examples of it in
9 practice, including here in New York City. Some of
10 the best examples, in Europe, emphasize the important
11 role social housing can play and integrating
12 buildings and neighborhoods. Middle-, moderate- and
13 low-income families all live in social housing.
14 Decreasing the stigma that low-income families may
15 otherwise face living in income segregated housing.
16 We share these goals and are committed to breaking
17 down barriers to housing choice, so that all New
18 Yorkers can decide whether to remain in their home
19 and current neighborhood or to move to a community
20 that better meets their needs.

21 This is especially critical for communities of
22 color and those living with disabilities who for too
23 long have been excluded from certain parts of the
24 city. These goals are outlined in Housing Our
25

Neighbors, a blueprint for housing and homelessness and Where We Live NYC.

Mission Driven ownership is also a common theme within social housing models. We work to support nonprofits among other mission driven entities to expand their capacity so they can build and preserve more affordable housing. We have dedicated programs and opportunities exclusively available to nonprofits and MWBE's through the New York City Acquisition Fund, NYCAS for example, a partnership with Enterprise, the Local Initiative Support Corporation and a coalition of public, private and philanthropic partners. We offer flexible bridge loans for acquisition and predevelopment financing that are now exclusively available to projects led by MWBE or nonprofit developers.

Nonprofits and MWBE developers must also represent 25 percent of the development team for all HPD RFP's city owned land. We also now give additional preference points for applicants with community development experience in our competitive RFP process. Shared equity is also a theme in social housing work. Today, we have financed or are currently planning to finance nearly 1,200 units of

1 affordable housing on community land trust. As part
2 of our housing, Our Neighbors blueprint, the city
3 committed to providing technical assistance and
4 operational support to identifying additional public
5 sites that are suitable for transfer to CLT's to
6 launching new programs and tools to help CLT's
7 acquire private sites. Many of the 1,200 units will
8 be developed on public sites. We will convey through
9 our competitive processes.
10

11 In September 2021, we announced that we have
12 selected a team comprised of nonprofit, for profit
13 and MBE partners, including the interborough CLT to
14 develop a site across from Claremont Park in the
15 Bronx that we have included in the Jerome Anthony
16 RFP.

17 Although this RFP did not require or give
18 preference to CLT's, we determined that this teams
19 proposal to create a permanently affordable
20 cooperative on the interborough CLT was the most
21 compelling submission we received.

22 HPD also provides financing to develop limited
23 equity cooperatives and preservation financing to
24 support their ongoing affordability and maintenance.
25 In limited cooperatives, residents purchase shares in

2 their buildings at below market prices, and as
3 shareholders participate in its governance.
4 Appreciation is limited upon resale of shares,
5 typically with income restrictions. There are
6 approximately 1,200 limited equity cooperatives with
7 25,000 units in New York City. There are also 85
8 Mitchell Lama cooperatives developments in the city
9 consisting of more than 60,000 affordable and self-
10 governed units.

11 Long term and often permanent affordability are
12 also fundamental features of social housing programs.
13 These are standard requirements for HP financed
14 housing. A critical part of our work is that we
15 achieve these goals, integration, long term or
16 permanent affordability, shared equity and mission
17 alignment regardless of the type of owner or
18 developer with whom we are partnering. And
19 regardless of their legal or ownership structure.

20 Through our regulatory agreements, we dictate the
21 terms and conditions of our engagement. Some of the
22 things HPD can ensure is that owners select tenants,
23 equitability, implement rent and income restrictions
24 for units, leave certain units to formally homeless
25 households, notify the city about transfers of

2 ownership and provide the city with information to
3 effectively monitor the physical and financial health
4 of projects. Though we try to support and build up
5 nonprofit partners wherever possible, we require that
6 everyone we work with fills leases and maintains
7 their buildings in accordance with our mission
8 regardless of their for profit or nonprofit status.

9 We are committed to continuing to innovate. We
10 have to do more to help our nonprofit and MWBE
11 partners grow. We will do more to support the
12 expanding network of CLT's. We are expanding and
13 improving our homeownership and shared equity
14 programs but our primary and most urgent work is
15 getting tenants into stable, safe and quality housing
16 now. The tenants who are unstably housed in illegal
17 basements, the tenants who have suffered through the
18 pandemic, and are struggling to stay in their homes
19 and the tenants who are in shelter cannot afford to
20 wait. We need more rental housing, especially low
21 cost and affordable housing. We need to support the
22 homeowners and building owners that are struggling to
23 make the repairs and investments necessary to keep
24 our housing stock safe and high quality.

1
2 Because of this urgency, we have committed to
3 reducing administrative burden and cutting red tape
4 so that we can make it easier to build more housing
5 of all types in all neighborhoods across the city.
6 We have outlined these commitments in Housing Our
7 Neighbors and have also announced specific strategies
8 through the Get Stuff Built and Zoning for Housing
9 Opportunity Initiatives. We also need to unlock
10 tools at the state level to help us achieve these
11 goals, such as Affordability Plus, which would allow
12 HPD to modernize our loan authorities and better
13 address a range of housing needs, from addressing
14 climate resiliency to supporting existing home owners
15 to providing downpayment assistance and enabling us
16 to provide support to CLT's.

17 And we need a deep bench of partners to meet
18 these needs. We will continue innovating and
19 investing in new models but it can't come at the
20 expense of the tools we need to make more low cost
21 and affordable housing available to all New Yorkers
22 quickly. In addition to the oversight topic, we are
23 here to discuss several pieces of legislation pending
24 before the Council today.

2 As written, Intro. 196 is very broad and we
3 believe could undermine the goal of supporting more
4 affordable mission driven housing. The breath of the
5 legislation significantly disrupting the housing
6 market, potentially causing the most significant harm
7 to small property owners. As written, this
8 legislation would slow the market for sales, all
9 residential buildings with three or more units. We
10 look forward to further discussions with Council
11 Member Rivera and Council staff and the best way to
12 narrow the scope to achieve the goals of the
13 legislation.

14 In regards to Intro. 637, we have a number
15 resources and programs to expand the capacity of and
16 opportunities for nonprofit partners. We are
17 concerned that limiting a range of available tools as
18 this bill would runs counter to other critical and
19 urgent policy goals. Particularly our ability to
20 build and preserve as much affordable housing as
21 quickly as we can and our commitment to expanding
22 opportunities for MWBE's.

23 Though we want to continue exploring ways to make
24 land available for affordable housing quickly and
25 inexpensively, we are concerned that Intro. 714 does

1
2 not solve the current challenges we face in acquiring
3 land for affordable housing. It would instead add
4 time, complexity and significant cost to the existing
5 process. Land banks are undeniably an important tool
6 in many cities. HPD has the tools that allow the
7 city to achieve similar outcomes as a land bank and
8 is fortunate to have an infrastructure in place to
9 support the acquisition of property already. Unlike
10 a lot of other cities where land banks fill that gap.

11 The Law Department continues to review each of
12 these bills to ensure that they are consistent with
13 the state constitution and state law. As we have
14 laid out here in our testimony and will further
15 discuss during questions, HPD is actively engaged in
16 our work – in the work – the proposed sorry, the
17 proposed Intro. 932 would do, including our mission
18 of moving New Yorkers into safe, stable housing.
19 This is an urgent need for New Yorkers and creating
20 another agency to do this work would make it less
21 efficient and create more silo's. We are committed
22 to many of the same goals here today and are
23 continuing to innovate in this area on top of our
24 critical and extensive experience preserving and
25 developing affordable housing.

2 Thank you for the opportunity to testify here
3 today. We look forward to your questions.

4 CHAIRPERSON SANCHEZ: Thank you so much. So,
5 what I will do is I will ask a few questions but then
6 I'll turn it over to my colleagues and then resume
7 after they've had a chance just to be respectful of
8 their time and other commitments.

9 So, thank you so much HPD for your testimony
10 today. I am optimistic despite some of the
11 challenges that you all identified with several of
12 the bills. I'm optimistic that we can land on
13 workable solutions that are going to work to improve
14 the City of New York, special housing in the City of
15 New York.

16 So, just to start on sort of big question, so,
17 Comptroller Lander talks about his beginnings as an
18 affordable houser in the City of New York. So, in
19 the 90's, roughly one-third of housing production was
20 going - was done by the private sector. One-third of
21 it was nonprofit and one-third of it was going to
22 tenants, right? So, HDFC's and other models. So,
23 can you describe today just HPD's own housing
24 financed or HPD financed projects. How many of those
25 are going - what percentage of those are going to

1
2 private sector entities versus nonprofit and mission
3 driven entities?

4 KIM DARGA: Sure, thank you. So, to start with,
5 New York City has changed dramatically in the last
6 couple decades. I would just start by saying that
7 today, a pretty small percentage of the housing that
8 HPD finances is on public sites. The vast majority
9 of our work is on sorry, is on private sites at this
10 point not public sites and we do really strongly
11 believe given the scale of the need in New York City
12 that we need all partners to be at the table. That's
13 everyone from the single-family property owner that
14 may have a basement that they convert to you know
15 owners of existing affordable housing to developers
16 that would be interested in building new affordable
17 housing.

18 With regard to private sites, it's very
19 complicated to unpack the exact distribution because
20 of ownership structures and affordable housing
21 projects. So, a lot of the projects that we finance
22 are structured so they are - there's a housing
23 development corporation involved. They may be a
24 partnership between a nonprofit a for profit, for
25 profit MWBE myriad organizations.

1 We actually have not been able historically to
2 track where there are MWBE's specifically involved in
3 the organizational chart and we have changed some of
4 our tracking systems recently to be able to better
5 track that information. That same can be said for
6 other types of parties involved in our private site
7 development work. In public sites, we have been able
8 to track some of that and I would say there's been
9 really significant change in the last few years
10 especially. In early 2019, well, before that point
11 we had had a preference for respondents that were
12 MWBE's or nonprofits to RFP's. We made that a
13 requirement in 2019, so every RFP at this point and
14 time requires participation by a nonprofit or MWBE.
15 And we do believe that it is important from our
16 perspective and from a policy perspective that we do
17 support minority women business enterprises as well
18 as other types of developers of affordable housing.

19 Finally, one other note, we have also on private
20 sites I think it would be - I think it's worth
21 noting, that we have set up additional support for a
22 certain type of developers to participate in HPD
23 programs. So, while the data is difficult to track,
24 we have for instance changed the New York City
25

1 acquisition fund recently, historically it could be
2 used by any affordable housing developer that was
3 looking to create or preserve housing as part of an
4 acquisition project. And a couple years ago, we
5 modified the requirements so that it doesn't just
6 offer favorable terms but now the program is only
7 available or the assistance is only available to
8 projects that are led by an MWBE developer or a
9 nonprofit developer. There's some other examples of
10 that that I'm happy to talk about more later if it's
11 of interest.

13 CHAIRPERSON SANCHEZ: Thank you. Thank you so
14 much for that. So, next I want to you know go back
15 and acknowledge the history of social housing as we
16 are defining it here in the Council and in this
17 hearing today. The history of social housing in the
18 City of New York right? So, the Bronx burning in the
19 1970's and 80's and sweat equity building up
20 buildings that suffered then became HDFC's, then
21 became affordable cooperatives with their own
22 restrictions. So, just sort of going through the
23 different categories, would you be able to share at
24 their height, be that in the 1980's or maybe in the
25 early 90's, at their height, how many cooperative

1
2 HDFC's did the city have? How many Mitchell Lama
3 units were there in the City of New York? And then
4 likewise for how many units have stayed stable
5 thankfully. But just per category at their height,
6 how many units did we have versus how many we have
7 today?

8 KIM DARGA: That's a good question. I don't know
9 if I can - I certainly don't have the information
10 today with me about 20, 30-years ago, what we had. I
11 could follow up with that information. I can tell
12 you that in New York City today. There are
13 approximately 1,200 HDFC cooperatives. With about
14 25,000 units. We do continue to finance new HDFC
15 limited equity cooperatives through programs like
16 Open Door, the Affordable Neighborhood Cooperative
17 Program, as well as some conversions from rental to
18 cooperative in our preservation work.

19 Mitchell Lama's I think as common knowledge that
20 there was a fair drop off or increase in opt outs in
21 the early 2,000 from the Mitchell Lama program.
22 There are still as I mentioned earlier, 85 Mitchell
23 Lama's city and state in New York City that provide
24 over 60,000 units of housing. And we work very hard
25 with HDC and with the state and with I can, with

1
2 various elected officials, some of which are at the
3 table today. Yup, thank you Council Member Brewer,
4 work very hard to do what we can to preserve
5 affordability and viability of those properties.

6 We have a range of programs in the city to
7 specifically help both HDFC cooperatives and Mitchell
8 Lama's undertake repairs, stabilize operations, and
9 we invest significant capital in that work every
10 single year. We also for HDFC coops, beyond
11 financial assistance had been working to develop a
12 new technical assistance program that would help
13 HDFC's that maybe struggling to dig out of
14 challenges, operating their property with deeper
15 technical assistance.

16 CHAIRPERSON SANCHEZ: Okay, thank you. Thank you
17 so much. I'm going to start turning it over to my
18 colleagues and I will be back with more questions.
19 So, first, I am looking over to my left, Council
20 Member Brewer.

21 COUNCIL MEMBER BREWER: Okay.

22 CHAIRPERSON SANCHEZ: Okay, so first up, we're
23 going to have Council Member Brewer ask her
24 questions.

1
2 COUNCIL MEMBER BREWER: Okay. Thank you HPD. I
3 appreciate the hard work you're doing. You could
4 always do more but I appreciate what you're doing.
5 On the land bank, so there are a lot of them around
6 the country. So, when you say we have it under
7 control, we don't need a land bank, we don't need how
8 nimble they are, we don't need to take the you know
9 etc.. Why do you think that you cover everything
10 that the land banks cover. Example that I would give
11 because I don't think what you're saying is true.
12 Somebody gives you know U.S. Attorney has land,
13 liens, you know how land comes to the City of New
14 York, not as often as it used to under Phillip St.
15 George and others but it's still there. So, what we
16 want is it to go to a public process that's very
17 transparent that could definitely not sell it to a
18 private developer under any circumstance unless there
19 was a hearing but more importantly, something that
20 was desperately needed, deeply affordable, I don't
21 know a theater or park. Why do you think that you do
22 all of that and there's no need for a land bank?
23 Because you know what a land bank is, they're all
24 over the country. Why do you think you don't need
25 it?

1
2 KIM DARGA: Yeah, so I think uhm, we absolutely I
3 think share the goal of trying to figure out how to
4 make sure that we have strategies and tools to
5 support acquisition of land and buildings in order to
6 create affordable housing. As a housing agency, I
7 think that's the thing that I can focus on best
8 today. There may be some other uses to land banks
9 that are worth exploring separately.

10 With regard to housing, we're really fortunate in
11 New York City. We have a uhm, we have resources and
12 programs to support acquisition by mission based,
13 mission-oriented developers of land and buildings.
14 We've had these resources including the New York City
15 Acquisition Fund which was created during the great
16 recession. And is currently capitalized I think at
17 about \$150 million. Supports acquisition by
18 nonprofits and MWBE's of land and buildings for the
19 purpose of creating affordable housing.

20 The nice thing about the way we do business with
21 the New York City Acquisition Fund is that a
22 potential purchaser identifies the site. They look
23 at it from a feasibility perspective including
24 whether or not they feel that given the acquisition
25 price, they're able to deliver the outcome, right?

1 The intended outcome of creating affordable housing
2 or preserving that housing and investing in housing
3 quality. And if they believe that that's possible,
4 they then apply for financing and they can get their
5 bridge financing, pay the acquisition fund and they
6 come to us for a soft commitment where we review and
7 say yes, that aligns with our program parameters.
8 That's something that we feel comfortable we could
9 support and they then know that they can finance that
10 housing and they can deliver on it within a
11 reasonable period of time.

13 I think one of our concerns with the land bank
14 proposal is that, at the point of acquisition - well,
15 there's a couple of things. Let me try to break it
16 down. One, at the point of acquisition putting the
17 city or the land bank as a potential city entity at
18 the forefront of the negotiations, potential changes
19 the equations and negotiating a reasonable
20 acquisition price.

21 So, I think that's challenge one. Challenge two,
22 we are concerned that I mean, many of you understand
23 what New York City was like decades ago, when we
24 foreclosed on a lot of property.

25 COUNCIL MEMBER BREWER: I was here.

1
2 KIM DARGA: Yes.

3 COUNCIL MEMBER BREWER: Dick Hiller was here.

4 KIM DARGA: There were many folks. That we owned
5 a lot of property and at the point that it came into
6 city ownership, we didn't necessarily know or have
7 the capacity to get it back into productive use
8 quickly. We did a lot right but we still have some
9 city property and while the land back, if you have an
10 interim ownership but you don't have a clear time to
11 get to a certain outcome, you potentially have the
12 risk associated with maintaining property for a
13 period of time and having to fund that without a
14 definite outcome. And I think, so those are some of
15 the concerns we have.

16 COUNCIL MEMBER BREWER: I hope that we would talk
17 about it further. I think you'll hear from Chis
18 Norman from Atlanta who would have I think slightly
19 different take on it and I do think that advantage
20 is, people want to know what's going on. The land
21 bank is very transparent. There's a board, you know
22 the board is the members, their phone numbers and
23 they can get grants obviously. I don't know if the
24 acquisition fund is a 501C3. I could go on but I do
25 think that you need something. Nobody knows what

1
2 government's doing and the housing is its number one
3 concern and the land bank is very nimble, with all
4 due respect, HPD is not nimble. It's not a word that
5 I would call HPD and it's a place that would have to
6 be able to take property that the HPD cannot for
7 whatever reason. Maybe it is something that is not
8 in your portfolio or in your agenda. So, I know
9 others have questions but I think we should have a
10 much longer discussion about the land bank. Look at
11 some of the one's that are going on around the city.
12 I don't think that some of these cities are as
13 different as you are stating.

14 So, I hope we can have a further discussion about
15 this topic.

16 KIM DARGA: Yeah, I think we would be happy;
17 again, I think we're interested in exploring any
18 potential tools, especially if they feel a strategic
19 lab, they're efficient, they're nimble, they help us
20 get to the outcomes that I think we all share here.
21 I think we're absolutely open to -

22 COUNCIL MEMBER BREWER: You know it could be
23 structured differently than New [INAUDIBLE 53:01] or
24 whatever, but it would be something that could be a
25

1 tool in the toolbox and God knows you need a lot of
2 tools in that toolbox. Thank you Madam Chair.

3
4 CHAIRPERSON SANCHEZ: Thank you. Thank you
5 Council Member Brewer and just a follow-up. In your
6 testimony, you talked about having structures in the
7 City of New York that have similar functions to what
8 land banks do in other places. What exactly did you
9 mean by that and are there entities that you think
10 exist today that are similar to land banks?

11 KIM DARGA: Yeah, that's one of the I think,
12 unique things about New York is that, when the city
13 stops - the Neighborhood Restore HGFC was created in
14 the mid-90's essentially. When the city stopped
15 foreclosing and taking land directly. And so, it's a
16 nonprofit entity. It has governmental oversight.
17 [INAUDIBLE 53:54] Enterprise are basically sit on
18 their board and they have created a number of
19 affiliates over the years that basically fulfill a
20 similar function, which is that they can hold land
21 temporarily and basically get it through an immediate
22 kind of transitional period in order to get back out
23 to public use.

24 And so, well, initially it was created to provide
25 an alternative to end direct foreclosure and the city

1 ownership and management. The organization has
2 diversified over the years and so, I'll give one
3 recent example. There was a property in Brooklyn
4 that was subject to special enforcement and owner
5 really substantially misused the property and there
6 were tenants that were very vulnerable. It was part
7 of special enforcement kind of litigation with the
8 city. And as part of that, there was a question
9 about whether or not we thought that there was
10 affordable housing outcome that could make sense.
11 One option would be the city take it. Well, if the
12 city takes property, we then have to go through a
13 complicated disposition process. We were certainly
14 concerned about owning a property without a clear
15 outcome and the cost associated with that and the
16 process involved. I think one of the potential
17 advantages to the land bank legislation as written is
18 that there may be some speedier disposition process
19 than we see right now where there's city owned
20 property, which is very, very, very challenging.

22 With that being said, we ended up transferring it
23 to one of our - we didn't do it, but the owner agreed
24 to transfer it to an affiliate of Neighborhood
25 Restore. And they were able to renovate that

1 building and it was a small home and basically sell
2 it as affordable homeownership. So, they can fill
3 this hole basically for a period of time holding
4 property and then helping get to that outcome. So, I
5 think it's a unique organization. It doesn't have
6 exactly the same capacity as a land bank the way that
7 this legislation envisions but it fills a very
8 similar role in New York City, especially when paired
9 with the very significant resources that HPD has on
10 the capital side to help finance affordable housing.
11

12 CHAIRPERSON SANCHEZ: Thank you and this is
13 Neighborhood Restore, correct?

14 KIM DARGA: And then their affiliate entities.
15 So, Neighborhood Renewal, Preserving City
16 Neighborhoods etc..

17 CHAIRPERSON SANCHEZ: Okay, they're not as
18 powerful as what we were envisioning here.

19 COUNCIL MEMBER BREWER: I thought transparent
20 with all due respect.

21 CHAIRPERSON SANCHEZ: But it's not a government
22 entity.

23 COUNCIL MEMBER BREWER: And there's no board,
24 correct?

25 KIM DARGA: There is a board.

1 COUNCIL MEMBER BREWER: And it's a board that's
2 all over the website? Everything is on?
3

4 KIM DARGA: It's on the website, absolutely.
5 Again, it may make sense actually to sit down and
6 talk about some of these tools in more depth.

7 COUNCIL MEMBER BREWER: You could take this and
8 turn it into a land bank. That's an idea.

9 KIM DARGA: And what the advantages of a land
10 bank structure could be and what the advantages are
11 today and think about whether there is some room
12 there to create a more robust or efficient structure.

13 COUNCIL MEMBER BREWER: Thank you. Thank you
14 very much.

15 CHAIRPERSON SANCHEZ: Thank you so much. Council
16 Member Restler.

17 COUNCIL MEMBER RESTLER: Great, sorry,
18 multitasking. But I wanted to just, so firstly,
19 thank you for your testimony Deputy Commissioner
20 Darga. It's always good to see you.

21 KIM DARGA: Good to see you.

22 COUNCIL MEMBER RESTLER: I really wanted to focus
23 on timing.

24 KIM DARGA: Okay.
25

1
2 COUNCIL MEMBER RESTLER: Certainly, we wouldn't
3 want to support anything in the City Council that
4 would slow down the production of affordable housing.
5 But in your testimony you indicate that you're
6 concerned with Intro. 637. That it would limited the
7 range of available tools, particularly your ability
8 to build and preserve as much affordable housing as
9 quickly as we can.

10 And so, that's what I really wanted to take issue
11 with. I don't see any reason why this would extend
12 the HPD RFP process. Why could HPD not issue an RFP
13 both for nonprofits and for-profit entities that all
14 could apply for. And if there are no qualified bids
15 from non-profits that meet HPD's threshold, that it
16 could go to the next for-profit entity that was on
17 the list. Would that be viable?

18 KIM DARGA: So, let me take a step back. So, as
19 part of our RFP process, right, we have city owned
20 land in HPD jurisdiction. First, we want to engage
21 with the community to understand community interests,
22 community needs and then we develop an RFP that
23 addresses some of the needs that we've heard with in
24 the community.

1 From that, we then score applications and as I
2 mentioned briefly a few minutes ago, we have
3 committed much more throughout RFP process to
4 prioritize nonprofits and MWBE applicants. We, at
5 this point and time, if there's no MWBE or nonprofit
6 involved in the development team and in the proposal,
7 it is not a proposal that we will consider. So, that
8 is a requirement that we have outlined within our
9 process. I think it's something else.

11 COUNCIL MEMBER RESTLER: We interested in
12 understanding the new process and seeing the new
13 data. We were only able to track data from 2014 to
14 2018 but in that period of time, 78 percent of
15 projects went to for profit development entities
16 which were half as likely to build the extremely low
17 and low income housing that we really need.

18 If the numbers have dramatically changed, we'd be
19 interested in reviewing it and seeing how nonprofits
20 are actually prioritized and are actually developing
21 the housing that we all need but the data that we're
22 looking at, and this is data from the de Blasio
23 Administration but these are policies consistent with
24 the Bloomberg and Giuliani Administrations as well.

1 They have been absolutely failing to build the deeply
2 affordable housing that we need.

3
4 So, I just want to come back to the procurement
5 question. I don't see any reason why what I laid out
6 wouldn't work perfectly well and legally for HPD
7 without slowing you all down by a millisecond to
8 execute on more deeply affordable housing getting
9 built.

10 KIM DARGA: Okay, so a couple things. First, I
11 think the information they are quoting is definitely
12 from a different era, right?

13 COUNCIL MEMBER RESTLER: 2018 ain't that long
14 ago.

15 KIM DARGA: Okay, so I do know -

16 COUNCIL MEMBER RESTLER: It was before you were
17 in this job but -

18 KIM DARGA: Well, I don't know a nonprofit
19 involvement in all development. I do know that for
20 RFP's, since 2014 71 percent of RFP's for public
21 sites were designated to a team with a nonprofit.

22 COUNCIL MEMBER RESTLER: The team was a
23 nonprofit. That's not a majority, nonprofit driven
24 project. That could be a nonprofit doing ten percent
25 of the project.

1
2 KIM DARGA: Okay, so 83 percent of RFP's for
3 public sites were designated to a team with an MWBE
4 and or nonprofit. And in many cases, we actually do
5 see partnerships between -

6 COUNCIL MEMBER RESTLER: We welcome partnerships
7 but 83 percent saying that there was a nonprofit MWBE
8 at the table doesn't mean that it was 83 percent were
9 nonprofit or an MWBE which drive in the development.
10 Where development is actually being envisioned by
11 what the community really needs and realize we need
12 affordable housing.

13 KIM DARGA: Right, so I know you had a number of
14 points there, so let me try to address each of those
15 issues. All of our projects that we finance, so
16 again, everything that we do on public land goes
17 through a disposition process. So, the affordability
18 ultimately needs to be approved by various folks
19 within that public disposition process.

20 The projects that we finance today have to
21 conform to the programs that we have today. So, I
22 can't really speak to the affordability for something
23 that was done during the Bloomberg era, right? What
24 I am dealing with now, are the questions about what
25 we finance now. And those projects have to comply

1 with the programs that we have now. Those programs
2 focus on providing housing for extremely low- and
3 low-income households. Senior has a household to
4 provide supportive housing for households. Every
5 project that we finance has a significant requirement
6 to provide housing for formerly homeless households.
7 So, regardless of who responds, those outcomes are
8 achieved through the projects that we finance.

10 COUNCIL MEMBER RESTLER: I hear you Deputy
11 Commissioner and again, I'm looking at data from 2014
12 to 2018, so the first term plus into the second term
13 of the de Blasio Administration but in our analysis,
14 we found that the for-profit developers who got
15 public land were only developing 18 percent of the
16 units for extremely low-income individuals. I
17 realize term sheets have changed. I realize
18 improvements have been made. We appreciate that. By
19 the previous administration and that have not yet
20 been updated or modified by this one.

21 That is welcomed but it's still not good enough
22 and I haven't heard you mention on the procurement
23 front yet, which makes me think that you think I'm
24 right but you don't want to say that. So, but you
25 can - I don't want to get ahead of Chair Sanchez

1 because I realize my time is up but we are focused on
2 maximizing affordable housing as quickly as possible.
3 I believe what I laid out is an efficient and
4 effective way to do that that wouldn't slow you down
5 one millisecond.
6

7 KIM DARGA: Okay, so again, we do prioritize
8 nonprofit and MWBE respondents at this point and
9 time; we have since early 2019. We also have within
10 the swearing process, a preference for community kind
11 of presence. So, we do do that. I think there are
12 different – to do it programmatically and to
13 legislate it are different things and so, I do want
14 to be clear that there are different organizations
15 that bring value to the table. That partnerships are
16 – the development teams that respond are choosing to
17 partner often times with the various organizations
18 that can bring different skills and knowledge and
19 capacity to the table. The vast majority of the
20 teams that are selected today are involving MWBE's
21 and nonprofits. Beyond that, we provide strategic
22 support for nonprofits MWBE's and we do believe this
23 is important to prioritize not just nonprofits but
24 MWBE developers where we know that there has been a
25 disparity study that showed that those businesses

1
2 have not been able to compete because of
3 discrimination.

4 And so, we do that in a variety of ways, not just
5 as part of the RFP process but we do it through the
6 financial tools and assistance and programs that we
7 set up to assist those organizations.

8 COUNCIL MEMBER RESTLER: If I could just have 30
9 more seconds.

10 KIM DARGA: In the work to create and preserve
11 affordable housing.

12 COUNCIL MEMBER RESTLER: I just want to tell of
13 two projects in my district. HPD is supporting the
14 redevelopment of the Broadway Triangle, nonprofit
15 partners, Senior Citizens Council, UGO, St. Nicks,
16 400 units of housing they built, 100 percent
17 affordable housing all at terrific AMI's. There's
18 going to be a diverse development for Hasidim for
19 African Americans, for Latino's for everybody in our
20 community. It is a joyous thing. Nonprofit
21 developers leading the way. Publicly owned site on
22 the waterfront and Bushwick Inlet Park, led by Gotham
23 with Bushwick again as a nonprofit partner, 75
24 percent of the housing is luxury market rate housing
25 on a publicly owned site. It's abysmal, it's

1 disgraceful. It should not ever happen and that's
2 the difference. So, yes, you can have the nonprofit
3 partner whose brought along for the ride, but if it's
4 not a nonprofit led development, we're not getting
5 the deeply affordable housing that we really need.
6 I'm open to having a conversation about MWBE's and
7 how do we do a better job of supporting them and
8 including them and continue the progress that HPD has
9 been making and bringing them in on development
10 projects. That's a worthy thing but I take real
11 issue with the distinction between nonprofit driven
12 developments that are actually meeting the needs of
13 working class people in our communities and for
14 profit developers that are focused on making money
15 and not delivering at the AMI's that we really need.
16 And the market is never going to deliver. So, that's
17 where we have a major difference here. Thank you.

19 CHAIRPERSON SANCHEZ: Thank you. Thank you
20 Council Member Restler and I want to thank you for
21 that last note Council Member Restler, especially on
22 the point about minority and women owned business
23 enterprises. I for one you know want to see this
24 prioritization continue and I know we've talked about
25 it Council Member and I think it's important to when

1 we talk about creation and addressing inequities of
2 the past, it's on both sides, right? It's on the
3 side of stably housing and New Yorkers building
4 homeownership opportunities, whether those
5 cooperative or more individual from my perspective
6 but also on the construction front, right. And so
7 for me, MWBE's, they play a dual role right. MWBE's
8 who are prioritizing the development and construction
9 of mission, like are mission driven right. I think
10 that helps us check two boxes. That helps us to
11 continue to build wealth among historically excluded
12 individuals and communities and families as well as
13 continue the mission of building more what we're
14 calling social housing here today.

16 So, thank you Council Member Restler for your
17 openness to continue this conversation because I
18 think it's an important part here. And a quick
19 follow up HPD and then I'll turn it over to Council
20 Member Nurse but a quick follow-up. So, you've
21 talked about HPD prioritizing mission driven
22 nonprofit developers and MWBE's. Can you speak to
23 your sister agencies economic development
24 cooperation, as well as NYCHA and other entities DOT
25 and anybody whose disposing a public land, do they

1 have the same requirements or the same priorities
2 that HPD has expressed today?

3
4 KIM DARGA: Thank you for that question. It is a
5 citywide commitment that is echoed in a number of our
6 blueprints. I guess a number of our blueprints, a
7 number of our public reports and commitments to
8 invest in MWBE's and grow our collective involvement.
9 We can't speak to the work of our other agencies but
10 we'd be happy to follow up on more detailed
11 discussions.

12 CHAIRPERSON SANCHEZ: Thank you. Thank you so
13 much for that. Council Member Nurse.

14 COUNCIL MEMBER NURSE: Thank you Chair. I have
15 three maybe four questions. I'll try to be brief.
16 So, the first couple questions I have around our bill
17 with the Social Housing Development Agency. In March
18 2021, HPD issued a request for information about
19 shared equity models, including social housing to
20 help shape potential models and standards of
21 effectuating shared equity models in New York City.

22 HPD's website lists 44 organizations that
23 submitted responses. The RFI indicated that the city
24 anticipates releasing a subsequent request for
25 expressions of interest or requests for proposal for

1 shared equity projects incorporating information
2 gathered from this. Can you tell us the status of
3 this work and what's the plan and timeline for
4 issuing RFEI's or RFP's based on the input you
5 received?
6

7 LUCY JOFFE: Thank you for that question. We did
8 engage in that work, released a request for
9 expressions of interest. Sorry, it's an RF alphabet
10 soup. We got a really robust response. We had I
11 think more than 40 responses, which we were impressed
12 by and we got to have follow-up conversations with a
13 number of the organizations and academics etc., who
14 had submitted proposals and those conversations led
15 to the need for further follow-up and further
16 discussions on all of that work.

17 Our goal is really to be as we've talked about
18 today, we've testified today to continue innovating
19 in this space and for that work to be really
20 permeating all of what we do. So, we have taken that
21 advise very seriously. We're thinking of it in the
22 context of how we do our CLT work, how we do our
23 homeownership work and we're continuing to work on
24 that.
25

1
2 COUNCIL MEMBER NURSE: So, do you have a
3 timeline?

4 LUCY JOFFE: We don't have a timeline necessarily
5 for releasing an RFEI or an RFP. We're considering
6 what the best way to incorporate this work into our
7 current work is and would welcome further discussions
8 with you about that.

9 COUNCIL MEMBER NURSE: Okay.

10 KIM DARGA: So, just a brief addition to that, so
11 we do, we have a number of RFP's where CLT's
12 specifically have responded. We recently designated
13 a CLT to look at development proposal for a large set
14 of properties in Brooklyn.

15 So, that work as even as Lucy said, is we're
16 trying to figure out the strategy. There is work
17 that is ongoing at the same time. We also have about
18 1,200 units in the pipeline with CLT's at this point
19 and time. There is a major limitation that we have
20 in financing CLT's that is I think worth noting
21 today. Which is that HPD relies on our loan
22 authorities through the state to provide financial
23 assistance and we have a number of constraints. One
24 of the big constraints is that we can't actually fund
25 properties on ground leases on private property

1 almost across the board and CLT's which rely on
2 ground lease structure, therefore, are not really
3 eligible for financing a private site.
4

5 COUNCIL MEMBER NURSE: Are you advocating?

6 KIM DARGA: Yeah, so it's part of our state
7 agenda to support changes to our loan authorities to
8 address a whole range of issues. One of the ones is
9 to make it possible to lend on a ground lease.
10 There's some other things that I think are relevant
11 to this topic that are important to note too, which
12 is that we have limitations in supporting homeowners
13 and down payment assistance. So, there's a range of
14 things that we're trying to address within the loan
15 authorities that I think will make a fundamental
16 difference.

17 COUNCIL MEMBER NURSE: Thank you. Thank you for
18 expanding on that.

19 KIM DARGA: Oh, yeah, affordability plus.

20 COUNCIL MEMBER NURSE: Okay, okay. My second
21 question, HPD testified that your agency does many of
22 the things a social housing development agency would
23 do. However, HPD admittedly focuses more on housing
24 and affordable housing in general, which is a very
25 broad term and does not touch on issues like

1
2 democratic ownership or decommmodification. I think
3 it's also fair to say that the delays in HPD hinder
4 social housing development, so why specifically do
5 you think a separate social housing development
6 agency, which would be solely focused on social
7 housing, would duplicate efforts?

8 LUCY JOFFE: Thank you for that question. We
9 have talked about the ways in which both HPD shares
10 in our work, shares a lot of these principals and
11 also the ways that we've been innovating over time.
12 There have been a number of questions that have
13 gotten at the ways that the housing market has
14 changed. The ways that HPD has adapted, there have
15 also been some jabs at our nimbleness and what we
16 would say is that, having a separate agency, doesn't
17 necessarily make us more nimble. We do feel like the
18 important nexus between building and preserving
19 affordable housing in the expertise that we've
20 developed and these principles that we are talking
21 about today are really important to be housed within
22 one agency. And separating them won't make it easier
23 for us to do all of that. It actually will get in
24 the way of it.

1 COUNCIL MEMBER NURSE: Chair, do you mind? Okay,
2 and then just one other sorry, one second. Okay, so
3 just in terms of COPA and the land bank, in a January
4 19, 2021 testimony on COPA and the land bank, much of
5 which has been echoed here today, HPD representatives
6 testified that there is a concern that any COPA
7 measure that slows down the sales process, may
8 distort the market and advantage ownership by
9 entities most able to hold property for longer
10 periods of time. But that we would be interested in
11 working together to properly define the universe of
12 buildings for which COPA would be most productive and
13 effective. Are the above concerns actually playing
14 out in cities that have similar programs and housing
15 markets, such as San Francisco, which has a COPA or
16 Washington DC, which has a TOPA?

18 LUCY JOFFE: Thank you for that question. We
19 have talked extensively and looked into what is going
20 on in other cities and what we would say is, in fact
21 at the breadth of the current legislation does we
22 feel risk undermining its goals.

23 We're talking about potentially thousands of
24 transactions per year, which it would be infeasible
25 for a group of preservation buyers to review and

1
2 consider and meaningfully. And that is what we feel,
3 what we've seen as playing out in other cities.

4 COUNCIL MEMBER NURSE: Thank you. I think that's
5 it Chair. Thank you.

6 CHAIRPERSON SANCHEZ: Thank you. Thank you
7 Council Member Nurse. So, I want to turn to your
8 critique of Intro. 196 COPA within your testimony.
9 You said, we will continue to innovate and invest in
10 new models but it can't come at the expense of the
11 tools we need to make more low cost and affordable
12 housing available to New Yorkers. So, what COPA
13 proposes is to make a list of qualified entities
14 eligible for first refusal right, to develop public
15 land and in the bill, there's a lot of discussion
16 left to the agency to decide this based on rule
17 making but there are four characteristics that are
18 included, right? So, the organization is a nonprofit
19 or the organization has demonstrated a commitment to
20 the provision of permanently affordable housing for
21 extremely low, very low- and low-income city
22 residents and preventing displacement.

23 Third, the organization has demonstrated a
24 commitment to community representation, engagement
25 and accountability. And fourth, the organization has

1 demonstrated the capacity including but not limited
2 to the legal and financial capacity to effectively
3 acquire and manage residential real property at
4 multiple locations in the city.
5

6 And so, this is written broadly and there's a lot
7 of space to further clarify also during the
8 negotiation, we can also edit the bill further. So,
9 can you please help me to understand why COPA from
10 your perspective would come at the expense of the
11 tools that we need to make more low cost affordable
12 housing available to New Yorkers?

13 LUCY JOFFE: Thank you for that question and for
14 highlighting some of the values that we have been in
15 front of you talking about in various contexts that
16 we think are hallmarks of some of our most important
17 programs. We are as you know, very focused on
18 achieving long term and permanent affordability
19 community involvement, all of these values. As you
20 mentioned, the current bill is quite broad. To the
21 extent that we have smaller owners, mom and pops as
22 you will, people that don't have the ability to if
23 they need to, sell quickly for some reason. If they
24 are impacted by this, they are at risk. Those people
25 who have invested you know, they are people that we

1 talk about a lot, being concerned about their ability
2 to continue to invest in their buildings, to maintain
3 safe, high-quality buildings and what we have found,
4 what we all know, is that when those owners don't
5 have the resources that they need, such as if they
6 are limited from their ability to move quickly in the
7 market, that ultimately those buildings can suffer
8 and it's the tenants that suffer.

10 So, whenever we want to keep – we talk about
11 innovating in this area. We are committed to
12 innovating in this area. When we do it, we want to
13 make sure that we're doing it in a way that preserves
14 a number of these values that we're talking about and
15 doesn't inadvertently harm the in particular, the
16 tenants that we're talking about that we want to
17 serve.

18 CHAIRPERSON SANCHEZ: Thank you and I don't see a
19 conflict there. I mean I think that the bill can be
20 worked on to create exclusions or create exceptions
21 in very particular circumstances, like the small
22 owners that you mentioned. So, I look forward to
23 continuing that discussion.

24 So, a couple of more questions on related to
25 Intro. 196. So, focusing in on community land trust.

1
2 I'm always glad to hear that we share goals and that
3 we share values but we need to make sure that we're
4 putting our money where our mouth is right? And so,
5 on that front, talking about community land trust and
6 you know respecting the increased support that
7 community land trust have received in previous, in
8 recent years, where are we at now? So, what is the
9 amount of capital subsidy that HPD has earmarked for
10 CLT developments?

11 KIM DARGA: So, our budget doesn't work exactly
12 that way, right? We don't earmark funds for
13 particular organizations or projects. We have a
14 capital budget this year that's just over \$1.4
15 billion to support the creation and preservation of
16 affordable housing. And that money is deployed
17 through HPD programs. The programs are available on
18 our website, so we're fully transparent about how
19 that money can be used. And nonprofits, for-profit,
20 CLT's which our nonprofit entities can apply through
21 those programs to access the funding. And so, that's
22 how it starts. Basically, somebody reaches out and
23 says I have a project, I have a proposal. I'm
24 looking to acquire a site and I'd like to access
25

1
2 financial support for that project and then we
3 evaluate the project and move forward.

4 I would note as I said earlier that there are
5 some – most of our work today is on private sites.
6 There are substantial limitation in CLT's being able
7 to access funds. Not because of limitations that the
8 city has imposed but because of our state loan
9 authority. So, until that's fixed, there will be
10 challenges in CLT's specifically being able to take
11 advantage of that.

12 CHAIRPERSON SANCHEZ: Yeah, understand that and
13 want to see a version of affordability plus pass but
14 of that \$1.4 billion capital budget, how much went to
15 CLT's? Or how much, looking back at the last
16 available year.

17 KIM DARGA: So, there again – we don't earmark it
18 that way. There are certain projects in the pipeline
19 where there are CLT's involved. Those projects
20 haven't closed on funding yet, so I can't say exactly
21 how much funding will be allocated to those projects.

22 CHAIRPERSON SANCHEZ: So, is it zero for right
23 now to say that looking backward, no capital funding
24 has been allocated –

1
2 KIM DARGA: No, we have financed some CLT's
3 already. As I said, it's limited largely to public
4 sites. Hang on just one second, let me see if I have
5 that information with me today.

6 Uhm, I think I'm going to have to get back to you
7 or give me a minute and I see if I can find it here.
8 I think it was \$380 million but I will have to double
9 check that.

10 COUNCIL MEMBER SANCHEZ: You said \$180 million?

11 KIM DARGA: \$380 million but I need to double
12 check it.

13 COUNCIL MEMBER SANCHEZ: And for what time
14 period?

15 KIM DARGA: What?

16 COUNCIL MEMBER SANCHEZ: What time period?

17 KIM DARGA: For the projects that have closed so
18 far, which have closed over the last couple years.

19 COUNCIL MEMBER SANCHEZ: Okay, so we can follow-
20 up just to -

21 KIM DARGA: Yeah, I can verify that.

22 COUNCIL MEMBER SANCHEZ: Okay, great. Uhm, okay.
23 Vacant parcels in the City of New York. Can you
24 break this down for us. How many vacant properties
25 and this is you know data that the city should have

1
2 available coming out of the housing, Housing Act that
3 passed several years ago and that advocates have been
4 fighting for this transparency. So, how many vacant
5 properties are currently owned by the City of New
6 York?

7 KIM DARGA: So, I can't speak to all of the City
8 of New York. I can speak to HPD's portion of that.
9 So, as of November 2022, we had — there were 810
10 vacant tax lots left within HPD jurisdiction. Two-
11 thirds of those lots have already been RFP'd or had
12 the development team designated through an RFP or
13 competitive process. There were about 15 percent of
14 those sites, so a large amount of the remaining sites
15 are either not suitable for residential development,
16 are not buildable or have other substantial site
17 constraints that need to be worked through and that
18 leaves about 15 percent of the total that are yet to
19 be programmed. I would note that these are tax lots.
20 They're not like developable sites necessarily in and
21 of itself. Often times we need to assemble many,
22 many tax lots in order to get to one developable
23 project.

24 Unfortunately, you know a few years ago, we
25 didn't really have programs that allowed us to

1 finance those types of scattered site assemblages.
2 Fortunately, we have some better tools today that can
3 help us do that. And we do hope to be able to move
4 some of these site assemblages forward within this
5 year through RFP's.

6
7 COUNCIL MEMBER SANCHEZ: Okay, thank you. Thank
8 you for that. So, 810 vacant tax lots controlled by
9 HPD, two-thirds RFP'd. So, where are these parcels?
10 Can you give us a break down by borough?

11 KIM DARGA: Uhm, I have some basic information.
12 So, I think -

13 CHAIRPERSON SANCHEZ: And I'm sorry, just to
14 corollary there, are there particular neighborhoods
15 in the city where there are more of these vacant
16 properties.

17 KIM DARGA: Yeah, my understanding is the vast
18 majority of the lots are in parts of Harlem, Central
19 Brooklyn and the South Bronx and to a lesser degree
20 in the Rockaways.

21 CHAIRPERSON SANCHEZ: Okay, thank you. And
22 shouting out members of the administration who are
23 behind you. I just want to make sure that we do get
24 that citywide number please. Because you know,
25 there's DCAS, there's EDC, there's all of the other

1 agencies and this is legislation that the City
2 Council passed.

3
4 So, if you can get that to us before the end of
5 the hearing, that would be great. So, HPD focusing
6 on you. For these 810 parcels, could you tell us
7 what is the average amount of time that these
8 properties have been vacant?

9 KIM DARGA: Uhm, so I don't have the exact tenure
10 and city ownership but uhm, as I think many folks
11 know, the city stopped directly foreclosing on
12 property decades ago. So, many of these sites have
13 been in city ownership at this point and time for
14 decades.

15 CHAIRPERSON SANCHEZ: Okay, uhm, okay and then
16 for the properties that are within HPD's
17 jurisdiction, are they vacant in the sense that they
18 don't have structures on them? They're completely
19 vacant or are they - do they have structures?

20 KIM DARGA: Yeah, vacant is there's it's not,
21 there's no structure on it.

22 CHAIRPERSON SANCHEZ: Okay. So, in the Mayor's
23 Housing Our Neighbors Blueprint, it was highlighted
24 that the administration will identify government
25 owned property that could be developed into housing

1
2 opportunities for ELI and VLI households. Can you
3 tell us about how this is going? Is this 810 and
4 two-thirds and all of that? What are the current
5 plans for these properties?

6 KIM DARGA: Yeah, so with regard to HPD sites,
7 absolutely. That work is ongoing. As I said, we
8 have a small percentage of the 810 that have not yet
9 been programmed and the intent would be to assemble
10 those into financeable sets of properties that would
11 be developed through one of HPD's affordable housing
12 programs.

13 Uhm, there is other work that is ongoing, so we
14 have started to work across the administration with
15 other agencies to inventory potential public sites
16 and that could be used potentially for affordable
17 housing development as well. That work has just
18 really started. And in the meantime, we're also as I
19 mentioned focused on trying to get some of the RFP's
20 out for the remaining sites in our jurisdiction.

21 CHAIRPERSON SANCHEZ: Okay, thank you. Going
22 back to COPA, one question I forgot to ask. So,
23 HPD's role in private transactions is quite limited
24 right? When there is not financing opportunities.
25 So, assuming positively that we are going to get to a

1
2 good spot in negotiating the details of a policy like
3 COPA, how would HPD insert itself and have a helping
4 hand rather to organizations that would be eligible
5 for first priority in the purchase?

6 KIM DARGA: So, I think maybe it would be worth
7 talking about how we support acquisition today. I
8 don't know how familiar folks are with that work.
9 So, in addition to New York City Acquisition Fund,
10 which I mentioned a little while ago, which is
11 basically a fund the city helped create along with
12 LISK and Enterprise to support acquisition financing
13 specially.

14 We also provide construction in permanent
15 financing. So, that's the financing that ultimately
16 helps renovate or build the housing and ensures that
17 it is affordable housing long term. We launched a
18 few years ago, our Neighborhood Pillars program which
19 was specifically designed to help mission-based
20 organizations preservation buyers which included both
21 for profits and nonprofits to acquire existing
22 buildings for the purpose of taking buildings that
23 were vulnerable to potential loss of affordability
24 and keep them affordable long term.

1 That program has had to be retooled. There's a
2 lot that's changed in the market in New York City the
3 last few years but the way it works is essentially we
4 have a RFQ that we did to prequalify entities to
5 participate in the program. That RFQ designated
6 entities based on experience in owning and managing
7 affordable housing projects, including specific work
8 they've done in acquiring sites. Work with
9 residents, undertaking construction projects etc..
10

11 From that the nonprofit that were qualified had
12 extra access to addition resources throughout
13 Neighborhood Pillars Downpayment Assistance program.
14 That program provides technical assistance for those
15 prequalified entities in negotiating and acquisition
16 price. Reviewing the price, reviewing the contract
17 and also provided funding to help enter into
18 contract. So, in order to enter contract, you need
19 cash, right? So, basically provided access to
20 funding at that moment.

21 The next step in the process is that once you
22 have contract, you then have to close on the
23 acquisition itself. So, we worked with the New York
24 City Acquisition Fund to create a streamlined process
25 where those prequalified entities were prevetted from

1 an organizational perspective, so that they could
2 quickly close on acquisition funding and that time,
3 because a lot of contracts, you know there's a time
4 period which you have to close right? So, that
5 resource was lined up and then we also made sure that
6 we had the backend support to provide the
7 construction and permanent financing on the city end
8 and that's both funding for renovations or
9 construction as well as it may be a tax exemption or
10 other assistance in order to ensure that those
11 projects provided the intended affordable housing.

12
13 So, I think one of the challenges in a program
14 that is legislative is that in order to achieve the
15 intended outcomes, many of those potential
16 acquisitions may require public support.

17 CHAIRPERSON SANCHEZ: Right and that's really
18 where I was getting at. So, in cases where there is
19 no public support involved and there's not quite the
20 same role for HPD to play and there's not that same
21 need that the private entity might have for HPD's
22 help. What would HPD's role or how can, what are the
23 ways that HPD could insert into the process?

24 KIM DARGA: I mean my sense is that if a program
25 like this existed, the parties that are acquiring

1
2 property for the purpose of affordable housing are
3 likely going to apply to HPD for funding. And so,
4 whether or not those acquisitions are feasible is
5 largely going to be related to resource availability.

6 LUCY JOFFE: And as we have discussed today and
7 as you said, this legislation is really quite fraud.
8 And what that means is that's it's not necessarily
9 aligned with the other goals that we've talked about
10 here today.

11 CHAIRPERSON SANCHEZ: Moving to TOPA and then
12 I'll turn it back over to Council Member Nurse. What
13 is the Administrations positions on the Tenant
14 Opportunity to Purchase Act. In particularly
15 recognizing that TOPA has been successful in other
16 jurisdictions. Has had some degree of success in
17 other jurisdiction including Washington DC for the
18 last decade or so. I think it could be a great model
19 to come here obviously, the state legislators also do
20 because they have the bill but I didn't hear a
21 position from the Administration.

22 LUCY JOFFE: We support expanding homeownership
23 opportunities for low- and moderate-income New
24 Yorkers. We've been in discussions with you. You're
25 testifying about that in the past. In our

1
2 experience, tenant acquisitions are most successful
3 when tenants can work with an experienced partner for
4 support and technical assistance. We look forward to
5 these discussions with the state partners.

6 CHAIRPERSON SANCHEZ: Great, would HPD be
7 requesting financial support accompany the TOBA
8 legislation so that tenants can better organize?

9 LUCY JOFFE: So, we're here today testifying on a
10 package of city legislation. We don't have a
11 position on that. We look forward to working with
12 all of the partners involved including star state
13 partners on the legislation.

14 CHAIRPERSON SANCHEZ: Okay, our position should
15 always be to ask for more money from Albany. Okay,
16 thank you so much for that. Council Member Nurse.

17 COUNCIL MEMBER NURSE: Thank you Chair. I just
18 wanted to circle back to delays. The New York
19 Housing Conference states that HPD's staffing
20 shortages especially among project managers are
21 slowing affordable housing production, making the
22 production more costly to the city and the developers
23 as they pay real estate taxes and interest on loans
24 waiting for deals to close.

2 These delays are delaying projects by months and
3 even potentially years sometimes. What is the
4 average timeline for closing on developments now and
5 how does HPD weigh these internal delays against
6 hypothetical delays of a land bank or a COPA program
7 entering into the market?

8 KIM DARGA: Okay, that's a big question. Let me,
9 let me try to break that down. Uhm, there absolutely
10 is an impact of resources and that could be capital
11 funds, tax exemptions, the staffing within city
12 agencies in supporting these projects. There's no
13 doubt and different types of projects take different
14 levels of resource commitment. There are some
15 programs that we administer that are far less
16 resource intensive. They're more as of right. It's
17 pretty cut and dry. We get an application. We are
18 able to process it.

19 There are other programs that we administered
20 that have layers and layers of financing with
21 different parties and different entities and can be
22 very complicated to put together and so, those are
23 harder when you are strapped from a resource
24 perspective, whether that's staffing or otherwise.

1
2 And part two of your question, sorry, remind me
3 what was part two.

4 COUNCIL MEMBER NURSE: Yeah, how are you
5 balancing the internal delays you all are facing? Or
6 the challenges that are creating delays with
7 hypothetical delays that would result from a land
8 bank or COPA program?

9 KIM DARGA: Yeah, I mean again, at the end of the
10 day, I really think that so, a land bank, if you
11 don't have clear path to the outcome, acquiring
12 property just potentially puts that property in
13 limbo. So, anything that is highly resource
14 dependent right, means that if you don't know in
15 three years that you can deliver on that ultimate
16 outcome, then you're in limbo. That property, if
17 it's an occupied building, whose taking care of the
18 residents? Who makes sure that it has insurance.
19 Who makes sure that maintenance is done
20 appropriately. The longer that takes, the harder
21 those problems become. Right, I think that's what we
22 have learned from taking property into city
23 ownership, right? At a scale where we couldn't
24 necessarily get everything back into public use
25 quickly.

2 I think the same can be said of COPA if it's
3 resource dependent, even if it's just a legislative
4 strategy, right. If the outcome is heavily resource
5 dependent, you're not necessarily going to get to the
6 intended outcomes. So, I do think that in crafting,
7 whether it's a land bank strategy, a COPA or other
8 acquisition strategies, that we have to be thoughtful
9 about making sure that ultimately that we are setting
10 things up to have the best chance of achieving the
11 intended outcomes at a scale that we can manage.

12 LUCY JOFFE: I'd also like to speak to the
13 staffing challenges.

14 COUNCIL MEMBER NURSE: Yup.

15 LUCY JOFFE: Yes, we have been here before
16 talking about challenges. Not just HPD, that other
17 agencies and this is sort of a broader phenomenon as
18 well. This is something we take incredibly
19 seriously. Kim and I are here because of the work of
20 really hard-working staff members, one of whom is
21 sitting behind us and a lot of whom are watching over
22 the livestream and undeniably that work is harder
23 when we don't have full staff. We are working very
24 hard to address that challenge. We are not settling
25 for the fact that we - for the current circumstances.

1
2 We are incredibly committed to this work and a lot of
3 people here have talked about the urgency of our
4 mission. We feel this very deeply. We are very
5 committed to rectifying our staffing issues, so that
6 we can get back to the really important and as we
7 said, urgent work.

8 COUNCIL MEMBER NURSE: But even at full capacity,
9 and without these staffing issues, your concerns were
10 again hypothetical. So, if you were fully staffed up
11 and ready to rock out on all these projects that are
12 backlogged, how are you hypothetically concerned that
13 the land bank and the COPA would cause even more
14 delays? And then I'll add, for the second part of my
15 question was, uhm, I think earlier as one mentioned
16 distortions in the market or maybe I don't know if I
17 heard that here, I can't remember. Can you talk a
18 little bit about how you foresee distortions in the
19 market?

20 KIM DARGA: Do you want to start? These are very
21 complex topics.

22 COUNCIL MEMBER NURSE: We have time.

23 LUCY JOFFE: I guess what we're saying is that we
24 don't see these as entirely hypothetical. We have
25 substantial experience in this area. We think it's

1
2 incredible important for us to be innovating. We are
3 really committed to that and we've been doing it and
4 we've been here talking about some of the ways that
5 our new programs, changes to our programs are putting
6 us on that path and we have to be doing all of it.
7 There is an urgency to our current situation that
8 tenants are in right now.

9 We want to make sure that we are using all of the
10 tools and I think that was a phrase that's now been
11 used four or five times in this hearing. All of the
12 tools that are at our disposal to move forward, but
13 we have to do that in a way that respects and make
14 sure that there are New Yorkers right now who as you
15 all have talked about, we've talked about it at other
16 hearings, who are experiencing housing instability.
17 So, we approach each of these decisions, each of
18 these new innovations really thoughtfully. We look
19 forward to further conversations with you about those
20 because we want to continue to use new programs, new
21 tools and we want to do it in a way that ensures that
22 we're still able to continue to work as quickly as we
23 can towards our underlying mission.

24 COUNCIL MEMBER NURSE: And the distortions piece?
25

1
2 KIM DARGA: So, I think in the land bank, they're
3 different right, how they would be used. How they
4 would work with in the market clearly are different.
5 So, in the case of a land bank, you're essentially
6 setting up a new public entity that you're putting
7 forward at the face of negotiation. That in and of
8 itself creates perceived or real commitment of public
9 resources I think changes the negotiation. We've
10 seen that in some cases. Happy to talk about
11 instances where the city has been more front and
12 center in the complicated aspect of those
13 negotiations.

14 So, I think that is issue one. I think the other
15 thing is that, when you're talking about a land bank
16 again, you know, if you acquire like okay, this site
17 might be a good affordable housing project. We don't
18 know what it is today. We don't have a developer
19 that's interested. We haven't looked at financial
20 feasibility, but we'd like to make it happen.

21 Okay, so you acquire the site. You don't have a
22 developer. You don't have the financing. You don't
23 know if it works. In the meantime, you have to own
24 it and you have to manage it, so there's a cost
25 associated with that. And we spend a lot of money

1 still right on just owning city owned land. And so,
2 I don't take that decision lightly. I think if
3 you're going to set something up like that where
4 you're acquiring property, you want to know that you
5 can get to that ultimate use because otherwise, it
6 continues to do the thing that we don't want, which
7 is that it remains vacant. It remains underutilized.
8 Tenants aren't protected etc..

10 So, I think those are the particular concerns
11 that we have with that structure. Not that there
12 aren't some potentially useful components to it that
13 are worth discussing further but I think we're
14 worried about the unintended consequences and the
15 cost associated with setting up a new structure.

16 COUNCIL MEMBER NURSE: Right, but that's the cost
17 associated publicly - public money that would be
18 associated with that. I feel like I didn't hear how
19 this would distort the market.

20 KIM DARGA: Again, putting the city at the center
21 of negotiations would distort the market.

22 COUNCIL MEMBER NURSE: My last question and sorry
23 Chair. On February 15th, the Mayor was in Albany and
24 testified that he had concerns about good cause
25 eviction fearing that it could displace some of the

1
2 small property owners. As far as I know, other
3 states with similar laws to good cause such as New
4 Jersey have not seen a spike in homeowners filing for
5 foreclosure due to good cause.

6 Given the apparent lack of evidence for this
7 claim, is it the opinion of HPD or any other agencies
8 here that good cause eviction would cause a spike in
9 homeowner displacement? Especially considering the
10 bill explicitly exempts owner occupied homes with
11 fewer than four units. Do you support Good Cause
12 Eviction as a strong tool to protect tenants? And if
13 so, how will you push for this?

14 LUCHY JOFFE: Thank you for that question. As
15 you referenced, the Mayor did talk about the
16 importance of tenant protections and our support for
17 them. Wanting to do it in a way that ensures the
18 viability of small building owners. You referenced
19 other states, what I'll say about that is that we've
20 seen different, a good cause models proposed in
21 different states and so, that's an important thing
22 for I guess everyone involved in negotiations to
23 consider as we move forward.

1
2 So, we're looking forward to continued
3 discussions with our state partners on this
4 legislation.

5 COUNCIL MEMBER NURSE: Thank you. Thank you
6 Chair.

7 CHAIRPERSON SANCHEZ: Thank you. Thank you
8 Council Member Nurse. I look forward to getting the
9 Administrations to support Good Cause as well.

10 So, speaking of my constituents. Constituents
11 across the city who are feeling the pain the most.
12 Can you speak to how HPD or the Administration, how
13 do you serve a household that is at ten percent of
14 AMI, 15 percent of AMI?

15 LUCY JOFFE: Thank you for that question. We too
16 share a lot of the concerns that we've talked about
17 in terms of making sure that we can best serve the
18 lowest income New Yorkers. We've talked about in
19 multiple hearings in our testimony that while, many
20 New Yorkers are struggling and have struggled in
21 particular over the last couple of years and that a
22 low vacancy rate and high rents have been an issue
23 for decades. In particular, the crunch at the lowest
24 rent, part of our market, under 1,500 units is less
25 than one percent.

1
2 That means that New Yorkers who can only afford
3 some of our lowest cost units, are not going to find
4 those available on any given day and not have
5 somewhere to move. So, this is something that we do
6 strongly need to consider. One of our most
7 significant tools is our voucher program and we have
8 used a range of voucher tools to help New Yorkers at
9 some of the lowest incomes move around the city.
10 That's a really important fair housing goal,
11 obligation for us and policy priority. And as well
12 as move into our housing.

13 CHAIRPERSON SANCHEZ: Do you think that the city
14 is doing enough to support these extremely low-income
15 New Yorkers?

16 LUCY JOFFE: We testified in our or we said in
17 our testimony today, we are committed to doing more,
18 right? There is always this work has been decades
19 long for HPD, for the city. We have been in urgent
20 need of more housing, more rental housing, more low-
21 cost housing for a very long time. That need
22 continues. We are committed to doing - to continuing
23 to innovate and continue to try to bring as much
24 housing online as we can quickly as possible because
25

1 we do, we know and we appreciate that there are New
2 Yorkers across the city who desperately need that.

3
4 CHAIRPERSON SANCHEZ: Thank you and there are
5 600,000 low-income, lowest income New Yorkers that
6 are rent burdened and they are significantly more
7 severely rent burdened than anyone else, right? So,
8 they are paying 50, 60, 70 percent of their income in
9 rent and that burden, that level of burden continues
10 across the income scales. We have very low-income
11 New Yorkers, moderate income New Yorkers, who are
12 rent burdened as well but the pain is not the same.
13 And what I siege upon the Administration, on HPD, on
14 all of you is to help. Is to help me not have to
15 continue to go back to my community and say, yeah,
16 they're trying really hard but there's nothing for
17 you, right? It is so painful to look at someone's
18 face who is a month away from eviction, who has been
19 in a shelter for two years and just not have an
20 answer for them.

21 And so, as we continue these initiatives, as we
22 dedicate capital, we have to focus on the lowest
23 income and I will not stop saying that. I know that
24 I have some servants who agree with me but we need to
25 make that the policy reality of the City of New York.

2 So, with that, my final question here and I'm
3 looking at colleagues. I think I'm okay but my final
4 question is about the rent burden for the lowest
5 income New Yorkers. Is the Administration in support
6 of the Housing Access Voucher Program Resolution that
7 the City Council is hearing today?

8 LUCHY JOFFE: Thank you for that question and for
9 your continued partnership. We recognize that the
10 Council plays a really important role in this work
11 and we are committed to continuing to working
12 together to serve the New Yorkers, all New Yorkers
13 and the New Yorkers in particular who are
14 experiencing significant housing instability.

15 We welcome, as we've all talked about and so, now
16 I feel like I'm saying tools again, but we welcome
17 all of the resources and all the tools. And it's
18 going to take all of that to address the vast amount
19 of need. We do believe that to the extent that we
20 add vouchers to our stock that we're mindful of some
21 of the challenges that we face. We have used a mix
22 of carrots and sticks to make sure that we can lease
23 up the vouchers in our housing market. That includes
24 an advertising campaign of \$1 million to try to
25 change hearts and minds. Also, investment in source

1 of income discrimination. More resources for
2 vouchers won't do us very much if we can't actually
3 find those people homes. We also need to continue to
4 build more housing, especially rental housing and low
5 cost and affordable rental housing for that exact
6 same purpose.
7

8 And finally, we want to make sure that when we
9 invest more in programs like vouchers that we're able
10 to, or rental assistance programs, we're able to
11 administer them and they align. They have the for a
12 lack of better term, the sort of the bells and
13 whistles or like the components of strong voucher
14 programs and our other voucher programs so that it's
15 easier and I guess just impossible for us to
16 administer them.

17 CHAIRPERSON SANCHEZ: Okay, thank you. I will
18 close on this note and it is that looking back at the
19 data and I'll share this out today, leader today via
20 social but looking at the data of housing production
21 for Mitchell Lama's, for HDFC's, just co-ops in the
22 City of New York, there were hundreds being built
23 every year in the 90's. In the 80's and the 90's and
24 we just completely moved away from that approach of
25 providing housing that is limiting equity, that is

1 affordable in perpetuity, and that is limiting equity
2 but it's building equity for New Yorkers.

3
4 So, can we have a commitment from HPD today to
5 refocus on cooperative ownership models that are like
6 Mitchell Lama, that are like cooperative HDFC's with
7 the supports that HPD mentioned earlier are necessary
8 and important to support homeowners. But can we get
9 that commitment that we're going to be working toward
10 expanding these ownership models in the City of New
11 York?

12 KIM DARGA: We are absolutely committed to
13 expanding homeownership opportunities and preserving
14 them quite honestly. And that's everything from HDFC
15 cooperatives and Mitchell Lama's to working with
16 single family homeowners to make sure that they can
17 stay in their homes. So, I think we look forward to
18 having that conversation with you.

19 CHAIRPERSON SANCHEZ: Wonderful, I will be
20 following up during the budget hearings. With that,
21 thank you. Thank you so much to HPD for your
22 testimony, for taking our questions today. I'm very
23 excited to be joined by many advocates who have been
24 leading in this space and who we'll hear from today.
25 But thank you. Thank you so much for your time.

1
2 LUCY JOFFE: Thank you.

3 CHAIRPERSON SANCHEZ: So, next up, we will be
4 hearing from my partner. My partner in the – not
5 crime, in the amazing effort to really change the
6 paradigm and built more social housing support, more
7 social housing in the City of New York. Comptroller
8 Brad Lander who has been leading on this topic for a
9 very long time. And it catching up with HPD at this
10 moment.

11 BRAD LANDER: Good afternoon Chair Sanchez,
12 Council Member Brewer, Council Member Nurse. It's
13 wonderful to be here with you for this really
14 important hearing. And thank you also to all of the
15 advocates who we joined earlier on the steps and it's
16 great to see you here as well. I know it's a long
17 day, so thank you.

18 As we all know, there is very broad agreement
19 that New York City is facing a severe housing crisis
20 and that we need many strategies to address it
21 dramatically scaling up the footprint of social
22 housing, permanently affordable housing removed from
23 the speculative market place is one critical strategy
24 and the bills on today's docket would go a long way
25 to advance it.

1 You know the crisis and have heard it, so I'm
2 going to skip over those parts of my testimony but
3 \$3,500 for the average available for rent unit
4 despite the fact that nearly 30 percent of New
5 Yorkers spend over half their income on rent,
6 homelessness at over 70,000, 20,000 of them kids.
7 You know we read recently of an exodus of Black New
8 Yorkers. Nearly a ten percent decline in the last
9 ten years. Especially young people born and bred New
10 Yorkers who can't afford to stay in their home town
11 and don't see a pathway to housing stability or
12 affordable home ownership and it reflects a real
13 threat to New York City's economy as well. When I
14 talk to business leaders, the lack of housing
15 affordability is a key challenge.

16 So, I'm encouraged that Albany is focusing on
17 issues of housing this year. It is obviously
18 critical. Tenants' rights advocates are prioritizing
19 Good Cause Eviction legislation. I strongly support
20 this legislation. There's broad support for the
21 establishment of the Housing Access Voucher program.
22 I strongly support HAVP as well. And I also support
23 the push for increased housing supply, which Governor
24 Hochul and Mayor Adams and others are pushing. We
25

1
2 need additional housing at a wide range of incomes
3 and we've got to remove barriers to residential
4 development through a framework of fair and
5 comprehensive planning.

6 But let's be clear, new market rate development,
7 even if equitably distributed and even with tenant
8 protections and some additional housing vouchers in
9 place, will not alone solve the affordability crisis.
10 The top seven neighborhoods for New Yorkers facing
11 eviction are in the Bronx and eight of the top ten.
12 That's because of housing precarity and lack of
13 income. New development isn't going to help those
14 tenants and it's not in the near term going to help
15 those tenants and it's not in the near term going to
16 help those 70,000 New Yorkers get out of homeless
17 shelters. There's an important debate about whether
18 and how market rate development filters through the
19 market but at best, it takes a very long time and
20 with median asking rents of \$3,500 a month and a less
21 than one percent vacancy rate for units below \$1,500,
22 new supply will do little for working families who
23 need it most.

24 In addition, the lack of social housing and a
25 genuine commitment to it, makes it harder for the

1 average working-class New Yorker to support new
2 development. Something that we genuinely need, how
3 can we ask working class families to support new
4 market rate development, if they reasonably fear that
5 it will push them out of their neighborhoods or if
6 they simply see no way that they could gain real
7 housing stability or build any equity in their homes
8 and that is where social housing comes in.

10 Social housing as you know is permanent
11 affordable housing, removed from the speculative
12 marketplace with mechanisms for democratic governance
13 including shared equity co-ops, not-for-profit
14 rentals, supportive housing, public housing and
15 community land trust. Let's be clear, New York has a
16 great history of social housing. And Mitchell Lama
17 and other limited equity co-ops from co-op city in
18 the Bronx, south and Manhattan, developed in
19 partnership with labor unions.

20 So, working class families in earlier generations
21 could become homeowners. And in nonprofit community
22 development corporations born in the 60's and 70's as
23 their neighborhoods were facing abandonment from
24 [INAUDIBLE 1:56:37]. On the South side to Harlem
25 Congregations for Community Improvement. In those

1 cases, the private housing market seeking the place
2 where investors and developers could achieve the
3 maximum profit was failing to provide the type of
4 affordable housing that New Yorkers needed. So,
5 social housing groups stepped up and developed an
6 operated housing as a public good.

7
8 When I was a young person in the affordable
9 housing development movement, the city had a
10 different approach here. In the Dinkins
11 Administration, about one-third of land or vacant
12 city buildings or subsidies went to for profit
13 private developers with a focus on making room for
14 MWBE developers and small businesses. About one-
15 third to nonprofit affordable and supportive housing
16 developers and about one-third to the tenants
17 themselves to become limited equity cooperators.
18 Unfortunately in the Giuliani, Bloomberg and de
19 Blasio years, the pendulum swung overwhelmingly in
20 the direction of for profit, private developers who
21 now receive about 80 percent of the city's land
22 affordable housing land and affordable housing
23 subsidy dollars. And unfortunately nothing we heard
24 today from my friends at HPD and the Administration
25 suggest that there is an intent in this

1 Administration to make change there. An ambitious
2 change is needed and that's why these bills are good.
3 We need social housing today more than ever. In a
4 highly polarized service economy, New York has a more
5 severe affordability crisis than ever while supply
6 and demand mechanisms can work well in markets where
7 goods and services are distributed more evenly, they
8 often fail to meet the needs of lower income and
9 working class people when markets are severely
10 stratified and when supplies in elastic exactly like
11 the New York City housing market of 2023, what social
12 housing can do is establish a robust public option at
13 a price point affordable to poor and working class
14 families. A social housing program complements
15 initiatives that increase private market supply, just
16 like in higher education or in health care. Public
17 options compliment what the market provides and that
18 two-track approach offers the best opportunity
19 forward. With an ambitious strategy, I believe that
20 we could double the footprint of social housing in
21 New York City in the coming years. From about 10
22 percent of the housing market today to about 20
23 percent.
24
25

1
2 And the legislation that you're considering would
3 set the ground work for it. Let's be clear, that
4 still leaves a lot of room for private developers, 80
5 percent of the market and that scenario would still
6 be owned by for profit private developers and because
7 we're looking to increase supply and density, it can
8 still be growing even as the percent of social
9 housing increases.

10 Briefly, on the legislation because you've heard
11 it but I want to address a couple of the issues that
12 the administration raised. So, starting with the
13 land bank, Intro. 714, here I would really just like
14 to give the example of what happened with hotels
15 during the pandemic. In other city's that had a
16 stronger set of tools that didn't rely on end-to-end
17 financing of a deal before you could get started,
18 some of the vacant hotels that the pandemic were
19 acquired and can now be turned into affordable and
20 supportive housing. But we didn't have a land bank
21 tool that the city might have used and yes, those
22 negotiations can be challenging. The city has to
23 figure out what it's willing to pay but I believe
24 that had we had a land bank at that moment, it would
25 have been possible for the city to set some terms and

1 say here's what we're willing to pay. Here's the
2 terms and conditions. Make the acquisition at the
3 moment when it was possible and then yes, absolutely
4 it takes working with affordable housing developers
5 and subsidies to make those conversions over time.
6 But I believe we have more supportive housing in the
7 pipeline if we had had a land bank, if it had been
8 available to make some acquisitions of hotels during
9 the pandemic. And we don't know what the next thing
10 like that will be. That's sort of the whole purpose.
11 Yes, when you design an end-to-end program and you
12 enable developers, for profit and not for profit to
13 use it, that works great. But conditions arise that
14 you haven't prepared for and if you have a land bank
15 available, you can achieve acquisitions you wouldn't
16 be able to achieve.

18 On Intro. 637 the idea that city owned land, a
19 scarce and precious resource, when it is disposed for
20 affordable housing, should go to either shared
21 limited equity cooperatives, land trust, nonprofit
22 affordable and supportive housing. We just, most of
23 our affordable housing these days is not produced on
24 city owned land. It's produced through subsidies and
25 tax breaks and a wide range of developers go out and

1
2 compete for it and that should continue. I have met
3 with MWBE developers about this bill and they're
4 right that for years, they haven't had the same
5 access that White developers have had and we should
6 make sure that there is robust room for Black and
7 Latino owned developers to succeed here. But if
8 we've only got this small city owned land that could
9 be a precious resource for creating the next
10 generation of Mitchell Lama's or for the deeply
11 supportive and affordable housing for homeless
12 families, we need to use it for that purpose.
13 There's still room here if we're going to do a new
14 generation of Mitchell Lama's, developers and
15 builders are going build it. There's room for MWBE
16 builders in that program but public land for public
17 good just makes good plain common sense.

18 And on COPA, Intro. 196, I have to say that
19 giving a little additional time so the tenants
20 themselves or the community could put a purchase
21 together, it really is about the lowest bar that you
22 could have for encouraging social housing. It's not
23 a restriction, like the public land bill. It simply
24 says, we think this is valuable and we're going to
25

1
2 provide a little extra time for folks to make that
3 acquisition.

4 So, I was disappointed to hear the Administration
5 not support it because I just don't think it's
6 consistent with saying, we think it's critical to
7 grow this removed from the speculative market place,
8 social housing sector and not even be willing to give
9 potential buyers from the community or from tenants
10 more time.

11 Finally, I'm really excited about Intro. 932 as
12 well. Council Member Nurse's bill to look at the
13 feasibility of a social housing development agency
14 and think about what else is possible. And I'll just
15 tease out one final example of this. You know what
16 Mitchell Lama's meant to a generation of earlier
17 residents and it's kind of an interesting experiment
18 because about half the Mitchell Lama's built between
19 28 and 78 were rentals and about half were limited
20 equity cooperatives. Of the rentals, more than half
21 of those buildings developed by for profit private
22 developers with a time limited obligation have now
23 privatized and are no longer providing affordable
24 housing. But about 90 percent of the limited equity
25 cooperative, Mitchell Lama's remain in the program

1
2 despite the fact that those residents and their
3 families might make a lot of money if they privatized
4 and get a lot of pressure to do that. It's time for
5 a new generation of a program like that. It will
6 look a little different from that one but it's one of
7 our biggest housing successes and we just do nothing
8 like it today.

9 Unfortunately HPD's testimony indicates the lack
10 of an ambitious effort to imagine it. What if
11 instead of for example fighting to restore the 130
12 percent of AMI outer borough housing program that was
13 in 421A we said, look on developable sites in the
14 outer boroughs, what we want to give a density bonus
15 to, what we want to subsidy to, what we want to give
16 a tax break to, is a new shared equity cooperative
17 program that would enable people at a range of
18 incomes to acquire in a way that they could afford.
19 That would be resale restricted, so that it would
20 affordable to future purchases over time. I don't
21 see any other way we'll be able to create genuine
22 homeownership opportunities for working class New
23 Yorkers given the market that we face by treating
24 housing as a public good rather than as a vehicle for
25 profit, we could ensure that all New Yorkers have a

1
2 home they can afford and that many of them have a
3 path to genuine housing stability and building
4 equity. These bills are a place to start. I'm so
5 grateful that you're hearing them today and I look
6 really forward to working with you and your
7 colleagues and all the advocates here to make them a
8 reality in New York City. Thank you so very much.

9 CHAIRPERSON SANCHEZ: Okay, thank you. No
10 clapping in the chambers. I want to clap to. Thank
11 you. Thank you so much Comptroller Lander. Thank
12 you for your leadership on this topic. Thank you for
13 setting the stage for this Council to really pick up
14 on legislation that you began last term. You know
15 and hit the ground running; you know right in the
16 beginning of our term.

17 So, uhm, question for you. You heard from the
18 Administration you know just how obstacles they
19 believe to be present with all of this legislation
20 but we in my view, and clearly in so many of my
21 colleagues view, we have no choice. We have to
22 change the paradigm. We have to do differently in
23 order to house New Yorkers stably and as I said
24 earlier, to change the model hopefully nationally so
25

1
2 that these can be ideas that are reproduced in other
3 places.

4 So, assuming we get to a good resolution, to a
5 good spot on these bills, which we will with the
6 Administration. What are some of things, some
7 actions and policies and programs, any ideas that you
8 have for how the administration can support CLT's,
9 can support the next generation of Mitchell Lama's,
10 the next generation of cooperatives that we're going
11 to be constructing through our different tools. What
12 are some ideas?

13 BRAD LANDER: Yeah, so first I'll say I do
14 appreciate you know that the intentionality about
15 building programs and systems that work and that we
16 can implement really is important. So, to the extent
17 that one thing that HPD is saying is, we're facing a
18 set of barriers right now because we've got vacancies
19 at HPD. Because there's a set of challenges in the
20 market. We want to support and help them and get
21 them the resources that they need to be able to
22 process deals. I think one of the first questions
23 you ever asked me about supportive housing is hey,
24 how do we make sure we set it up to succeed, so that
25 the institutions - it's not easy work to maintain a

1 building, especially not where the rents are coming
2 in at massive scale and you still have to provide
3 excellent services and pay your insurance and pay
4 your energy bills and pay your super. So, being
5 thoughtful about setting these things up to succeed
6 and not as excited as we are about the ideas,
7 forgetting that we have built good infrastructure, is
8 important and I know you care about that and I think
9 it's right for HPD to say, let's make sure that we do
10 that but we know we can because we have done it
11 before, those Mitchell Lama's are still succeeding so
12 much of that affordable CDC owned and supportive
13 housing is succeeding.

14
15 And I think if we get people excited about what's
16 possible, we've got a lot better chance of sustaining
17 the support that is needed again if what was getting
18 built in new buildings in the outer boroughs with
19 something like that Mitchell Lama at a range of
20 incomes. I think you'd have people saying hey, I
21 want to see that in my neighborhood. I get that it's
22 no fun to live next to a new construction site but
23 that's what we want going up so our kids would have
24 access. So, two quick ideas about things that we
25 could do to support CLT's and I mean, these bills are

1 a great start, but if we think about how resources
2 can go in, HPD mentioned the Neighborhood Pillars
3 Program, which was actually designed to support
4 nonprofit developers. But I think a few things have
5 been learned about it. Let's double down there.
6 Let's increase the resources to the pillar's program.
7 The pillars program did not really have an affordable
8 or shared equity cooperative program on the model of
9 kind of 21st Century Mitchell Lama. It's not really
10 what pillars was designed to do and it's not really
11 what ANCP is either, so more resources for pillars
12 that allow land trust as well as CDC's and with a
13 shared equity home ownership model. That could be in
14 this year's budget you know. That's like a pilot
15 program, let's get started even before some of these
16 bills hit the ground running.

18 And then second, I'll just kind of flesh out
19 again, one element that I hear when developers say,
20 oh, the lack of 421A is going to make it difficult.
21 Is they talk about that outer borough, 130 percent of
22 AMI program. Which you know most of 421A for the
23 last five years was not the Manhattan style 820's.
24 It was the outer borough 130 percent AMI program but
25 130 percent of AMI is way above the incomes of almost

1
2 everyone in the neighborhood where that housing was
3 being built. And so, it's not right to say, let's
4 give a tax break from working people for a building
5 that they can't afford even the so-called affordable
6 units.

7 But what if instead we said, okay, we do want
8 development in the outer boroughs. That mid-rise
9 multifamily model is a good one. What would it need
10 in terms of a tax break, in terms of additional
11 subsidy and maybe in terms of a density bonus to
12 produce something that let people at 60, at 80, even
13 at 100 percent of AMI be able to have that Mitchell
14 Lama type opportunity. They buy a co-op unit, it
15 gets modest appreciation over time but then it gets
16 sold to someone that's at the same place in the
17 income scheme that they were when they bought it.
18 That is really what land trust and what social
19 housing developers could be doing. You can't imagine
20 the next generation and so, instead of having those
21 Black families in that Times article think, I got to
22 Georgia, they could be thinking you know what? I'm
23 going to support the development of a new multifamily
24 building on my block that I might not have been
25 excited about before when it was going to be somebody

1
2 else's but now I see a path to where it could be
3 mine.

4 CHAIRPERSON SANCHEZ: No wonder you couldn't hear
5 me. Well, thank you so Comptroller. These are great
6 ideas. Really appreciate your efforts here and look
7 forward to working with you. I think it's really
8 important what you said that you know privately or
9 buildings, affordable housing that has been built and
10 constructed by private entities, you see a revolving
11 door of affordability. We lose the affordability
12 after expiration but for limited equity models, we
13 don't. So, we have to do more of that. Thank you
14 for your leadership on this topic.

15 BRAD LANDER: Thank you for yours. Take good
16 care.

17 CHAIRPERSON SANCHEZ: Alrighty, so I just, I'm
18 going to turn it over to our Committee Counsel to
19 start to call up our first panel of advocates and
20 folks that have been leading on these topics. But I
21 just want to say one thing. People are watching this
22 hearing right? We live in a hybrid world and I just
23 want to shout out that there are several colleagues
24 who are listening, so just because you don't see us
25 here at the dais, it does not mean that we're not

1 paying attention. So, thank you. Thank you to those
2 colleagues who are listening, who are watching and to
3 everybody who is listening and watching and who is
4 here present. Taylor.

5
6 COMMITTEE COUNSEL: We will now turn to testimony
7 from the public. Please listen for your name to be
8 called whether you are here in person or appearing
9 via Zoom. If you are testifying on Zoom, when it is
10 your turn to testify, you will be prompted to unmute.
11 Please accept this prompt and begin your testimony.
12 In the interest of time, your testimony will be
13 limited to two minutes per person. We will begin
14 with Christopher Norman, Akilah Browne, Elise Goldin
15 and Richard Heitler. If you are here in person, you
16 may come up to the witness table.

17 Okay, Christopher Norman, if you're ready you may
18 begin.

19 CHRISTOPHER NORMAN: Alright, thank you. Good
20 afternoon. This is Christopher Norman. I appreciate
21 the opportunity to speak before this body today.
22 Calling you from Atlanta. I'm the Executive Director
23 of the Metro Atlanta Land Bank. I also serve as the
24 President of the of the Georgia Association of Land
25 Banks for Georgia.

1 I've spoken to Council Member Brewer about this
2 topic and I'm here to answer any questions and
3 provide information that the Committee seeks.
4

5 COUNCIL MEMBER BREWER: Thank you very much Chris
6 Norman. It's Gale Brewer and what I would love to
7 hear you - we had as you heard HPD state that you
8 know between their different funds, they are able to
9 handle what a land bank can do. And I don't agree
10 with that when we just heard the Comptroller, he gave
11 the example of San Francisco, having a land bank and
12 able to nimbly purchase hotels during the pandemic
13 and I know here in New York City we were not able to
14 do that.

15 So, can you just explain how a land bank could be
16 more nimble perhaps in an agency, can be more
17 transparent and what the advantages are over an
18 acquisition fund, which is what HPD thinks does the
19 same job and thank you so much for waiting this
20 entire time.

21 CHRISTOPHER NORMAN: Oh, sure. Happy to come
22 here today. As far as the nimbleness of a land bank
23 and one thing about the land bank is that you have a
24 flatter organization structure for one. And so, you
25 know the board sets out the priorities for the

1 organization, which in this case could be acquisition
2 of this type of housing or properties for the purpose
3 of housing if it's a hotel, office building, former
4 multifamily site.
5

6 And then once that is set forth, the land bank
7 really worked between the staff and the board itself.
8 The board is a fiduciary entity, organization based
9 on having capital, you can have a quick strike type
10 effort to acquire properties that are available in
11 the market place. And so, so it's not just the idea
12 of just buying property for the sake of being
13 optimistic. The properties are purchased with a goal
14 in development use in mind. You know, just bear in
15 mind that land banks are short term owners of
16 property. They're not meant to be forever holders of
17 property.

18 The goal is to bring the property in, do an
19 amount of triage that's needed relative to title,
20 encumbrances, anything of that nature, and then turn
21 it around for development.

22 COUNCIL MEMBER BREWER: Okay, one other quick
23 question. I know that you head up Atlanta and I know
24 you have advised Philadelphia and perhaps other
25 places. Obviously, we're all trying to find

1
2 affordable housing and obviously in some cases parks
3 as you have told me or other kinds of public spheres
4 that would be appropriate. What do you recommend
5 that is you know the best way to be nimble and to be
6 able to do this work? Would perhaps this you know,
7 it's not just the fund that's available, it's the way
8 in which you go about it. So, how does Philadelphia
9 do it? How does Atlanta do it and where do you get
10 some of the properties and how quickly are you able
11 to make something positive about these properties?

12 CHRISTOPHER NORMAN: Yeah, I think that one of
13 the first things is important is to define your areas
14 of focus. You can't be all things to all people and
15 so, if you're really focused on; this is kind of a
16 pure year basis. If you focus on affordable housing,
17 focus on that. If you focus on doing green space,
18 you know define that as a core goal, if it's
19 commercial. You can do all these things but clearly
20 you can't do all of them at once. So, what we're
21 able to do is, we kind of have a hyper focus on
22 affordable housing or housing related matters here
23 and so, that gives us a keen level of focus. We also
24 focus typically on single family and smaller
25 multifamily. Large enterprise level multi-families

1 and things of that nature, really fall in the per
2 view of our housing authority and our development
3 authority. So, they have their lane. We are in our
4 lane and so, once you really start maintaining that
5 level of focus, then you can kind of drill down into
6 the pools of property. Where is the inventory
7 available? Then what's going to be your acquisition
8 methodology?
9

10 Either be a market purchase, a donation, a tax
11 sale, a criminal seizure, then it allows you a little
12 bit more focus and latitude and speed about which you
13 can move forward and take down the property. And
14 then as has been mentioned during the other
15 presentations, you know we dispose the property via
16 RFP's, RFQ's as well as an application process. That
17 we have some transparency into who we're dealing with
18 as well as their capacity and capability to do what
19 we want them to do.

20 COUNCIL MEMBER BREWER: Thank you. I want to -
21 we could talk forever. I want everyone to know this
22 is one of the greatest land bank experts in the
23 country and we deeply appreciate you hanging in with
24 us to get to this point and thank you Madam Chair for
25 giving us this opportunity. Thank you very much.

1
2 CHAIRPERSON SANCHEZ: Of course, thank you
3 Council Member Brewer.

4 CHRISTOPHER NORMAN: Thank you for your time.

5 CHAIRPERSON SANCHEZ: And I will neither confirm
6 nor deny that Council Member Brewer and I talked
7 about possibly stealing you from Atlanta once we have
8 our land bank. No, but thank you so much for bearing
9 with us and for sharing your time today.

10 CHRISTOPHER NORMAN: Alright, thank you very
11 much.

12 COMMITTEE COUNSEL: Akilah Browne?

13 AKILAH BROWNE: Good afternoon Chair Sanchez and
14 members of the Committee. Thank you for holding
15 today's hearing and for the opportunity to testify.
16 I'm Akilah Browne and I'm on the board of New Economy
17 Project. An organization that for almost 30 years
18 has worked closely with community groups across the
19 state to address inequities in our economy while
20 simultaneously promoting community led development
21 that builds collective power and wealth in Black and
22 Brown neighborhoods.

23 We thank this Committee wholeheartedly for its
24 stanch support of CLT's and other social housing
25 models. Today, I'm testifying in support of the

2 Community Land Act bill package, which includes COPA,
3 Public Land for Public Good, and Resolution 38 in
4 support of TOPA.

5 A strong community land act will give CLT's and
6 other nonprofits new tools to accomplish three
7 primary goals. One, prevent displacement of low-
8 income New Yorkers. Two, bring land and housing into
9 permanently affordable community ownership, not just
10 60-year regulatory terms. And three, build
11 collective wealth in Black and Brown communities.

12 But it can only do that effectively if a few updates
13 are made. First, there's COPA, which would allow
14 nonprofits to expand the supply of permanently
15 affordable housing by giving them a first right to
16 purchase multifamily buildings up for sale. That
17 bill must include not just the first right to make an
18 offer on a building, but it must also ensure that
19 when a seller is at the point of choosing which
20 matching offer to accept. The nonprofits or the for-
21 profit buyers particularly where the offers have the
22 same terms and conditions, the seller must accept the
23 offer from the nonprofit.

24 As other cities have provided in their
25 opportunity to purchase policies. A right to match

1
2 an offer without any guarantee that it will be
3 accepted over a for profit market bidder, does
4 nothing to preserve affordable housing. But that's
5 how COPA's currently written. We also urge the city
6 to dedicate funding streams with these policies to
7 enable CLT's and other qualified entities to reach
8 the affordability levels that their neighborhoods
9 critically need.

10 Second, and I will close with that. Second, the
11 Public Land for Public Good Act, which would require
12 New York City to prioritize CLT's and nonprofit
13 developers when disposing of city owned land should
14 explicitly permit joint ventures with for profits and
15 that prioritization where the nonprofit has a
16 majority stake to deal with some of the very same
17 issues that HPD raised. That would encourage
18 collaboration in a way that maximizes public good
19 while leveraging expertise.

20 And we also recommend the creation of a new
21 definition of community land trust to include
22 community led non housing development. I won't go
23 into all of the issues around the affordability
24 crisis that folks have mentioned but I will say that
25 the dangerous, dangerous thing that we have a head of

1 us is that the real estate market in New York City
2 has become extremely consolidated. We need to level
3 the playing field for CLT's and nonprofits and the
4 community land act package is a really important
5 first step to make that happen. Thank you.

7 CHAIRPERSON SANCHEZ: Thank you so much Akilah.

8 COMMITTEE COUNSEL: Elise Goldin.

9 ELISE GOLDIN: Hi, good afternoon. My testimony
10 is going to sound very similar but worth repeating.
11 So, my name is Elise Goldin, I work with the New
12 Economy Project which is one of the cofounders and
13 coordinators of the New York City Community Land
14 Initiative or NYCCLI. And I am testifying today
15 representing NYCCLI and we are a coalition of 30
16 groups including close to 20 emerging or existing
17 community land trusts, many of whom will also be
18 testifying.

19 Our coalition has been instrumental in the
20 development of the bills in the Community Land Act
21 package. Again, as Akilah said, COPA Community
22 Opportunity to Purchase, Public Land For Public Good
23 and the Resolution to support TOPA, which will all
24 provide new tools to preserve and create community
25 controlled and permanently affordable land and

2 housing. We have extremely broad support for the
3 Community Land Act. We have over 100 organizations
4 that have currently signed on to endorse this package
5 of bills, which include community groups, faith-based
6 groups, community development corporations, youth
7 groups, arts groups, so extremely diverse. It is
8 inspiring to see that during a horrific housing
9 crisis, communities are organizing and there's been
10 enormous growth of the CLT movement.

11 In part due to support of City Council but also
12 of course due to you know communities really coming
13 together and fighting back against the gentrification
14 and displacement in their neighborhoods and now, it
15 is really necessary to take the Community Land Trust
16 Movement to the next level through these policies.

17 As Akilah said, I'm going to reiterate that COPA
18 must include a Right of First Refusal for qualified
19 entities. Also, include vacant property that is
20 zoned for residential use of three units or more and
21 the public land disposition bill must include the
22 opportunity to partner with for profits like WMBE's
23 and should expand the definition of CLT to include
24 uses in addition to housing. Thank you.

25 COMMITTEE COUNSEL: Richard Heitler.

1
2 RICHARD HEITLER: Hi, I want to say that my
3 written testimony is eight pages long. I will not
4 attempt to read it. What I intend to do is use my
5 two minutes to try to encourage you or give you a
6 reason why you might want to read it. And I also
7 want to say how thrilled I am to be here and to be
8 part of this large network, this broad umbrella that
9 has been created by Brad Lander that includes the
10 broad range of social housing. And I was thrilled to
11 be on the steps of City Hall earlier today. I have
12 attended both of the convenings for housing as a
13 public good where I have got a chance to see my old
14 friend Gale Brewer and met some of the people in this
15 room for the first-time including you Madam Chairman.
16 I heard you speak and I am thrilled. I am thrilled
17 to be here because I've been in a Mitchell Lama co-op
18 since 1975 and I've been working for affordable
19 cooperative housing both as an employee and board
20 member of UHAB and before that I was hired by Phillip
21 St. George to work in the original division of
22 alternative management programs at HPD and that goes
23 back to the late 70's and the 80's.

24 So, it's great that the idea of shared equity
25 housing which was a hot idea once in the 30's and

1 then again in the 50's and then again in that
2 wonderful 20-year period between 55 and 75 on 155,000
3 units of Mitchell Lama were built. To hear that it's
4 a good idea again is fabulous. I was thrilled to
5 attend the convening and learning of the three D's,
6 the three principles that define social housing, a
7 deep affordability, democratic control and
8 decommmodification and I'm here to say that the single
9 best program and I'm sorry, in the City of New York,
10 State of New York and perhaps in the United States of
11 America is Mitchell Lama.
12

13 I want to talk about deep affordability, even if
14 I get a chance to talk about nothing else. HPD
15 publishes these notices. You can get them on the
16 website. The one that's up there is for Ruppert
17 House on the upper eastside. You can buy a three-
18 bedroom apartment for \$32,413. Your monthly charge
19 will vary from \$797 to \$935. I didn't make up these
20 numbers. They're in the notice and they've been
21 approved by certified public accountants and HPD.
22 Other people have compared these rates to market but
23 I want to make one final point, which is also in this
24 notice because many of you have mentioned it, it's
25 the band of affordability. This apartment is

1
2 affordable to families with incomes ranging from
3 \$31,880 to \$206,875. And that's a band of
4 affordability from 30 percent of median to 125
5 percent of median and that is the kind of housing we
6 want. I will skip democratic control. Mitchell Lama
7 co-ops sometimes are wonderful, sometimes not. We
8 can talk about that but I want to get to the third
9 day of decommmodification if you will allow me.

10 One of the factors and there are many in my
11 testimony that explain the resilience and the
12 stability and the last thing for our Mitchell Lama
13 but one of them is because we are the single best
14 example of decommmodification in the State of New
15 York. There is a resale formula which calls for no
16 appreciation on asset. There is no speculum. It's
17 not even limited equity. The formula at Mitchell
18 Lama, is you get back what you paid in. Your
19 original equity payment when you moved in which was
20 five percent of the total development cost, plus your
21 contributions to capital in the form of mortgage
22 principle or assessments.

23 So, you take out your capital when you leave.
24 You put in your capital when you come in and when you

1
2 live there and when you leave it, you take it out and
3 capital remains at cost.

4 CHAIRPERSON SANCHEZ: I'm going to have to ask
5 you -

6 RICHARD HEITLER: I'm done. And that is what
7 makes it affordable to the next generation. So,
8 somebody at Ruppert House bought that apartment for
9 \$3,000 40 years ago and now it's 30 and it will be
10 affordable in perpetuity and the rest of my testimony
11 contains support for the legislation and some ideas
12 about what you might consider doing to preserve
13 Mitchell Lama's in perpetuity. Thank you.

14 CHAIRPERSON SANCHEZ: Thank you. Thank you so
15 much. It's not natural to do this. No, thank you
16 for your testimony and as a member of the Council
17 that represents the community where the median
18 income, the median income in my community is around
19 25 percent. Nothing works. Nothing works for us.
20 So, absolutely thrilled to hear this example lifted
21 by you and just want to appreciate your time.

22 RICHARD HEITLER: Right and at some point I would
23 like to talk to you, which is a particular Council
24 issue about conversions from Mitchell Lama and
25 Article 11's, which we oppose and which I think will

1
2 be very easy to convince you in particular about why
3 we should continue to oppose them. Thank you.

4 CHAIRPERSON SANCHEZ: Thank you. Thank you so
5 much. Yes, noted on your opposition of Article 2 to
6 11 conversions. So, we have approximately 40 or 50
7 folks signed up, so I'm going to - I don't like to
8 limit the time, especially because folks have been
9 waiting for a long time but if we can try for the
10 remainder. Thank you so much for your time and we'll
11 call up the next panel.

12 COMMITTEE COUNSEL: Thank you. I would now like
13 to welcome Karim Hutson, Andrea Kretchmer, Jolie
14 Milstein, and Craig Livingston.

15 Karim Hutson, if you're ready you may begin.

16 KARIM HUTSON: Thank you. Thank you, Chair
17 Sanchez, members of the Committee on Housing and
18 Buildings, and other distinguished members of the
19 City Council for the opportunity to submit testimony
20 regarding Intro 0637 today. My name is Karim Hutson,
21 and I am President and CEO of Genesis Companies, a
22 full-service real estate firm founded in 2004,
23 specializing in financing, developing and operating
24 affordable housing projects in New York City and
25 beyond.

1
2 I am here today to express my opposition to Intro
3 0637, the proposed legislation to dispose of city-
4 owned land exclusively to not-for-profit
5 organizations. If passed, it will further exclude
6 and undermine Black and Latino owned firms from
7 participation in the real estate industry. This is
8 an industry that has historically been and continues
9 to be controlled by and primarily benefits White
10 owned and/or White controlled firms, whether they are
11 for profit or not. This needs to change.

12 We have made strides toward inclusion and cannot
13 afford to set the clock backwards now. I grew up in
14 Harlem and the Bronx in the 80s. I experienced many
15 of the perils that face Black and Latino residents
16 today. I grew up playing football on the concrete
17 streets right next to the Cross Bronx expressway.
18 Around me, buildings were in shambles and we were
19 victims of that. Friends suffered from asthma,
20 neighbors faced constant pest infestation, there was
21 crumbling physical surroundings and no indoor air
22 quality, no low, no.

23 This was the impetus for me, fresh out of Harvard
24 Business School, to leave a career in Private Equity
25 and Banking, to reinvest in the communities that I

1
2 grew up in. I figured a young Black kid from the
3 Bronx in Harlem can make a difference. I came to
4 believe we can make positive change and utilize my
5 financial equity and create long term financially
6 sustainable housing.

7 20 years since founding Genesis, my team and I
8 remain committed to turn around some of the toughest
9 and most problematic residential buildings in the
10 city. If you know anything about how this all works,
11 Black and Latino Developers aren't usually getting
12 the shiny projects. Instead we are relegated to some
13 of the most challenging projects as strengthen and
14 strain our talented staff. While we've seen our fair
15 share of bad, we work every day to do some good for
16 our residents by working to deliver safe and
17 sustainable affordable housing. Moreover, we are
18 still in these neighborhoods today living and working
19 alongside our residents. My wife and young children
20 are our proud Harlemites walk in the same Harlem
21 streets my grandmother walked over 98 plus years ago.
22 I want my daughters to witness first-hand how
23 communities and entrepreneurship come together. My
24 Puerto Rican wife and our talented daughters can be
25 part of a Black father and husband building a real

1 estate company, working in their community. I just
2 want to say this one thing.

3
4 As a 100 percent Black owned firm, Genesis has
5 been fortunate enough to grow over the last two
6 decades to a staff of approximately 50 professionals.
7 More than 95 percent of our staff identify as Black
8 and Latino. Many living in the communities they
9 serve. Black women comprise 60 percent of our
10 executive staff. Two former employees left Genesis
11 to start to lead other real estate groups. Moreover,
12 Genesis, my Black and Latino executives hire an
13 outsize proportion of other Black and Latino
14 controlled firms. We've thereby created an ecosystem
15 for Black and Latino families to prosper. We need
16 public partnerships to grow our firms and to promote
17 our employees and their families and over the last 20
18 years, we've grown from zero opportunity to preserve
19 and develop between 200 units. We need that to
20 continue. We cannot be cut out from the ability to
21 partner with the city on land opportunities.

22 CHAIRPERSON SANCHEZ: Thank you. Thank you so
23 much Mr. Hutson and that's my district, the growing
24 up and playing near the Cross Bronx. That's where I
25 represent.

1
2 And so, you're a proud Harlemiter, but I also hope
3 you stay a proud Bronxite. I just want to deeply
4 appreciate the perspective that you have here. I
5 don't know if you were here earlier when I mentioned
6 to Council Member Restler that I hope that we can
7 talk about this because MWBE's play a critical role
8 in addressing that racial wealth gap right? And in
9 particular, ones like yours right that are 100
10 percent Black owned and operated. And like you said,
11 contribute to the ecosystem.

12 So, a quick follow up question for you. Would
13 you be in support of Intro. 637 if it did prioritize
14 similarly MWBE's?

15 KARIM HUTSON: Uhm, yeah, I'd definitely like to
16 talk about that and see you know how that could
17 possibly work. I do, I am concerned about limiting
18 tools for affordable housing production. We need to
19 make sure we don't do that but I want to say just to
20 underscore the point that you made earlier in your
21 discussion Chairwoman. Let us not forget that the
22 entire purpose of the Community Reinvestment Act was
23 the reversed racism, often government initiated real
24 estate policies that deny Blacks from owning real
25 estate. Not just owning at the single-family level

1 and I understand people want to own units, but also
2 at the entrepreneurial level, right? We need to
3 continue to support Black ownership, Latino ownership
4 at mass entrepreneurial scales and not just a single-
5 family scale.
6

7 So, I think we need to talk about ways to promote
8 that and I think one of the issues and I don't want
9 to conflate the issues, I know there's a lot of
10 conversation about serving lower AMI's and not having
11 for profits, provide housing for larger AMI groups.
12 But I think that's a program issue, right that we
13 need to then figure out how to regulate and talk to
14 HPD about as opposed to developers that are
15 participating in the program issue. So, I just want
16 to make sure we differentiate between those two
17 issues.

18 CHAIRPERSON SANCHEZ: Thank you and thank you for
19 your time today.

20 KARIM HUTSON: Thank you so much.

21 COMMITTEE COUNSEL: Andrea Kretchmer.

22 ANDREA KRETCHMER: Good afternoon Council
23 Members. My name is Andrea Kretchmer and I'm an
24 Affordable and Supportive Housing Developer. My
25 company Xenolith Partners is a woman owned business,

1 certified as a WBE in New York City and New York
2 State. I stand strongly opposed to Intro. 637, which
3 would require that the city in disposing of its land
4 prioritize nonprofit developers.
5

6 As a principal, I've developed more than 700
7 units of affordable and supportive housing in the
8 city of New York and my firm has another 200 plus
9 units under construction and in our pipeline. All of
10 our affordable housing projects include a supportive
11 housing component that is housing for seniors,
12 formerly homeless and formerly incarcerated
13 individuals and families, for survivors of domestic
14 violence and persons living with HIV AIDs.

15 At our developments, we provide supportive
16 services, workforce development and health and
17 wellness programming. Our buildings are designed to
18 maximum sustainability and energy efficiency
19 standards. Four of our developments are built on
20 city owned land awarded to us through RFPs and every
21 single one of them includes a nonprofit partner and
22 all of them are permanently affordable.

23 New York City has over the past ten years
24 committed to fostering the growth of MWBE developers
25 with building capacity courses and building

1
2 opportunity initiatives. HPD has sought to address
3 the disparities in MWBE participation in affordable
4 housing development. Dozens of small firms like mine
5 have developed thousands of affordable and supportive
6 units, adding to New York's desperately needed
7 supply.

8 Tax status is a red herring. Public records show
9 that CEO's of three of the top nonprofit affordable
10 housing developers were salaried between a half a
11 million and one million dollars a year. I don't be
12 grudge them that income. They work hard and work
13 well but please don't be fooled by an organizations
14 tax status.

15 My company is run by women and we are driven my
16 mission. RPC's are the rare level playing field.
17 HPD requires that every team include 25 percent
18 participations by MWBE's or nonprofits and in some
19 cases like mine, that participation is 50, 60, 70
20 percent or more. Please don't discriminate against
21 MWBE developers and please don't waste progress that
22 we've already made. Thank you.

23 CHAIRPERSON SANCHEZ: Thank you.

24 COMMITTEE COUNSEL: Jolie Milstein.

JOLIE MILSTEIN: Thank you for this opportunity.

My name is Jolie Milstein. I previously was a developer, a not-for-profit developer of supportive housing for the HIV AIDs homeless communities in New York City and I'm currently the President and CEO for New York States Association for Affordable Housing.

We represent the companies that develop and operate the vast majority of affordable housing across the city and state, both not for profit and for-profit developers and you'll hear from some of our members today.

NYSAFH strongly opposed Intro. 637, Intro. 714 and Intro. 196. However, I'd like to devote my testimony today to Intro. 637, which reserves all city owned land for disposition to not for profits. This bill is a solution in search of a problem. Permanent affordability on city owned sites have already ensured via a remainder interest, which HPD has placed on its RFP sites since 2017. This legal clause allows HPD to ensure that the housing is affordable in perpetuity.

Regarding equitable ownership, HPD policy already requires respondents for city owned land to have not

1 for profit organizations or MWBE companies as equity
2 partners in a joint venture.
3

4 Furthermore, Intro. 637 will hurt affordable
5 housing production. We've already discussed
6 according to the Mayor's Management Report, city
7 production is off by 45 percent in 2022 from 2021 and
8 limiting the pool of companies that can build on city
9 owned land will exacerbate this trend. We need all
10 hands on deck. And partnerships between not for
11 profits and for profits allows respondents to feel
12 the vertically integrated development teams. This
13 can benefit both parties.

14 This helps manage ever increasing construction
15 costs between \$400-\$500 a square foot and growing
16 every day. Partnerships also allow each side to
17 contribute to their strengths. Additionally, MWBE's
18 are inherently for-profit companies. This
19 legislation would disallow them from applying for
20 these RFP sites. We strongly urge the Council to
21 reconsider this package, which will disrupt
22 affordable housing production during the worst crisis
23 the city has seen in history.

24 CHAIRPERSON SANCHEZ: Thank you. Thank you both
25 for testifying and I want to thank you for the social

1 housing that you have produced, right? The housing
2 that you have created that is helping the most
3 vulnerable New Yorkers. Uhm, absolutely take this
4 into consideration and just want to continue the
5 conversation with you. Because wherever we go,
6 wherever we end up, you know it has to be in
7 conversation with all of you.

8
9 JOLIE MILSTEIN: Thank you.

10 COMMITTEE COUNSEL: Craig Livingston.

11 CRAIG LIVINGSTON: I'm on camera. Can you hear
12 me?

13 COMMITTEE COUNSEL: Yes.

14 CRAIG LIVINGSTON: Okay, thank you. Uhm, so my
15 name is Craig Livingston. I am the Board Chair of
16 NYREC, which is the New York Real Estate Chamber. It
17 is the leading advocacy group in Chamber of Commerce
18 for BIPOC focused developers in New York State. I'm
19 here today to voice our strong opposition to the
20 proposed legislation to the disposed of city owned
21 land exclusively to not-for-profits Intro. 637. If
22 passed and enacted in its current form, the bill will
23 result in deeper disenfranchisement of Black and
24 Brown owned businesses, diminishing their access to
25 economic opportunities within New York City.

1
2 In recent decades, Black and Brown for-profit
3 developers have been instrumental partners in
4 underserved communities. Building high quality,
5 affordable housing and investing in neighborhoods
6 across New York City. By limiting access to city
7 owned land in such a significant profile manner, the
8 city risk eliminating opportunities for Black and
9 Brown developers and continues that very same pattern
10 of disenfranchisement that Chair Sanchez spoke about
11 in her opening remarks.

12 We have worked closely with agencies like New
13 York City Housing, Preservation and Development or
14 the Housing Development Corporation. Roughly 80
15 percent of the real estate projects developed by
16 NYREC members are affordable housing projects. Our
17 members collectively own approximately 20,000
18 affordable housing units, which are regulated with
19 regulatory agreements. And in my written testimony,
20 I provided a few examples of projects done by our
21 membership.

22 Additionally, Black for-profit developers have
23 proven our capabilities. We have the capacity,
24 resources and expertise to build and maintain safe,
25 environmentally sound affordable housing on city

1 owned land. Very important, to the point about
2 wealth creation and economic empowerment. Black and
3 Brown developers have much higher propensity of
4 hiring -

5
6 SERGEANT AT ARMS: Your time is expired.

7 CRAIG LIVINGSTON: Architects, engineers, masons,
8 you name it that are also Black led firms in turn,
9 hire Black and Brown employees. This legislation
10 seeks to distort the economic advancement that we've
11 made and being able to share economic progress
12 throughout our communities.

13 The proposed legislation would significantly
14 reverse the progress the city is beginning to make
15 with diversifying how it operates with private
16 partners. This bill is contrary to what we know and
17 what we are working to correct. In that the city
18 hasn't diversified the developers it works with not,
19 not take away opportunity from Black and Brown
20 developers. I just want to site a couple other
21 things.

22 CHAIRPERSON SANCHEZ: I'm sorry, but you're out
23 of time and I do commit to looking at your testimony
24 if you can send that. But I just want to repeat what
25 I said earlier that there is willingness and openness

1 to consider amending the legislation to include
2 MWBE's and I would love to continue that conversation
3 with you as well and the association. Thank you.
4 Thank you so much.
5

6 COMMITTEE COUNSEL: I would now like to welcome
7 Alexis Foote, Valerio Orselli, Athena Bernkopf and
8 Rachael Brown to come up and testify. Alexis Foote,
9 you can begin.

10 ALEXIS FOOTE: Good afternoon Committee Chair
11 Sanchez and members of the Housing Committee. Thank
12 you for holding today's hearing and for the
13 opportunity to testify. I am Mrs. Alexis Foote; I am
14 the Founder of the Real Edgemere CLT in Far Rockaway.
15 The Real Edgemere CLT Committee Land Trust is a
16 community led development and management
17 organization. It's activities are directed by the
18 surrounding community to facilitate a just, equitable
19 and resilient community. The CLT will develop places
20 and programming at what it cultivate physical,
21 economic housing and cultural vibrancy.

22 TOPA and COPA in the future will help the Real
23 Edgemere CLT acquire land in Far Rockaway. We have
24 lots of land that is in NYCHA portfolios and HPD
25 portfolios and has been given to large developers. I

1
2 actually live in Arverne View, which was purchased by
3 LMN Bluestone and Tri equity and because we didn't
4 have strong legislation in place, the tenants weren't
5 able to buy the property and we are still living in
6 horrible conditions. We suffer with lack of employee
7 management; I mean, sorry. We are suffering right
8 now. Arverne East is one of the biggest developments
9 in New York City and you gave it to LMN and Bluestone
10 and it could have been given to us to really do
11 equitable just things.

12 In Far Rockaway, we are suffering with lack of
13 immunities. We are suffering with chronic over
14 schools and we are suffering from lack of medical
15 like hospitals. And with supporting these, COPA and
16 TOPA, these lots could be put into our hands and we
17 could do real development. We've been waiting for
18 real development for over 50 years now. And with
19 these policies being put in place, it would help us
20 secure and do development where we could get our guys
21 off the street and put them to work.

22 If you come and visit Arverne, we are suffering
23 and we need the city to support us in becoming
24 owners. The CLT is fighting for collective
25 controlled -

CHAIRPERSON SANCHEZ: Thank you.

ALEXIS FOOTE: Resiliency, flood protection.

CHAIRPERSON SANCHEZ: I'm sorry, we have to continue but thank you so much. I really appreciate it.

ALEXIS FOOTE: Thank you.

COMMITTEE COUNSEL: Valerio Orselli.

VALERIO ORSELLI: Can I go? Okay. Good afternoon Committee Chair Sanchez and members of the Housing Committee. My name is Valerio Orselli. I am the Project Director of This Land is Ours Community Land Trust and I'm a founding member of the Cooper Square CLT, currently the largest and most CLT in New York City.

This Land is Ours Community Land Trust is one of the newest CLT's formed in New York City by housing activists and area residents, community development of permanently and deeply affordable housing and community uses. Our structure allows us to pursue the housing needs of working class/poor communities and communities of color. We seek to acquire and utilize properties to HGFC's and public land to create housing and prevent displacement.

2 I'm here to express our full support for the
3 pending legislative initiatives Intro. 196 COPA,
4 Intro. 637 Public Land for the Public Good, City
5 Council Resolution 38 and also wish to give full
6 support to Intro. 714, which calls to the creation of
7 a New York City Community Land Bank.

8 As a newly established CLT, our organizing
9 efforts have been limited. Recently, we won a
10 commitment for the New York Archdiocese to develop
11 400 units of deeply affordable housing at a
12 decommission on East 13th Street. Through our
13 organizing, with a lot of help from Council Member
14 Rivera we also won a commitment from the city to
15 redevelop the NYPD parking lot on East 5th Street for
16 70 low-income senior apartments. We're also working
17 to win a similar commitment to redevelop the
18 underutilized NYCHA parking lot on East 6th Street.
19 50 apartments for families and a community center.

20 If the two sites are under the current RFP
21 process, we will not be able to compete with for
22 profit developers. To bring these projects to
23 fruition, we need the City Council to pass Public
24 Land for Public Good, prioritize and disposition of
25 public properties to community land trust.

1
2 Developable land in Manhattan and other boroughs are
3 scarce and expensive.

4 CHAIRPERSON SANCHEZ: Thank you.

5 VALERIO ORSELLI: We're looking at underutilized
6 public land to develop affordable housing, other
7 community services and the process takes years. That
8 is why we need a land bank that can take over parking
9 lots, even public libraries. The Center for Urban
10 Future for example -

11 CHAIRPERSON SANCHEZ: Your two minutes are up.
12 I'm so sorry. You have one more sentence? I got
13 you.

14 VALERIO ORSELLI: Yes, the Center for Urban
15 Future has identified ten potential library sites
16 that could be a combination of affordable housing and
17 co-development. 772 units could be generated. We
18 support the land bank in all these aspects. Thank
19 you very much.

20 CHAIRPERSON SANCHEZ: Thank you. Thank you so
21 much.

22 COMMITTEE COUNSEL: Athena Bernkopf. Push the
23 button on the mic.

24 ATHENA BERNKOPF: There we go. Good afternoon to
25 all. Thank you for holding today's hearing and for

1 the opportunity to testify. My name is Athena
2 Bernkopf and I'm Project Director of the East Harlem
3 El Barrio CLT. I'm here to speak in support of the
4 Community Land Act and I think East Harlem El
5 Barrio's example could serve to understand why we
6 need this bill.
7

8 In November of 2020, we acquired our first four
9 plots of land and have been working with nonprofit
10 development partners to establish the East Harlem El
11 Barrio Mutual Housing Association, which manages the
12 four buildings on our CLT.

13 With our partners, we are currently in the
14 process of gut rehabilitation of all four buildings
15 which did not receive the maintenance and resources
16 they needed while previously in city ownership.
17 During this construction period, we've been working
18 on building out the tenant led governance structure
19 that will steward the mutual housing association
20 after the rehab process and once construction is
21 complete, the CLT will provide a renewable 99-year
22 ground lease to the Mutual Housing Association
23 effectively ensuring that these rent stabilized units
24 will remain permanently affordable at a range from
25 770 to 2,600. We've also reserved four of these 38

1 residential units for people who are coming out of
2 the city's shelter system. This is major and it took
3 incredible hard work to get here. It took us nearly
4 a decade to study CLT's to build awareness across the
5 city of what CLT's are. To study housing, landscape
6 and needs of our community members and to advocate to
7 the city to choose the wellbeing of our communities
8 by identifying properties that could preserved on the
9 CLT. And even as our rents are incredibly low for
10 New York City standards, we know that there is a need
11 for even deeper affordability which we can't reach
12 because of the debt we are forced to take on to rehab
13 buildings that were formerly in the city's care.

14 So, in contradiction to some of the points that
15 were made by HPD earlier today, we had to fight to
16 get here and we're still fighting. For the majority
17 of us, displacement, housing insecurity,
18 houselessness, community environmental loss is our
19 inheritance. An intergenerational burden that has
20 been passed down over and over again.

21 This is a cycle that has been directly sustained
22 by city policy which routinely subsidizes private
23 for-profit developers.
24
25

1 I'm going to skip to the point by taking land and
2 housing off the speculative market by creating
3 opportunities for residents to step into management
4 of their own buildings and preserve housing
5 affordability. Centering the leadership of community
6 groups that are driven by and accountable to their
7 communities. We can and will create more housing
8 options that's accessible to the people who need it
9 the most. And that's what the Community Land Act is
10 about. Thank you for the time to speak today.

12 CHAIRPERSON SANCHEZ: Thank you. Thank you so
13 much. Not just biased because I used to be on the
14 Board of the CLT's but thank you.

15 COMMITTEE COUNSEL: Go ahead.

16 RACHEL BROWN: Good afternoon. Thank you
17 Committee Chair Sanchez and member of the Housing
18 Committee for holding this hearing and for allowing
19 me to testify. My name is Rachel Brown and I am part
20 of the Steering Committee and the Outreach
21 Committee's of the Western Queens Community Land
22 Trust. The Western Queens CLT is a member of NYCCLI
23 The New York City Community Land Initiative and I
24 also represent the Western Queens CLT at the city
25 policy meetings. So, I'm here to testify in support

1 of the Community Land Act because this set of bills
2 would greatly aid our work to democratize land use in
3 Western Queens.
4

5 In particular, the Community Opportunity to
6 Purchase Act Intro. 196 and the Public Land for
7 Public Good Intro. 637, would help us convert a
8 public building on public land into a community hub.
9 By the way, this is the public land and public
10 building that the government was going to give to
11 Amazon. You know a trillion dollar company and so,
12 what we would like to do is actually turn it into
13 deeply affordable commercial space for small
14 businesses, especially manufacturing that's been
15 pushed out of the area. Also, artist space, food
16 justice space and community-based nonprofits.

17 So, in Western Queens, we have also started
18 working with community groups and tenants who are
19 struggling against high rents and delinquent
20 landlords, and so, we also are in support of
21 Resolution 38 TOPA. And in summary; I'm trying to
22 hit the two-minute mark. I urge the City Council to
23 pass the Community Land Act to support community led
24 development and community control of land, public
25 land and money should never go to companies like

1 Amazon or for-profit developers that are building
2 luxury condos and displacing people of color and low-
3 income folks. New York City needs public land and
4 resources for the people. We need social housing for
5 working class people. We need housing as a human
6 right. Thank you.

8 CHAIRPERSON SANCHEZ: Thank you so much. Thank
9 you and I want to thank all four of you. So, we just
10 try to keep it at two minutes and then there's
11 questions for you. So, just one second and I think
12 Council Member Brewer also has some questions. And
13 so, particular and I'm sorry, I missed your name from
14 Arverne. Alexis, okay. Particularly for Alexis, you
15 mentioned interacting with the city and trying to
16 establish a CLT or trying to get ownership for the
17 tenants. Who did you interface with? How long was
18 that process?

19 ALEXIS FOOTE: Well, once Hurricane Sandy
20 happened, the city, the Council Member, the Senator
21 and Triangle Equity, LMN and Bluestone, they came and
22 did like a one 360 on us and I told the residents,
23 listen, let's not sign anything until we have our
24 lawyers because once they came and did their
25 purchase, they stripped us of our rent stabilization.

1
2 When I moved to Ocean Village, now called Arverne
3 View, a two bedroom was \$922. A two bedroom now is
4 \$2,000 and it's going to go up because LMN just asked
5 HUD for a five year rent increase. So, in the next
6 five years, I could be paying \$6,000 for the same two
7 bedroom.

8 CHAIRPERSON SANCHEZ: Thank you.

9 ALEXIS FOOTE: And this is why this housing is so
10 important for my community.

11 CHAIRPERSON SANCHEZ: Right, right, thank you.
12 Thank you so much and that resonates with Comptroller
13 Lander's point before about when housing has built by
14 a private entity. More likely, this is just what the
15 numbers show historically. It's more likely to go
16 out of affordability than if it's limited equity or
17 another model. So, thank you for sharing that
18 personal story. So, Council Member Brewer.

19 COUNCIL MEMBER BREWER: So, for Val and others,
20 so the question is in the work that you're doing,
21 which is the land trust as opposed to the land bank,
22 HPD thinks that they don't need a land bank because
23 they already have it under control. Acquisition fund
24 will take care of everything, so Val, just to start
25 with you, do you think that that is true? Have you

1
2 accessed the land, the acquisition fund or do you
3 think a land bank would also be more helpful? I just
4 was wondering what you think because you've been
5 doing this even longer than I have. Go ahead.

6 VALERIO ORSELLI: Well, first of all the
7 acquisition fund, if you talk about purchasing
8 private property in New York City, is grossly
9 inadequate and there's no way that we can use that to
10 actually make meaningful purchases. And the land
11 bank would be used not merely to perhaps purchase
12 private property but it will be banking public
13 property, which is an increasingly scarce resource
14 and should be dedicated to low-income housing.
15 Because that's the only kind of housing that you're
16 going to be able to build unless you have public
17 land. So, there's a need for a public bank and also,
18 the process is not going to be taking place over
19 night. Because even after you are given the promise
20 to a piece of a land or a building, you still need to
21 raise the necessary funds to develop it or to rehab
22 it. And that, as HPD should be able to tell you,
23 takes many years sometimes. Way too much time.

24 COUNCIL MEMBER BREWER: Thank you.
25

CHAIRPERSON SANCHEZ: Thank you. Thank you so much to all members of this panel. Thank you.

COMMITTEE COUNSEL: Next, we have Juan Barahona, Phyllis Gray, Ann Tirschwell, and Joelle Ballam-Schwan. And if you are here in person, please come up to the table. Juan Barahona, if you are ready.

JUAN BARAHONA: Thank you. Good afternoon Chair Sanchez and members of the Committee. My name is Juan Barahona, I'm currently the Principal of SMJ Development, which is a firm dedicated to the development and preservation of affordable housing in New York City.

My first exposure to this industry was as a summer intern at HPD's Northern Manhattan Planning Office in 1997 and subsequent to that, I went to work for HPD for a few years and ultimately ironically catalyzed my entrepreneurial spirit. And then 15 years later I started my own shop. I mention all this because you know I'm very steeped in the preservation and development of affordable housing and how complicated and complex it is, which I think is something that I often gets taken for granted when you know policies enacted or policies proposed and legislation is proposed. So, you know, I understand

1 that we're here to speak about the suite of bills
2 related to social housing and I have no problem with
3 social housing as a concept in general, I just think
4 that the devil is in the details and you want to get
5 this legislation right for it to actually to be
6 effective.
7

8 I think the biggest problem I have is probably
9 with Intro. 637. As it stands for the reasons that
10 we've outlined, you know, I can count on one hand the
11 number of Latino for-profit affordable housing
12 developers in the City of New York, which is 29
13 percent Latino. And I think that's a gross, you know
14 a gross problem that we really need to address in
15 terms of creating opportunities, so that we're just
16 not the users of affordable housing, right? And that
17 we're not just relegated to forever being the users
18 but we can also be the owners and creators of these
19 places and serve as examples for our community.

20 You know really what I think is getting lost here
21 is the affordable housing development as it stands
22 today is just taking too long and it's too expensive.
23 A typical HPD, RFP probably from start to finish go
24 about eight years and I really think and I'm not
25 hearing anything from the Council or reading in the

1
2 legislation, how that particular problem is being
3 addressed. CLT or otherwise, I think you know, you
4 have to breakdown how complicated it is to develop
5 this and my concern with Intro. 637 in particular, is
6 that you may be setting people up to really, to not
7 succeed.

8 It's one thing to say you want to build
9 affordable housing, it's another thing to actually do
10 it in the context of the regulatory and government.
11 You know, hurdles that we've set up in the city.

12 Thank you.

13 CHAIRPERSON SANCHEZ: Thank you.

14 COMMITTEE COUNSEL: Phyllis Gray.

15 PHYLLIS GRAY: Oh, good afternoon. My name
16 Phyllis Gray and I live in the Bronx. I support
17 everything you're doing but my concern here is my
18 development is presently facing a 20 percent
19 maintenance increase because there were not enough
20 funds to pay out lenders, \$2.1 million. In addition,
21 we had a large number of vacant apartments. We also
22 had shareholders that were not paying the arrears.
23 The point I'm trying to make is, there are two
24 agencies in place. The HPD and DACR and I really
25 think those agencies need to be more effective in

1 terms of lot development. The reality is all boards
2 are not equal. I live in the Bronx. We don't have
3 the same resources as some of the boards downtown.
4 I'm not saying we're not bright but in terms of
5 resources, I can't call my uncle to read the contract
6 for me or my other aunt who is an accountant.
7

8 So, we need HCR and DHER to be more responsible.
9 They submit field reports on our property
10 highlighting all the issues but they don't act on
11 them. We've been writing them for years. It doesn't
12 take rocket science. If I have 30 apartments empty
13 in my development, I know we're going to fall short
14 but they're not responding properly. They're putting
15 the onus back on the shareholders. And again, they
16 need to be revamped. They need to be revamped and
17 that's something that can be handled. They need to
18 stop recycling. Management companies, lawyers and
19 accountants where they say, they are part of the
20 problem in terms of mismanaging us. But you're
21 putting them back in a pool for another development
22 to get the same project manager.

23 I have a letter here from 1997 for one of the
24 management companies we got rid of. Four years ago,
25 they gave us back the same management company to

1 review. This is incomprehensible. I mean, we may
2 not have all the resources available but they have a
3 responsibility to shareholders that are forging ahead
4 trying to look out for their properties to assist us.

5 CHAIRPERSON SANCHEZ: Thank you Ms. Gray. What
6 kind of property do you live in?

7 PHYLIS GRAY: Jamie Towers, Mitchell Lama in the
8 Bronx. Beautiful 12½ acres, three parking lots,
9 Olympic size pool. Gorgeous, we just need the -

10 CHAIRPERSON SANCHEZ: Are you trying to get me to
11 move there?

12 PHYLIS GRAY: Absolutely. We just need their
13 assistance and I support everything you're doing.
14 But the reality is, that's something that can be
15 tweaked. That's not hard. They're going to have to
16 revamp and change how they - so that they're more
17 effective and we have reached out. I was on the
18 board new. I just kept writing, no response. I'm
19 flabbergasted. You know the reality is, you can
20 always learn something regardless of their age and
21 I'm just looking at what's happening but we need the
22 support.
23

24

25

CHAIRPERSON SANCHEZ: Thank you. Thank you so much and I look forward to speaking more with you about your particular project.

PHYLLIS GRAY: Thank you. I appreciate that.

COMMITTEE COUNSEL: Ann Tirschwell.

ANN TIRSCHWELL: Good afternoon Chair Sanchez and Committee Members. My name is Annie Tirschwell. I am the cofounder and principal of a mission driven women owned affordable and supportive housing development firm called Type A projects. My partner and I started Type A projects after building over one million square feet of community schools in New York City with a not-for-profit development firm that I cofounded and ran for over a decade called civic builders.

We started Type A projects to bring the development skills we had honed in one of the toughest real estate markets in the country to bear on the intractable problems of affordable housing and homelessness. We started Type A as a WBE and not a not-for-profit with the express purpose of helping to make the delivery of affordable housing in New York City more equitable. We support the city's current equitable ownership requirement, which acknowledges

1 that minority and women owned businesses as well as
2 not-for-profits need a stake in neighborhood
3 development to ensure that our city's growth is
4 inclusive. MWBE's typically have deep roots in the
5 communities we seek to work in. Ensuring that our
6 firm have an ownership stake in the affordable
7 housing arena is critical for the creation of a more
8 equitable city. When enacted, the equitable
9 ownership requirement specifically empowered
10 entrepreneurs of color and women to construct and
11 operate affordable housing projects within their own
12 communities, allowing for the creation of new jobs
13 and economic growth across the city. When we started
14 Type A, you can count on one hand the number of
15 affordable housing development firms owned and run by
16 women. That number has slowly climbed over the last
17 ten years, thanks in large part to the sustained
18 efforts made by New York City agencies including New
19 York City's EDC and HPD, both of which have
20 prioritized MWBE firms capacity in recognition of the
21 unique and important contributions to solving the
22 housing crisis.
23

24 This progress must not stop. If we want our
25 city's neighborhoods to reflect those that live and

1 work in them and bring all available resources to
2 combat our housing crisis.

3
4 I'll summarize by asking you to support women and
5 minority owned businesses and vote no on Intro. 637.
6 I will close with a quick quote from Council Member
7 Francisco Moya, also in support of the city's 2020
8 equitable ownership requirement. "If we are truly to
9 level the playing field for women and minority owned
10 businesses to build wealth, we need to ensure that
11 they are included and reflected in the work that
12 advances our communities. Thank you.

13 CHAIRPERSON SANCHEZ: Thank you. Thank you and
14 Ann and I also just want to thank you for being
15 active in the civic space. I always see you
16 participating in the civic discourse and I take these
17 criticisms very seriously, all of your criticisms
18 very seriously and look forward to continuing the
19 conversation.

20 JOELLE BALLAM-SCHWAN: Hi, my name is Joelle
21 Ballam-Schwan and I'm with the Supportive Housing
22 Network of New York. We're here to show support for
23 the Community Land Act, specifically Community
24 Opportunity to Purchase Act and Public Land for
25 Public Good and speak to how they would help further

2 production and expansion of desperately needed
3 supportive housing in New York City. The network is
4 a membership organization, we represent over 200
5 nonprofits who develop, own and operate 58,000
6 supportive housing units statewide. 38,000 of which
7 are in New York City. For those of you who don't
8 know, supportive housing is deeply affordable
9 permanent housing with embedded social services for
10 people who have experienced homelessness and have the
11 greatest barriers to achieving housing stability.

12 Supportive housing is a key solution to
13 addressing New York City's homelessness crisis but
14 available, affordable land for developing it is
15 extremely scarce. New York City's current supportive
16 housing commitment, New York City NYC 1515 launched
17 in 2015, committed to creating 15,000 units of
18 supportive housing over the following 15 years. One
19 of the greatest challenges to continuing this
20 pipeline, however, is identifying affordable and
21 appropriate sites, both COPA and Public Land for
22 Public Good would help nonprofits acquire buildings
23 and land to continue this crucial pipeline of
24 supportive housing.

2 New York City 1515 envisioned 7,500 congregate
3 units, which are single site residences, which
4 typically feature 60 percent of units for supportive
5 tenants, 40 percent for low-income individuals and
6 families and 7,500 scattered site unit apartments
7 rented from existing stock in the community in which
8 the nonprofit provides mobile services.

9 The scattered site model has come with a lot of
10 challenges that pose a danger to the completion of
11 the city's greatly needed program. So, in order to
12 meet the target for New York City 1515, we need to
13 start thinking creatively right now. There are
14 approximately 6,000 unawarded scattered site units
15 that could utilize more efficiently, which would mean
16 creating more congregate supportive housing, which
17 means even a greater need for site and land. So,
18 COPA and Public Land for Public Good would assist in
19 making this possible, as well as help keep supportive
20 housing in the hands of admission driven nonprofits.

21 So, I realize I'm at time, so I will submit this
22 in writing with the rest of this and thank you so
23 much for the opportunity.

24 CHAIRPERSON SANCHEZ: Thank you. Thank you so
25 much and thanks to SHNNY for the work that you do. I

1 did just want to address one point by Mr. Barahona.
2 Nice to see you again by the way. Uhm, just one in
3 listing your health, right on the HPD pipeline, this
4 – bless your sole. But this Council has consistently
5 called on the Mayor and on HPD to beef up their
6 staffing, right? That's a major source of delays.
7 They just don't have enough project management and
8 staff on board. And I and a lot of advocates you
9 know, we continue to call for an extension of the
10 amount of funds that are going to these developments,
11 right. Because if you miss the cut and you're not in
12 the pipeline for 2022. You might get pushed to 2023,
13 2024 right and so, a big part of that just the amount
14 of capital that we are dedicating to the construction
15 and preservation of affordable housing. And so,
16 please join us in advocating for more of that. But
17 completely hear you on the MWBE points and look
18 forward to the discussion.

19
20 JOELLE BALLAM-SCHWAN: Thank you.

21 CHAIRPERSON SANCHEZ: Thank you all.

22 COMMITTEE COUNSEL: Next, we will hear from
23 Samuel Stein, Will Depoo, Arielle Hersh, and Paula
24 Segal. You can come up to the table if you are here
25 in person.

2 SAMUEL STEIN: Alright, thank you very much Chair
3 Sanchez, Committee Members, everybody, advocates for
4 being here today. My name is Samuel Stein. I'm a
5 Senior Policy Analyst at the Community Service
6 Society of New York or CSS. We are members of the
7 New York City Community Land Initiative and we
8 strongly support all of the bills under discussion
9 today, especially with the changes encouraged by
10 NYCCLI.

11 I submitted a long testimony that gets into each
12 and every one of these bills, so you have that.
13 Rather than summarizing exactly what's in there, I'm
14 going to turn away from my written notes here and
15 say, first of all, CSS has been working on social
16 housing for decades and promoting community and
17 public ownership and collective control of housing,
18 so it's really excellent and historic to see this
19 hearing today. We hope it's the first among many.
20 And I thought maybe I could encourage everybody
21 listening today to think about what could have
22 happened if we had these bills 50 years ago.

23 Think about who could be in your districts today
24 who is displaced. Think about all of the homeless
25 people who would not have been homeless were it not

1 for all the kinds of policy decisions that were made
2 over those years. These bills are not a time
3 machine. They don't go back and change all that. If
4 you imagine 50 years from now without any of these
5 bills, and all the displacement that might result
6 that should be good cause to vote yes on all these
7 bills. Thank you for your time.

9 CHAIRPERSON SANCHEZ: Thank you so much.

10 PAULA SEGAL: Thank you so much for staying here
11 all afternoon and also, I'm learning to use my
12 reading, my new reading glasses, so apologies. This
13 is their first day out. It's fun.

14 My name is Paula Segal. I am Senior Staff
15 Attorney at Take Root Justice. We are a member of
16 the New York City Community Land Initiative. You
17 heard from a number of our colleagues and
18 organizations who are also initiative members.
19 Today, I'm not going to repeat the things you heard
20 already. I'll talk a little bit about our work and
21 then I'll respond a little bit to some things I heard
22 in earlier testimony.

23 So, we at Take Root support the growing movement
24 for affordable community-controlled housing,
25 commercial and community spaces through legal

1 services to the CLT members of the initiative and to
2 other groups exploring the community land trust
3 model. We provide everything from education, on
4 orientation and incorporation to transactional
5 representation on negotiating ground leases and joint
6 venture agreements. We help groups navigate the
7 relationships with developers and we see really
8 clearly that the community land trust model is a
9 durable sustainable model that has internal checks
10 and balances, designed to foreclose opportunities for
11 self-dealing and to expand opportunities for
12 community participation over time. We see in our
13 clients that that's their intent as they're building
14 these institutions.

16 I'd have to say actually earlier this year, I
17 moved into a Mitchell Lama co-op and it's an exciting
18 - so I'm sort of sitting in this place where I get to
19 see this from both sides. I bought my unit for less
20 than \$20,000. My maintenance is less than \$1,000.
21 The unit that I bought had last changed hands for
22 about \$1,600 before I bought it and that is a model
23 that's really exciting. And I'm really excited about
24 what that means for my future and I'm really excited
25 for us to be growing similar models in New York City.

1
2 I want to respond specifically to some of the
3 things we heard from our partners in the development
4 world about Intro. 697, the Public Land for Public
5 Good Bill. First of all, the bill as drafted today,
6 prioritizes disposition to community land trust and
7 nonprofits. It does not prohibit disposition to
8 other entities and I think there was kind of a
9 characterization made.

10 But my clients need development partners. They
11 need the expertise that you heard from today. They
12 need the entrepreneurs. They need the deep knowledge
13 of development, of materials, of processes. They
14 need those partners in order to make truly
15 sustainable projects that will be there for
16 generations. And we hope that the spirit of the bill
17 will not be reduced just by creating an opportunity
18 for more entrepreneurship without checks and
19 balances.

20 The checks and balances that are put in place
21 when a community land trust partners with a
22 developer, especially the developer with deep roots
23 in the neighborhood. That's what we're looking for.
24 That is what we will create the long-term impacts
25 that the Community Land Act is geared towards. So, I

1 look forward to working with you all on language that
2 will help turn that into action but I really want to
3 stress that this is not an either-or proposition and
4 without our development partners, community land
5 trusts can't build housing.

6 CHAIRPERSON SANCHEZ: Excellent, thank you.
7 Thank you so much and thank both of you and everybody
8 that's still here for also being here since noon.
9 Appreciate you.

10 COMMITTEE COUNSEL: Thank you. Our next panel
11 will be Ellen Davidson, Pamela Herrera, Brianna
12 Soleyn and Kirk Goodrich.

13 CHAIRPERSON SANCHEZ: I'm just going to be
14 replaced. Lincoln, Council Member Restler is going
15 to just stand in for me for just a minute. I'll be
16 listening, I just have to go to the bathroom but I'll
17 be listening. New mom you all, new mom.

18 COMMITTEE COUNSEL: Ellen Davidson when you're
19 ready.

20 ELLEN DAVIDSON: Uhm, I'll make this short and
21 sweet. Thank you to the Council for holding this
22 hearing and considering these Resolutions and
23 Intro.'s. I'm actually, I'm Ellen Davidson, I'm a
24 Staff Attorney at the Legal Aid Society. I represent
25

1 tenants and I'm actually here to speak on the
2 Resolutions. It's supposed to be Intro.'s and you
3 might think well, why? Because obviously the
4 Intro.'s are very important pieces of legislation.
5 But I sat in Assembly Members Office in January and
6 she explained that while housing really wasn't here
7 thing, she supported the Good Cause Eviction Law
8 because her Council Member had voted for it as a
9 Resolution the previous time it was considered.

11 And so, Resolutions I think are important and
12 getting Good Cause Eviction and Housing Access
13 Vouchers done now is essential. Everything we've
14 heard today is about how we build more and produce
15 more housing for people. It's incredibly important
16 but it's also about the future and right now, from my
17 clients, they just want to stay in place until that
18 future gets there. And what will keep them in place
19 is the Good Cause Eviction Bill and the Housing
20 Access Voucher Program, which as you know is a state
21 Section 8 program that would be available to all New
22 Yorkers including those without immigration status.

23 And so, I appreciate that the Council is speaking
24 up because the Council doesn't have the power to do
25 this and I remain hopeful that all of you will be

1 talking to your state electives about why these bills
2 are so very important and hopefully by the end of
3 budget, we will have made progress for New York City
4 tenants. Thank you.

5
6 COUNCIL MEMBER RESTLER: Thank you Ellen. I'm
7 very proud that all four State Senators and four
8 Assembly Members who represent District 33 have
9 endorsed, are cosponsors of Good Cause Eviction.

10 ELLEN DAVIDSON: Yeah, newly endorsed but it's
11 worth the wait.

12 COUNCIL MEMBER RESTLER: Absolutely, thank you.

13 COMMITTEE COUNSEL: Pamela Herrera, Brianna
14 Soleyn.

15 BRIANNA SOLEYN: Hi, good afternoon. My name is
16 Brianna. I'm a Board Member of the East New York
17 Community Land Trust and I'm here to testify in
18 support of the Community Land Act.

19 So, East New York CLT formed during the pandemic
20 in 2020 in order to take control of the blighted and
21 vacant city owned lots in East New York. And find a
22 solution to the affordable housing crisis that's on
23 our terms and to put a stop to the rampant
24 speculation we've seen over the last decade. These
25 New York CLT's organizing to gain control of these

1
2 lots because we need to be forward thinking about
3 land development in our neighborhoods. CLT's are
4 found to be highly effective at capturing and
5 maintaining affordable housing use and will ensure
6 that development that will take place will be
7 according to community needs and not profit motives.
8 And these bills are the bare minimum to ensure that
9 CLT's can survive.

10 We need more housing and this is the way to do
11 it. CLT's need all the help that they can get in
12 this rampant and aggressive private market that has
13 ravaged and displaced so many. Market solutions
14 haven't been working and our city can decide to
15 change that. Our Black neighbors are fleeing the
16 city in large part because of housing affordability.
17 Brad Lander alluded to that, nine percent over the
18 last two decades. It's like a reverse great
19 migration that's unacceptable.

20 It's imperative that we fund and prioritize new
21 and creative solutions to protect us and prevent
22 displacement. And we've heard a lot from MWBE's
23 today. I'm more concerned about the Black and Brown
24 neighbors that are displaced by the crisis of
25 gentrification. And MWBE's alone are not quick to

1 address that. And at the end of the day, they are
2 for profit entities that have to answer to a bottom
3 line. And like Paula said, these bills won't exclude
4 these businesses from acquiring these public sites
5 but prioritize CLT's and nonprofits that are proven
6 methods to more effectively maintain affordability
7 and perpetuity. So, we need to pass COPA. We need
8 to pass the Resolution and Public Land for Public
9 Good Act.
10

11 COUNCIL MEMBER RESTLER: Thank you very much.

12 KIRK GOODRICH: Hello, good afternoon. I'm Kirk
13 Goodrich, I'm a Developer. I live in East Flatbush
14 where I grew up. I've been in affordable housing for
15 35 years. It's what I studied in schools. My
16 undergraduate. I know a lot about social housing for
17 most of my life and all the other things we've been
18 talking about. I want to just start by saying I have
19 concerns about Intro. 637. Affordable housing isn't
20 affordable by virtue of who owns it. It's affordable
21 by virtue of regulatory agreements. That governs
22 affordability, nothing else. It doesn't matter.
23 It's the reason why even on nonprofit owned
24 affordable housing, there are regulatory agreements.
25 If tax status was the only thing that mattered, there

1
2 would be no reason for regulatory agreements on
3 nonprofit owned housing.

4 The overall issue we have in our business is lack
5 of supply. None of the bills we've talked about
6 really effect supply. Affordability is something we
7 can control through a regulatory agreement and other
8 means. I want to talk a little bit about social
9 housing. I see the benefits of it. I'm familiar
10 with it. I studied it. I've executed projects of
11 that kind. The issue is, we need to have an ability
12 for people to be upwardly mobile. Our company has
13 done 2,500 homes for sale where people can actually
14 build equity. It's hard for me to have a
15 conversation about home ownership without wealth
16 building. And so, I want for Black and Brown people
17 what I have. I'm going to leave my home and equity
18 to my kids. And so, a conversation about wealth
19 building without conventional homeownership is not
20 one I understand. I'm not sure why I would want less
21 for Black people than I want for myself. And if
22 elected officials embrace that, they could sell their
23 home into a CLT and leave their kids nothing. That's
24 my opinion.

2 CHAIRPERSON SANCHEZ: I want to say thank you so
3 much and someone said it although please decorum in
4 the Chambers. But it's not a zero sum, right it's
5 expanding the pie and we hope to work together to
6 expand the pie in ways that accomplish all of these
7 goals. Good to see you.

8 KIRK GOODRICH: Good to see you. You weren't
9 here. Greetings.

10 CHAIRPERSON SANCHEZ: No, I was, I was listening.
11 Momma has to pump for her baby but I was here, I was
12 listening, so I just want to thank the three of you
13 for your time this evening.

14 COUNCIL MEMBER RESTLER: It's good to have
15 podcast stars in the chambers.

16 CHAIRPERSON SANCHEZ: Yes.

17 COMMITTEE COUNSEL: Next, we will have Colin
18 Kent-Daggett, Mychol Johnson, Danielle Mowery and
19 Hannah Anousheh. If you're here please come up to
20 the table. You can begin when you're ready.

21 DANIELLE MOWERY: Alright, we're wrapping up
22 here. Hi, thank you so much. Thank you for having
23 this hearing and I thank the Chair Sanchez and the
24 Committee Members and mainly thank you for your focus
25

1 on providing affordable, equitable and stable housing
2 for all New Yorkers.

3
4 My name is Danielle Mowery. I'm a housing
5 advocate and I also consult with nonprofits and
6 today's brief comments represent my own views. But
7 recently, I was out on a project where I was doing
8 citywide participatory budgeting and out of that, out
9 of the many workshops I did, there were 11 workshops
10 I did with NYC public high school students and also
11 CUNY college students. And in every workshop I did
12 housing was the dominant issue. But specifically for
13 our city's youngest adults and preadults, I guess is
14 the term. Uhm, this is a concern now and it's a
15 concern that's shaping their futures.

16 I went back into another housing workshop in the
17 high school then, specially just on housing and the
18 main take away I'd like to share is like it's echoing
19 some of the commentaries made earlier. It's the
20 urgency of now as well as looking towards the future
21 and making a shift.

22 The students I encounter do not think they can
23 stay in the city they call home. There is no where
24 for them to go. Some are watching their families
25 struggle with increased rent, working additional jobs

1
2 to make ends meet. Some are in college but are
3 unable to move out on their own. Some are so
4 concerned about their housing, they are thinking of
5 interrupting their studies, so they can work and save
6 up for rent. Or they're in high school with part
7 time jobs so they can help make their families make
8 ends meet.

9 Many said they would have to leave the city as
10 soon as they are able. This is the future we are
11 currently building for our Gen-z kids. A New York
12 they can't afford to call home. Part of the housing
13 workshop I did included quotes and some were from the
14 30's and some were from today. Not only did the
15 students realize that housing has been an issue for a
16 long time, they also saw that another crisis, the
17 great depression motivated elected officials to
18 create solutions.

19 And I have the rest written in my summary but
20 I'll just say, I commend the Committee for making
21 legislation like this a priority. I know all of it
22 needs tweaks and is work to make it as strong as
23 possible but all of it is needed to shift the crisis
24 of housing to one generational opportunity for
25

1 innovation and change, so we can give our kids a
2 future here. Thank you.

3 CHAIRPERSON SANCHEZ: Thank you. Thank you so
4 much. Thank you.

5 COMMITTEE COUNSEL: Okay, for our next panel,
6 we'll do Jay Hauben, Cecile DeLaurentis(SP?), Manny
7 Tavarez, and Michael Perles. So, when you are
8 prompted, just make sure to unmute yourself on Zoom.

9 SERGEANT AT ARMS: Your time will begin.

10 JAY HAUBEN: Can you hear me?

11 CHAIRPERSON SANCHEZ: Yes.

12 JAY HAUBEN: Can you hear me?

13 CHAIRPERSON SANCHEZ: Yes, we can hear you.

14 JAY HAUBEN: Can I be heard? Hello?

15 CHAIRPERSON SANCHEZ: Can you hear us?

16 JAY HAUBEN: Hello, can you hear me?

17 CHAIRPERSON SANCHEZ: We can hear you. Let's try
18 to get in touch with him outside of the Zoom and go
19 to the next person.

20 JAY HAUBEN: Hello? Hello? Can you hear me?
21 Can I be heard?

22 SERGEANT AT ARMS: You can start now.

23 COMMITTEE COUNSEL: Next, Cecile DeLaurentis.

24 SERGEANT AT ARMS: Your time will begin.
25

1
2 CECILE DELAURENTIS: Hi, my name is Cecile
3 DeLaurentis. I live on Woodside and I'm on the
4 Steering Committee of the Western Queens Community
5 Land Trust, a member of the New York City Community
6 Land Initiative NYCCLI. Rachel spoke to it earlier
7 but the Western Queens CLT is a nonprofit
8 organization made up of activists, small business
9 owners, professors, artists, students and community
10 members who fight for democratic and equitable land
11 use in Western Queens. I thank my colleagues on the
12 CLT and in NYCCLI for testifying and the Committee
13 today for holding this hearing and for introducing
14 this bill package. I prepared words today in support
15 of COPA, as my colleagues have spoken and written to
16 the public land bill and I'll try to make sure it's
17 under the two minutes. COPA would give organizations
18 like our CLT a fair chance at acquiring properties to
19 build and preserve deeply affordable housing. As
20 someone with both educational and professional
21 background in community development, I know that New
22 York City's uniquely robust infrastructure of
23 community development organizations and CLT's make
24 COPA a perfect fit to provide deeply affordable
25 housing in this city.

1 Queens, along with the rest of the city, have an
2 urgent need for affordable housing speculative
3 development has been ballooning here and no one knows
4 that need better than tenants themselves who tell us
5 every time we speak to them. For this reason,
6 Western Queens CLT is turning to new housing project
7 in addition to our high-profile project that was
8 almost Amazon HQ2. Because CLT's listen to what
9 their community members tell them and it's why we
10 believe in expanding the supply of community-
11 controlled housing, especially for those who need it
12 the most, so that residents can have a say in the
13 management, stewardship, and affordability of their
14 homes.
15

16 Since the city government has declared a
17 commitment to increasing affordable housing, passing
18 the Community Land Act all of these associated bills,
19 would be part of walking the walk with this. As
20 Paula noted, this does not shut out MWBE's and
21 private developers who are very needed to participate
22 in these projects to make them happen. I know that's
23 my time and thank you.

24 CHAIRPERSON SANCHEZ: Thank you.

25 COMMITTEE COUNSEL: Next, Manny Tavarez.

2 SERGEANT AT ARMS: Your time will start now.

3 MANNY TAVAREZ: Good afternoon everyone. Good
4 afternoon Chair Sanchez and Council Members. My name
5 is Manny Tavaréz, I am with Agallas Equities. 100
6 percent Latino owned real estate development company
7 and I'm here on behalf of dozens of development
8 partners and numerous clients.

9 I'm testifying today with strong opposition to
10 Intro. 637 being proposed by the Council Member
11 Lincoln Restler. It is our considered opinion that
12 this legislation of its nature would do more harm
13 than good to the already disadvantaged minority
14 developers in the city. This opinion has been formed
15 on the backdrop of publicly available information and
16 historical statistics. This bill, however, creates
17 more harm than good for MWBE's while often already
18 underrepresented, underfunded and create a more
19 competitive and less equitable environment for all
20 developers. As members of the business community in
21 New York City, we believe that everyone should have
22 equal access to opportunities regardless of race, tax
23 status, and ethnicity.

24 The bill, however, seeks to exclude minority
25 owned businesses for for-profit developers like

1
2 ourselves from being considered for property
3 allocation making it difficult for them to carry on
4 their businesses. There is ample evidence to support
5 the position that the bill would harm MWBE for-profit
6 developers. The city's own data shows that they have
7 historically faced, MWBE's have historically faced
8 significant barriers to entry to opportunities in the
9 development industry. Discrimination against all
10 profit developers will only worsen inequalities. The
11 City Mayor's Management Report has already shown a 45
12 percent decrease in affordable housing production
13 since 2022.

14 SERGEANT AT ARMS: Time has expired.

15 CHAIRPERSON SANCHEZ: Okay, thank you. Thank you
16 Mr. Tavarez and I look forward to your testimony as
17 well if you're submitting but hear you loud and clear
18 and look forward to continuing the conversation.

19 COMMITTEE COUNSEL: Michael Perles.

20 SERGEANT AT ARMS: Time will begin.

21 MICHAEL PERLES: Hi, can you hear me?

22 COMMITTEE COUNSEL: Yes.

23 MICHAEL PERLES: Hi, hi everyone. Thanks to
24 Committee Chair Sanchez. Hi, great to see you. I'm
25 really excited about today's hearing and the

1
2 opportunity to testify. Again, my name is Mike
3 Perles, I'm an Urban Planner. I teach urban studies
4 courses at Hunter College. I've worked at HPD in the
5 past, at nonprofits. I currently serve on the board
6 of Cooper Square Mutual Housing Association 2, which
7 is the affordable housing co-op that sits on top of
8 the Cooper Square Community Land Trust, which is the
9 oldest CLT as has been mentioned already today in New
10 York City. I'm in strong support of all of the bills
11 we're discussing today. And Cooper Square MHA2 you
12 know is really proud to be a part of this movement.
13 As many of you know, you know we're one of the
14 success stories that we have in the city of deeply
15 affordable cooperative housing and I think a lot of
16 that is owed to the power of our community and the
17 power of community organizing.

18 I'll try not to repeat what others have said but
19 you know the status quo is not working. Tax break
20 percentages and you know trading some AMI levels for
21 others you know really isn't fundamentally addressing
22 the issue. We need to invest in and pass laws that
23 are alternative approaches to things that we know
24 work, right. So, people probably saw reporting from
25 the city that said that one in ten rent stabilized

1 units has disappeared from landlords tax bills from
2 2020 and didn't come back in 2021. That shouldn't be
3 possible after the passage of HSTPA in 2019 but it's
4 happening with private landlords and investor
5 companies.
6

7 At Cooper Square, tenants and shareholders don't
8 have to worry about you know getting pushed out of
9 our housing or worry about massive rent increases
10 because our housing is community owned. It's
11 democratically controlled and we're shielded from
12 many of the market pressures that exist.

13 As Chair Sanchez at the beginning of this
14 hearing, you know the racial wealth gap in this
15 country has actually grown since the Fair Housing Act
16 was passed in 1968. We have to do things
17 differently.

18 SERGEANT AT ARMS: Your time is expired.

19 MICHAEL PERLES: And just quickly before I end, I
20 want to say, you know I'm personally going through my
21 landlord selling my building. It's hell. I'm
22 luckily a rent stabilized tenant, so I'm not getting
23 pushed out. My two neighbors in my building that are
24 not rent stabilized are getting pushed out. If we
25 don't pass these bills, that will just keep happening

1 and you know we really need to think about the
2 millions of Black and Brown tenants.

3 CHAIRPERSON SANCHEZ: Thank you.

4 MICHAEL PERLES: Not just the small handful of
5 landlords and developers.

6 CHAIRPERSON SANCHEZ: Thank you. Thank you
7 Michael. It's good to see you and I appreciate your
8 testimony today.

9 COMMITTEE COUNSEL: Next, we have Albert Scott,
10 Boris Santos, Debra Ack and Tito Delgado.

11 SERGEANT AT ARMS: Your time will start now.

12 COMMITTEE COUNSEL: They're all, they are here in
13 person.

14 BORIS SANTOS: Good afternoon everyone. What a
15 day. Boris Santos, he, him with the East New York
16 Community Land Trust. I am the Treasurer. To be
17 frank, talk about MWBE's. There's no Blacker or
18 Browner than you can get than the East New York
19 Community Land Trust but there's a difference. And
20 Brianna talked about our formation, so I'm just going
21 to keep it very sync.

22 We came about to end speculative housing
23 practices period. That's why we're here and that
24 might not be a mission that MWBE's are aligned with
25

1 with us and that's okay, but let's not make no
2 mistake. They're not here to partner even with us to
3 some degrees. Because if they were, they would be
4 still here trying to get my number and saying how can
5 we help you in your quest to end and eliminate
6 speculative practices. So, I just want to make that
7 clear. The New York City Acquisition Fund, there's a
8 quick flaw in it. The flaw is that doesn't support
9 home ownership projects, shared equity projects.
10 It's mostly rental projects. So, look into that
11 Pierina because we have.

13 The bottom-line problem is that any funding that
14 you get from any level of government is reimbursement
15 money. So, I definitely agree with our Council
16 Member Nurse, in terms of how housing financing works
17 now days for our governments and they rely on failed
18 capitalist strategies was what was specifically wrote
19 in city limits. And it's true, if you ask us to
20 upfront capital and you know there have been issues
21 with access of capital, especially in Black and Brown
22 communities forever, especially in East New York
23 where you have a book ran about the creation of a
24 ghetto East New York Walter Thabit, then make no
25 mistake, we're going to come here and we're going to

1 say the solution is, CLA, the Community Land Act,
2 right? And so, we want to continue to partner with
3 that. We want to look into this Affordable Plus
4 Program that Kavanaugh has, Brian Kavanaugh. There's
5 no partner and the budget is about to pass, and so,
6 we want to make sure that we can influence that but
7 we'll talk more offline. And I do see in you a
8 sincere genuine partner Pierina, that we can make
9 things like literally shack things up with. So, I
10 appreciate you for being with us.

12 CHAIRPERSON SANCHEZ: Thank you. Thank you so
13 much Boris. I appreciate you.

14 DEBRA ACK: Good afternoon, early evening Madam
15 Pierina Sanchez and the Housing Committee Members who
16 are present. My name is Debra Ack and I am a member
17 of the East New York Community Land Trust. I'm also
18 a long time 30 year plus resident of East New York.

19 I thank you for giving me the opportunity to
20 testify on behalf of my community East New York. We,
21 East New Yorkers are extremely overwhelmed with the
22 high-end developers coming into our neighborhood and
23 developing what is not needed affordable or it
24 displaces our community residents. CLT's have for a
25 long time across this nation proven that they can be

1 instrumental in developing our community and
2 stewarding the land. Let's bring New York City into
3 the 21st Century.
4

5 I'm not going to sit here and repeat everything
6 that you've heard about the CLA, the Community Land
7 Act. Let's get this done. Let's move us forward
8 into the 21st Century. What I am going to say is I'm
9 going to talk about the 79,000 people in New York who
10 live in shelters or on the streets and that figure is
11 only rising. Still thousands more are living in
12 unsafe and overcrowded conditions that face
13 homelessness. Not-for-profit developers are more
14 likely than for-profit developers to build affordable
15 housing. Take on complex projects and maintain
16 affordability over the long run, over the long term,
17 or in perpetuity.

18 Unlike for, give me two seconds. Unlike for-
19 profit developers, non-profit developers most often
20 keep revenue in the community and are more likely to
21 build more deeply affordable housing. In closing, I
22 look over your head Council Member Pierina and it
23 says, a government of the people, by the people, for
24 the people. Let's take that another step further.
25

1
2 Let's let it say, a community of the people, by the
3 people, for the people. Thank you.

4 CHAIRPERSON SANCHEZ: Thank you. Thank you Ms.
5 Debra and thank you for being here today since early
6 and just all of your leadership on this issue.

7 ALBERT SCOTT: Good evening Council Member and
8 Housing Committee. My name is Albert Scott,
9 President of the East New York Community Land Trust.
10 And our organizations also partner with NYCCLI,
11 that's doing tremendous work. I'm just here just
12 speaking of this to encourage this Housing Committee
13 to definitely get the CLA, the Community Land Act
14 done. In particular, when they speak about the
15 Public Land for Public Good Act, Intro. 637, I want
16 you to double down. I want you to double down in the
17 sense that prioritize CLT's and nonprofits. The
18 language does include the MWBE's but do not budge and
19 I do not want to see CLT's nonprofits and MWBE's
20 along those particular lines.

21 We are doubling down. The realities are this.
22 Community wealth building is important. This package
23 of bills will be the spark for that. We all know
24 that the realities are this, whoever controls the
25 land, controls their destiny and this here, the

1 community, especially Community Land Trust in my
2 beloved East New York will have an opportunity to
3 actually spark true community wealth building. We
4 all know that over 60 percent of monies going towards
5 housing. Can you imagine under a CLT, that extra
6 disposable income to start a business, to send their
7 children to school, to invest in their retirement and
8 things of that nature.
9

10 So, I just definitely want to leave you just to
11 be empowered. This Committee to be strong. Do not
12 be intimidated by bullies. We all believe in local
13 community wealth building. Thank you for your time.
14 Onwards and upwards.

15 CHAIRPERSON SANCHEZ: Onwards and upwards. Thank
16 you so much for your testimony and as a President, if
17 I can just have a moment and ask, what is the level
18 of support that the East New York CLT is receiving
19 from the City of New York?

20 ALBERT SCOTT: From the, the level of support is
21 a combination different on things. You're talking
22 about in regards to oh, the money, the money. Uhm,
23 we're definitely a part of NYCCLI and as far as the
24 City Council with the city initiative. That
25 definitely helps all CLT's throughout New York City

1
2 and then also of course we have dynamic, local
3 supporters that help in those efforts and the fund-
4 raising efforts of our organization and that's due to
5 our level of our grassroots mobilization. They
6 actually seen the work and I also encourage you to
7 visit East New York CLT.org and check out our Black
8 paper and academic circles. They call it the White
9 paper, but out in East New York, it's the Black paper
10 where we identify public land and things of that
11 nature. Where volunteers actually went around the
12 community to identify vacant lots and organized
13 around that to get community input as far as what
14 they would like to see through various community
15 visioning sessions. And as a result, we grow
16 together and that's the spark of true community
17 wealth building.

18 CHAIRPERSON SANCHEZ: Thank you. Thank you so
19 much. Boris.

20 BORIS SANTOS: I just quickly want to add, so CLT
21 initiative funds is basically our source of funding
22 for the last three, four years and we haven't seen an
23 increase in this new City Council. We're going to
24 ask for that of course, but take into account, you
25 set up all these institutions, all these bills get

1 passed right. You have to resource them. You have
2 to make sure they have the operating funds. And so,
3 that's where a CLT initiative and those operating
4 funds pulls to be on CLT initiative some
5 discretionary grant funding from you know our Council
6 Members but beyond that, you're talking about we've
7 been information for over, just over two years and we
8 privately fund raise more, like two time, three times
9 more than what the city has given us, particularly in
10 this year as well for this fiscal year. So, yeah.

12 CHAIRPERSON SANCHEZ: Thank you and that's very
13 helpful for me to hear. Thank you. I just want to
14 underscore just how important it is to and I know
15 you've given up a day, right and you've been here all
16 day but having your testimony on the record makes all
17 the difference in terms of when we go back to
18 negotiate. The City Council doesn't hear bills twice
19 right. We hear them one time and it's really
20 important to get all of that on the record now, so
21 that we have that substance to actually fight back
22 and forth on the final product.

23 So, we'll continue talking but I just want to
24 thank you so much for your time because it really

1 makes a difference and it's really getting us a step
2 closer to this being a reality.

3
4 BOIRS SANTOS: Thank you Council Member.

5 COMMITTEE COUNSEL: Thank you. Next, we'll have
6 Jay Hauben, Zeikia Grant (SP?), Gregory Baggot and
7 Matthew Dunbar.

8 JAY HAUBEN: Hi, can you hear me?

9 COMMITTEE COUNSEL: Yes, we can hear you.

10 JAY HAUBEN: Hello. Okay, thank you. Thank you
11 for this hearing. For staying around long enough to
12 hear me. My name is Jay Hauben. I've had the great
13 fortune of living 40 of my 81 years of life in social
14 housing in New York City. When co-ops supported a
15 kind of housing in the Bronx that was built in 1934
16 and 1927 for that matter.

17 It's very important what you're doing. You're
18 putting forward a new etiology and direction for
19 housing in the city. Maybe the goal of social
20 housing and that's a goal that takes the profit out
21 of city. What makes housing for people, which is
22 housing for living. And so, I definitely support in
23 particular Intro. 196 and Resolution 1838 because if
24 we can help people who are renters have the
25 opportunity to buy their building as cooperators and

1 then to have the chance to become social housing with
2 deep income modified in particular but democratically
3 controlled and deeply affordable, we are giving them
4 something that they can pass on. Not as well, but as
5 human life in the next generation and we have a model
6 for that. The model is Mitchell Lama. Where there's
7 no profit and there's democratic control where people
8 have a chance to see themselves in a stable situation
9 that contributes to their community.
10

11 And so, as well as supporting the creation of -
12 SERGEANT AT ARMS: Time is expired.

13 JAY HAUBEN: Let me just finish. We should not
14 let any social housing being taken away from people.
15 If that's possible, if HPD has programs where they
16 transition out of nonprofit Mitchell Lama into low
17 profit but profitable HDMCs.

18 CHAIRPERSON SANCHEZ: Thank you. Thank you so
19 much Mr. Jay. It's really helpful to hear your story
20 40 years in social housing. We appreciate your time
21 this evening.

22 COMMITTEE COUNSEL: Next, Janet Gutierrez,
23 Whitney Hu(SP?), Brian Foteno(SP?), Anny
24 Carfora(SP?). Okay, next is Jacob Kindle Schneider,
25 Albert Kakoogi(SP?), Eugene Depnow(SP?) and Valerie

1
2 White. Rachel Webster, Adam Roberts, Erica Keller,
3 Thomas Campbell, Warren Harding, Ramona Ferreira and
4 Clint from Western Queens Community Land Trust.

5 Okay, this concludes the public testimony. If we
6 have inadvertently forgotten to call on someone to
7 testify, if you can raise your hand in Zoom or raise
8 your hand in the room, we will try to hear from you
9 now. Okay, thank you.

10 CHAIRPERSON SANCHEZ: Alright, thank you. Thank
11 you so much. With that, I want to reiterate my
12 gratitude to our staff, our Committee staff as well
13 as my team in the District Office and everyone who
14 took a day off or I don't know what you did to be
15 here but you're here and I really just want to
16 appreciate that.

17 And just in closing to reiterate, we have to do
18 things differently in the City of New York. We
19 cannot continue to just leave out those in New York
20 City who need help the most and who need stability
21 the most and who history owes the biggest debt to.
22 And so, I look forward to synthesizing all of the
23 feedback that we heard today and working with all of
24 you to get to the best versions of these bills.

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Thank you so much for your time. With that, this hearing is closed. [GAVEL]

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 March 9, 2023