CITY COUNCIL CITY OF NEW YORK -----Х TRANSCRIPT OF THE MINUTES Of the COMMITTEE ON HOUSING AND BUILDINGS ----- Х May 2, 2018 Start: 10:44 a.m. Recess: 12:13 p.m. HELD AT: 250 Broadway - Committee Rm. 14th Fl. B E F O R E: ROBERT E. CORNEGY, JR. Chairperson COUNCIL MEMBERS: Fernando Cabrera Margaret S. Chin Rafael L. Espinal, Jr. Mark Gjonaj Barry S. Grodenchik Bill Perkins Carlina Rivera Helen K. Rosenthal Ritchie J. Torres Jumaane D. Williams World Wide Dictation 545 Saw Mill River Road – Suite 2C, Ardsley, NY 10502

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

Michael McKee, Treasurer of Tenants' Political Action Committee, Board Member of Met Council on Housing, and City-Wide Tenants Union and Member of Real Rent Reform Campaign

Rebecca Nieves, Representative Office of Assemblymember Harvey Epstein

Kathleen Wacom, Metropolitan Council on Housing

Susan Steinberg, President, Stuyvesant Town-Peter Cooper Village Tenants Association

Delsenia Glover, Director of Education and Organizing Tenants and Neighbors & Campaign Manager of Alliance for Tenant Power

Jenny Laurie, Exec. Director, Housing Court Answers

Ellen Davidson, Staff Attorney, Legal Aid Society

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[sound check] [gavel]

3 CHAIRPERSON CORNEGY: Good morning 4 I'm Council Member Robert Cornegy, Chair everyone. 5 of the Committee on Housing and Buildings, and I'm 6 joined today by Council Member Cabrera, Perkins, 7 Rosenthal and Torres [background comments] and 8 Williams. We're here to hold a vote and hear 9 testimony on several resolutions, which will call 10 upon the New York State Legislators-Legislature to 11 take action on rent reform. The first two 12 resolutions sponsored by myself would call on the 13 state to repeal vacancy decontrol and vacancy bonus. 14 The next four resolutions are sponsored by Speaker 15 Johnson. The first calls on the state to limit rent 16 increases on the renewal of rent stabilized units 17 where preferential rent was being charged. The 18 second request that the state make the major capital 19 improvement rent increase a temporary surcharge. The 20 third calls on the Urstadt, and allow New York City 21 to regulate residential rents and the final 2.2 resolution sponsored by Speak-by the Speaker is would 23 call on the state to extend the statute of 24 limitations for rent overcharges. The next 25 resolution sponsored by Council Member Rivera would

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2 call on the state to extend rent stabilization to unregulated apartments. The final resolution is 3 4 sponsored by Council Member Powers and would call on the state to provide rent control tenants relief from 5 high rent increases. [background comments] 6 So, we 7 are going to call our first panel to give testimony Rebecca Nieves, Michael McKee, Kathy Wacom, Susan 8 Steinberg. [background comments] Good morning. 9 [pause] When everyone is settled, you can begin your 10 testimonies. Just please identify yourself. 11 12 [background comments] Mikey, no. It's ladies first. [background comments/laughter] I saw you. 13 14 MICHAEL MCKEE: Good morning. My name is 15 Michael McKee. I'm the Treasurer of the Tenants' Political Action Committee. I'm also a board member 16 of the Met Council on Housing, and the City-Wide 17 18 Tenants Union, and I'm a member of the Real Rent Reform Campaign, the lobbying group that represents 19

20 local community groups throughout the city, and 21 suburban counties. Tenants' PAC supports the various 22 resolutions calling on the State Legislature to pass 23 and the Governor to sign several bills to close 24 loopholes in our Rent Protection Laws and to 25 strengthen rent and eviction protections. Because

1	COMMITTEE ON HOUSING AND BUILDINGS 6
2	New York City lacks home rule power rents and
3	evictions, we must look to Albany to fix our broken
4	Rent Laws, and for the last 25 years we have beaten
5	our heads against a brick wall. Tenants' PAC urges
6	you to include a resolution in support of
7	S6828/A.8409-A, which is necessary to prevent the
8	eviction of hundreds of loft tenants most of them in
9	Northern Brooklyn, and I'm sure Council Member Levin
10	would be happy to sponsor such a resolution. And I
11	want to point out to you about the Vacancy Decontrol
12	Bill. It not only repeals vacancy deregulation, but
13	going forward, it regulates the deregulated units
14	that we have lost or at least 98% of them, which is a
15	very important provision. These measures should have
16	ben enacted years ago, but Governor Andrew Cuomo has
17	refused to support any of them for the last $7-1/2$
18	years. Now that he has had an election year
19	conversion, his minions claim that he wants to repeal
20	vacancy deregulation, and to make major capital
21	improvement rent increases temporary surcharges. In
22	addition to an indifferent governor beholden to the
23	real estate developers who have poured millions of
24	dollars into his campaign coffers, the Republicans
25	who control the State Senate and the rogue Democrats
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1	COMMITTEE ON HOUSING AND BUILDINGS 7
2	who empower the Republicans have stopped any of these
3	bills from coming to the floor. The State Assembly
4	passes and other pro-tenant bills every year or every
5	other year, and everyone in Albany understand that
6	they are one-house bills, but the Assembly has failed
7	to use any real leverage to force the governor and
8	senate to enact them. Tenants are encouraged by
9	statements from Speaker Corey Johnson beginning at
10	his inauguration on January 28 th that he intends to
11	use his bully pulpit to help us put pressure on
12	Albany to act on these bills. Other speakers have
13	supported stronger rent protections, but none has
14	made this fight a daily priority until now. We are
15	very grateful to the Speaker. The gutting of our
16	rent protection laws over the last 2-1/2 decades has
17	been the major contributor to the disastrous
18	affordability crisis we are now experiencing not only
19	in the city but in the suburban counties as well.
20	Some of you will be surprised to hear this next part
21	of my testimony. We should never forget that it was
22	not the Republicans in Albany who did the first real
23	damage but, in fact, the Democrats and the New York
24	City Council who set the stage for our current
25	crisis. In 1994, when the city Rent Laws were up for

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2 up for renewal for three more years, Speaker Peter 3 Vallone, who was seeking real estate support to run 4 for Mayor was able to cobble together 28 votes to 5 enact permanent vacancy deregulation and permanent 6 High income deregulation. State Law allows the city 7 to weaken the Rent Laws, but not to strengthen them. One by one Democratic members of the Council from 8 Brooklyn, Queens and the Bronx told tenant advocates, 9 "I don't have any apartments in my district renting 10 for \$2,000 a month. So, this bill will not affect my 11 12 constituents." Verbatim they all said exactly the 13 same thing. We replied that if they passed this bill, monthly rents of \$2,000 would become common all 14 15 over the city. Of course, we were right, and they 16 were wrong, but the damage was done, and now can only 17 be undone by Albany. In 1997, the State Legislature 18 and Governor George Pataki incorporated these deregulations amendments into state law thus 19 preempting the city from altering them, and expanded 20 the two deregulation mechanisms to the suburban 21 2.2 counties. We have lost hundreds of thousands of 23 affordable units since the amendments became law. We look forward to working with Speaker Corey Johnson 24 and other members of the City Council to restore our 25

1	COMMITTEE ON HOUSING AND BUILDINGS 9
2	Rent Laws. We hope that all of you will participate
3	in this fight. For starters, each one of you can
4	organize one or more town hall meetings in your
5	districts to activate and mobilize tenants to apply
6	pressure to Albany, and you can help pay for buses to
7	Albany next year when the State Rent and Co-Op Laws
8	once again come up for renewal. Thank you very much.
9	[pause]
10	REBECCA NIEVES: I am Rebecca Nieves, and
11	I'm representing the Office of Assemblymember Harvey
12	Epstein. We are in support of all resolutions
13	proposed today. Assemblymember Epstein represents
14	the East Side of Manhattan including the
15	neighborhoods of the Lower East Side, East Village
16	Alphabet City, Stuyvesant Town-Peter Cooper Village,
17	Marie Hill, Tudor City, and the United Nations.
18	Protecting tenants' rights and preserving affordable
19	housing has been a priority for Assemblymember
20	Epstein before he took office. His work towards a
21	more affordable New York City will not waver.
22	Assembly District 74 has seen innumerable changes in
23	hardships regarding its housing. For example, 40% of
24	occupied rent stabilized units in the Zip Code of
25	1009 alone are apartments with preferential rents.

1	COMMITTEE ON HOUSING AND BUILDINGS 10
2	That is about 5,500 homes at risk of rents being
3	hiked up to the legal maximum when leases are up for
4	renewal. In one Zip Code in District 74, we've run
5	the risk of displacing and vacating over 5,000 homes
6	with vacancies come bonuses and decontrol that makes
7	it increasingly hard for people to stay in New York.
8	By continuing to prevent New York City from
9	regulating residential rents, the problem will only
10	be exacerbated. It is imperative that New York City
11	can enact regulations and work with the State
12	Legislature to protect tenants and ensure we are
13	working towards making New York more affordable for
14	everyone. Once again, I am Rebecca Nieves
15	representing the office Assemblymember Harvey
16	Epstein, and we are in support of these resolutions.
17	Thank you for the opportunity to speak.
18	KATHLEEN WACOM: Oh, good morning. My
19	name is Kathleen Wacom. I represent the Metropolitan
20	Council on Housing. As a rent stabilized tenant for
21	over 40 years, I am in support of all the resolutions
22	presented today, and I would like to speak about MCIs
23	and the vacancy bonus and decontrol. Tenants are
24	rent burdened because of rent increases, fees, MCIs
25	and other surcharges. According to the Coalition
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1	COMMITTEE ON HOUSING AND BUILDINGS 11
2	Against Tenant Harassment, and the Association for
3	Neighborhood Housing and Development and Community
4	Board 3, which includes Chinatown and the Lower East
5	Side where I live, the median household income is
6	\$42,268. Here over 50% of tenants are rent burdened.
7	The recent rent Guidelines Support Study states that
8	citywide tenants' incomes have remained stagnant for
9	the fourth consecutive year while landlords profits
10	are 43%. The vacancy decontrol and vacancy bonus are
11	incentivizing landlords to harass longstanding
12	tenants from their homes. This is done by
13	aggressively offering buy-outs and by frivolous and
14	lawsuits. To fight these lawsuits and evictions many
15	tenants use their savings and retirement funds to pay
16	legal fees. According to the Right to Counsel
17	Coalition, 250,000 to 300,000 evictions are due to
18	non-payment of rent. Many are among the more than
19	60,000 homeless people living in shelters. Often,
20	but the time a tenant is eligible for SCRIE or DRIE,
21	the rent is unaffordable. These programs freeze
22	rents. They do not roll back rents. So, tenants
23	either cut back on medicine and food or move from
24	their homes. Also, many registered rents are
25	preferential and market rate leases are illegal. To

1	COMMITTEE ON HOUSING AND BUILDINGS 12
2	remedy this, the statute of limitations must be
3	extended, and MCIs must be temporary. I thank the
4	Council for these resolutions, and I hope that the
5	state, who has the ability to make these changes will
6	do so to protect affordable housing and maintain the
7	stability of our neighborhoods. Thank you.
8	CHAIRPERSON CORNEGY: Ms. Wacom, do you
9	have your testimony for submission?
10	KATHLEEN WACOM: I-I do have to photocopy
11	more of this, and I will do that.
12	CHAIRPERSON CORNEGY: Alright, thank you.
13	KATHLEEN WACOM: Thank you. [background
14	comments, pause]
15	SUSAN STEINBERG: [off mic]-[on
16	mic]Buildings Committee, I want to thank you very
17	much for this opportunity to testify, and I thank you
18	for being the-the warriors for tenants. We really
19	need your help. I'm Susan Steinberg. I'm President
20	of the Stuyvesant Town- Cooper Village Tenants
21	Association representing 28,000 residents and 11,230
22	units, and we are all supporting the Preconsidered
23	Resolutions, which are before you today. Despite the
24	protections of rent regulations, rents have risen
25	dramatically in Peter Cooper Village in Stuyvesant
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1	COMMITTEE ON HOUSING AND BUILDINGS 13
2	town. A one-bedroom now starts at \$3,156 per month.
3	This is not affordable. When I moved in in 1980, I
4	paid \$250, and I realize there's a little time in
5	between, but nevertheless. In our city, the cost of
6	living is 129% higher than the national average, and
7	people's incomes are really not keeping up with the-
8	the rise in rents. As a result of the weakening of
9	Rent Laws, every time they come up for renewal in
10	Albany, and the skyrocketing of rents in our once
11	stable community is now filled with transients who
12	double and triple up to make the rent and let them
13	leave a lease renewal when the rent goes up.
14	Thousands of units churn annually thanks to vacancy
15	decontrol, vacancy bonuses, preferential rents and
16	major capital improvements that we pay for `til
17	death. In prefiguring all of these amendments and
18	loopholes is the Urstadt Law, which snatched away New
19	York City's control of its rent destiny. It's time
20	to take back that control. The series of resolutions
21	to repeal or limit the Albany catalog of bad faith is
22	really important to us, and as I said, the 28,000
23	residents of Stuyvesant Town-Peter Cooper Village
24	support this. A lot of our community has been
25	uprooted. We're no longer stable. I haven't known
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1	COMMITTEE ON HOUSING AND BUILDINGS 14
2	my neighbors for the past 12 years because they
3	change every two years when the rent is up.
4	Community used to be very important to us. It's
5	still important to us. We want to be able to know
6	our neighbors not to have this constant churn. So,
7	once again, I thank all of you for your time, and
8	thank Speaker Corey Johnson for allowing us this
9	opportunity.
10	CHAIRPERSON CORNEGY: Are there any
11	question of my colleagues? Yeah, Council Member
12	Williams.
13	COUNCIL MEMBER WILLIAMS: Thank you very
14	much, Mr. Chair, and it's more of a comment that I
14 15	much, Mr. Chair, and it's more of a comment that I wanted to state. Thank you, everybody, for your
15	wanted to state. Thank you, everybody, for your
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1	COMMITTEE ON HOUSING AND BUILDINGS 15
2	for the state of housing and homelessness in this
3	this city, and in this state. We can't just blame it
4	on the orange madness that's going on because it was
5	fertile ground that was laid long before the orange
6	craziness. The Governor in particular, and this is
7	not hyperbole. There's a lot of issues I have with
8	him, but housing is one of his most palpable failures
9	across the state, and in this city. He could have
10	done so much to strengthen rent regulation in the
11	city, and rent regulations to the rest of the state.
12	What he did before 21-A (sic) was just egregious to-
13	to no end. He weakened, and not only did he weaken,
14	he took it away from our ability to even negotiate
15	against rent regulation. This is appalling what this
16	governor has done with rent regulations. I'm happy
17	to be supportive all these resolutions, and I ask the
18	clerk to please add my name to all of them. I wish
19	there was more that this city can. We're doing all
20	that we can, and I'm glad my colleagues along with
21	the Chair and the Speaker are doing all that they can
22	do, but the State really has to step up here. I hope
23	when the state comes back with Democrat control that
24	they pass the things that they say they would pass if
25	the Assembly passes. That's going to be a big test
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1	COMMITTEE ON HOUSING AND BUILDINGS 16
2	to see what happens. It's easy to talk when you
3	don't have the power. When you do have the power,
4	we'll see what happens, but the Governor has to
5	provide leadership. He seems to providing the
6	leadership the closer we get to September. So, maybe
7	we can push him here, and I also hope if we do civil
8	disobedience and be disruptive of the status quo
9	thing, which I will gladly take a part, we should
10	move it into some of these Republican districts that
11	are not feeling the pressure. I'm happy to go there
12	and disrupt some of those neighbors so that maybe
13	they can put pressure on Flannigan and others as
14	well. So, I'm going to be supportive of this. I
15	don't know if I'll be able to wait until the vote,
16	but I wanted to make sure I put my comments on the
17	record. Thank you, everyone. Let's push it. I mean
18	communities are being ravaged by rent-by preferential
19	rent in particular and rent regulation and decontrol
20	and all of those things, like literally ravaged. We
21	have to do more on this. Thank you.
22	CHAIRPERSON CORNEGY: Thank you. Council
23	Member Rosenthal.
24	COUNCIL MEMBER ROSENTHAL: Thank you so
25	much, Chair Cornegy. I really just like Council
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1	COMMITTEE ON HOUSING AND BUILDINGS 17
2	Member Williams want to thank everyone for taking
3	their time to come and testify today, and for the
4	people who are about to testify, you guys are on the
5	front lines doing the work. I especially want to
6	thank Assemblymember, the representative from
7	Assemblymember Harvey Epstein's Office. I'm not
8	shocked that this-he's starting off doing exactly
9	what we would hope he would do, living up to his
10	word. But Michael, I, too, want to lend my thanks
11	for your pointing out how this al began in 1994.
12	It's incredibly frustrating that we've left ourselves
13	in this sort of powerless situation, and it's a great
14	reminder to all of us on the Council that, you now,
15	not to get strong armed into doing something that,
16	you know, we're told is not going to really affect
17	people when, in fact, the implications are
18	devastating. So, thank you for continuing to remind
19	us about that. Next time you can also include the
20	part about in 2010, which is the part I always love,
21	and the five developers who in the middle of the
22	night stole millions of dollars out of the city's
23	pocket. Anyway, thank you all very much.
24	CHAIRPERSON CORNEGY: Thank you, Council
25	Member Rosenthal. I just want to add my voice to the
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1 COMMITTEE ON HOUSING AND BUILDINGS 18 2 voice to the-to the chorus represent a district that in the 90s couldn't have fathomed a \$2,000 rent in 3 4 Bedford-Stuyvesant and Northern Crown Heights, which that is now below-I mean that is the average if 5 you're lucky. So, it's that vision and foresight 6 7 that sometimes we need to pay attention to the advocates a little bit better. So, I just want to 8 thank you for pointing that out. Council Member 9 10 Torres.

COUNCIL MEMBER TORRES: Can I-can I ask a 11 12 question because I see the repeal of vacancy decontrol as the Holy Grail. You know, without the 13 repeal of vacancy decontrol everything we do in the 14 15 city whether it's the right to counsel, MIH all noble 16 initiatives are tinkering at the margins. And so, if 17 we have a democratic wave at the next election, and a 18 democratic senate, what are the-what are the-what are the actual prospects for the repeal of vacancy 19 20 decontrol? Because you know more about the merits and the politics better than anyone. 21 2.2 MICHAEL MCKEE: I think-thank you Council 23 I think-first of all, in response-as a Member.

should never underestimate the power of real estate

general response to the-several of the comments, we

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1	COMMITTEE ON HOUSING AND BUILDINGS 19
2	money. That's what got them the votes in-in 1994 at
3	the City Council. There were numerous City Council
4	members who made an absolute ironclad commitment to
5	use at the time that they would vote no who ended up
6	voting yes. Most notably, Anthony Weiner who was one
7	of the few City Council Members who actually
8	understood the long-term significance of this
9	amendment and told us that he understood that this
10	was not really the simple little amendment that this
11	was a-a-the beginning of the dismantling of the rent
12	regulation system. In the end, he ended up voting
13	for it, and two years later introduced a bill that
14	would have gutted code enforcement, which the Housing
15	Committee under Archie Spigner tried twice to report
16	out of committee, and twice we stopped it, and then
17	ran for Congress in 1998 with a ton of real estate
18	money. And I think we should never, ever
19	underestimate the ability of the real estate lobby to
20	buy what it wants, and they do this in Albany all the
21	time. The Upstate senators of either party do not
22	have rent regulation, unfortunately. We hope someday
23	they will, but they don't care about the issue one
24	way or another. They really don't. It's not
25	something that-they'll votewhatever their
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1	COMMITTEE ON HOUSING AND BUILDINGS 20
2	leadership tells them to do, that's how they'll vote.
3	So, witness that virtually all of the Republican
4	senators with the exception of Kemp Hannon from Long
5	Island, who is real audio log, they all vote to renew
6	the Rent Laws periodically because that's the deal.
7	So, about next year, I wish I could believe that
8	Andrew Cuomo really means what he seems to be saying
9	lately, and I wish I didn't feel that if he is re-
10	elected in November that he will be serious about any
11	of these issues next year. This is clearly and
12	election year conversion. There are two words to
13	explain why he is now saying this or his minions
14	actually are saying it. Supposedly, he's going to be
15	coming out with a platform at some point, and the
16	first begins with C and the second word begins with
17	N, but if the Democrats take control of the State
18	Senate, I believe we will have a real shot at getting
19	some of these bills done, all of them I hope, but in
20	2010 when the Democrats had a one-vote majority in
21	the State Senate, the real estate industry, the RSA,
22	the Rent Stabilization Association went to three
23	Democratic senators and promised them a \$150,000 in
24	campaign funds if they would vote against two of our
25	bills that came to the floor. One was the bill to

1	COMMITTEE ON HOUSING AND BUILDINGS 21
2	close the preferential rent loophole, and the other
3	was the bill to restrict owner use evictions, and
4	they all three voted against that bill even though
5	two of them we had had helped Tenants PAC and helped
6	elect, and they did indeed follow through on that
7	pledge to give them \$150,000 each. Two of them, and
8	this is kind of heartwarming to see that two of them
9	lost anyway. One of them is still in the Senate,
10	David Valesky of Syracuse, and I-I-I-it's not a slam
11	dunk. You know what? Repeal of home-repeal or
12	Urstadt and restoration of Home Rule is not slam
13	dunk. I tell people all the time. I tell tenant
14	advocates all the time don't assume that just because
15	we can get Home Rule back if we ever can that we're
16	going to win in the City Council and the history is
17	against us. Because if Urstadt is repealed, 75% of
18	the money that now goes to politicians in Albany goes
19	to City Hall. They'll still have things they need in
20	Albany like 421-A and stuff like that, but they will-
21	they will be sending all of their campaign money to
22	you guys, and by the same token, having a Democratic
23	majority in the State Senate is not a slam dunk. And
24	I-I want to finish by saying that if you really think
25	about it, Andrew Cuomo did this to himself. He now

1	COMMITTEE ON HOUSING AND BUILDINGS 22
2	is in a position where he cannot get 32 votes for
3	anything that he says he wants to whether it's on
4	this issue or other progressive issues. The reason
5	for that is that despite his promises, repeated
6	promises to veto any partisan reapportionment plan in
7	2012, he in return for a dubious legislative package,
8	which included an anti-labor union pension bill
9	setting up a new lesser tier for new hires, he
10	allowed both houses to redraw their own lines, and
11	allowed the Senate Republicans to create hyper-
12	partisan gerrymandered lines that they have use to
13	stay in power. I'm sorry. I'm a little cynical.
14	I've been down this road too long, but it's not going
15	to be-it's not going to just happen. We're going to
16	have to hold our friends in the Senate if they are in
17	the majority, we're going to have to hold them
18	accountable, and we're going to have to make it clear
19	to our friends in the Assembly that it's not enough
20	to just pass one-house bills every year and say and
21	put out a press release. You've got to actually use
22	some leverage to force the other players to-to do
23	this. A long-winded answer, but thank you for letting
24	me get that off my chest.

1 COMMITTEE ON HOUSING AND BUILDINGS

2 CHAIRPERSON CORNEGY: Well, thank you.3 Council Member Rivera.

4 COUNCIL MEMBER RIVERA: Yes, thank you. 5 I've prepared a very, very short statement on my 6 bill. Of course, I want to thank you all for being 7 here. Thank you, Chair Cornegy and the members of the Committee, Mike, Kathy, Rebecca and Susan, thank 8 you for all of your work. After the resolution, I 9 probably won't be getting a lot of real estate checks 10 coming in once they-once they read it, but just know 11 12 that I'm always open to communication and working with all the stakeholders involved. So with rental 13 14 prices continuing to remain at sky high levels here 15 in our city, and with tenants often seeing rent 16 increase of hundreds of dollars or more. When their lease expires, it's clear that something has to 17 18 change. That something is rent stabilization. Rent stabilization is the great equalizer in our city's 19 20 fight against gentrification. Roughly, one million New Yorkers go about their day with the financial 21 2.2 security of knowing they won't be facing an egregious 23 rent hike at the end of their lease. Unfortunately, that's still leaves millions of New Yorkers in market 24 25 rate apartments who worry about losing that basic

1	COMMITTEE ON HOUSING AND BUILDINGS 24
2	human right, the right to a home. Excessive rent
3	hikes and no right to a lease-lease renewal leave so
4	many New Yorkers in this position where they don't
5	know what's going to happen, and these are middle-
6	class families who are struggling to make it. We
7	have the opportunity right now to do the right thing,
8	and still thrive economically. So, it's time for the
9	State to something bold, and I encourage all of my
10	fellow Council Members to support my resolution
11	calling on the State Legislature to pass and the
12	Governor to sign legislation that guarantees rent
13	stabilization protections to all apartments in New
14	York City. Thank you.
15	CHAIRPERSON CORNEGY: Thank you, Council
16	Member. Thank you so much for your testimony, and
17	for your work and advocacy around these very germane
18	issues to communities across the city. [background
19	comments] Oh, I'm sorry, I'm sorry, I'm sorry.
20	And likely
21	CHAIRPERSON CORNEGY: Council Member
22	Gjonaj, I apologize.
23	COUNCIL MEMBER GJONAJ: Thank you. I
24	agree with you, and first of all, Mike, you've
25	committed your life to fighting for tenants. It's a

1 COMMITTEE ON HOUSING AND BUILDINGS

2 very worthy and notable cause, and I truly commend you on it. I just want to question it. It's more 3 4 than Albany that's the blame for this, and we know that realtors, landlords will somehow figure out to 5 6 make money. So, if they can't make the money based 7 on rent increases, they'll cut services because they have to have a balance at the end of the day, and 8 hopefully it will be a profitable one for them. 9 10 Otherwise, they'll have to cut services further to make sure they have-they turn over a profit, and able 11 12 to meet their obligations. But one thing that never comes up in the discussions is the charges that are 13 14 placed on are passed through from the landlord to the 15 tenant. Real estate taxes and water and sewer rates 16 for New York City. Today water and sewer rates are more expensive than the fuel, average around \$1,200 17 18 per apartment per year. Real estate taxes are about \$3,000 per apartment, per year. That's \$400 a month 19 20 combined that a landlord pays back to the city in the form or real estate taxes and water and sewer. 21 So, 2.2 the city charges landlord, landlord passes onto 23 tenant. Tenant pays landlord, landlord pay city. Who's the culprit in your mind? 24

2 MICHAEL MCKEE: [off mic] I think you-[on 3 mic] I think you raised a very interesting point, and I agree with you about real property taxes and water 4 and sewer changes. I think the Water Board has been-5 this goes back 30 years 25 years at least, basically 6 7 instead of bonding to pay for enhancements to our water supply and protection of the watershed, the 8 Water Board-the City Water Board has loaded 9 everything into the rates-and that is why water and 10 sewer charges have skyrocketed. This is especially a 11 12 problem for HDFCs, low-income co-ops who are, you 13 know, basically by definition the tenants in-or the 14 shareholders in those buildings are low-income and 15 this-many of them are being slammed with this as are some small landlords, and as far as what--16 17 COUNCIL MEMBER GJONAJ: [interposing] But 18 you agree that might the charges get passed onto MICHAEL MCKEE: [interposing] Well, yes, 19 20 I'm getting--21 COUNCIL MEMBER GJONAJ: -- the tenant and 2.2 the tenant for that. 23 MICHAEL MCKEE: I'm getting to that. I′m getting to that, and as far as real property taxes 24 goes, it's clear to anyone who observes this system 25

1	COMMITTEE ON HOUSING AND BUILDINGS 27
2	that it's a very unfair system, and that apartment
3	buildings are over-assessed compared to single-family
4	homes, and I believe the reason for that is that most
5	tenants are not aware that when they write their
6	monthly rent check, 25% of that is going to the city
7	for real property taxes, and it's, therefore, easier
8	to pass it onto the tenants from the city's point of
9	view than it is to pass it onto homeowners. Whether
10	we'll ever see any kind of reform of our real
11	property tax system is a big question, and I have my
12	doubts even though people talk about it all the time.
13	I do want to point out to you, Council Member, that
14	according to Department of Finance data, which is
15	made available in the aggregate every year to the
16	City Rent Guidelines Board under Local Law 63, which
17	requires owners of income producing property
18	including rent stabilized buildings to report
19	annually their income and expenses to the Department
20	of Finance for purposes of real property assessments,
21	but they make these data available in the aggregate
22	to the Rent Guidelines Board, and they show that on
23	average landlords of rent stabilized properties in
24	New York City are netting 42 cents on the dollar.
25	Actually, it's 41.7% according to the report that was
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1	COMMITTEE ON HOUSING AND BUILDINGS 28
2	published in March. They report—they—they—they
3	publish this every year. Now, that's an average. It
4	means some landlords are netting more, and some
5	landlords are netting less, but it means basically
6	landlords are spending 58 cents of every dollar they
7	collect on all costs of running their building,
8	including everything. All the operation they
9	COUNCIL MEMBER GJONAJ: [interposing] I
10	mean does this take into consideration mortgage
11	loans?
12	MICHAEL MCKEE: Excuse me. I haven't
13	finished.
14	COUNCIL MEMBER GJONAJ: Sorry.
15	MICHAEL MCKEE:leaving 42 cents for
16	debt service and profit.
17	COUNCIL MEMBER GJONAJ: Uh-hm.
18	MICHAEL MCKEE: Now, that's in my view an
19	amazingly positive net, and while it is best a
20	surrogate for profit, you can't really tell if a
21	building is profitable unless you look at the
22	individual books for that building, which we don't
23	have the ability to do. But net operating income is
24	a very good surrogate for profit. It's the best
25	we've got, and it certainly paints a picture of a
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COMMITTEE ON HOUSING AND BUILDINGS 1 29 2 real estate industry that is doing-I'm sorry-pretty well. I-I beg you to tell me another industry that 3 4 even approaches a 42% net. COUNCIL MEMBER GJONAJ: I can't-I don't 5 6 know. I can't--7 MICHAEL MCKEE: [interposing] Supermarkets operate on 3 to 5% margin. 8 COUNCIL MEMBER GJONAJ: Mike, you're-9 you're extremely knowledgeable, and again I enjoyed 10 the conversation with you, but there's real points 11 12 here. Over the next five years, New York City is 13 projecting \$1 billion increase in real estate taxes. 14 A large portion of those increases on top of what is 15 currently being paid is going to be passed onto the 16 very group, the very families and individuals that we 17 claim to want to be helping to rent protections will 18 be paying an unfair share of real estate taxes that will be included in their rent and passed through the 19 20 landlord. 21 MICHAEL MCKEE: You are correct. 2.2 COUNCIL MEMBER GJONAJ: Year over year 23 billion dollar increases. Multiple-family buildings are and those are dwelling buildings are subsidizing 24 homeownerships, and other classes on real estate, the 25

1	COMMITTEE ON HOUSING AND BUILDINGS 30
2	Class 4s that we have, and not enough is being said
3	or done to pushback on the city. I want to add one
4	more thing: Would you be-and we all know that New
5	York City has become very unaffordable for many and
6	not even and including homeowners let alone renters
7	that live on a fixed income, and I wholehearted
8	agree. Would you consider a means test an income
9	test that would truly give the financial help to
10	those families similar to SCRIE and DRIE tenants that
11	earn under \$50,000 a year the most vulnerable of our
12	New York City residents, affording them the same
13	rights that SCRIE and DRIE tenants currently benefit
14	from where it's a rent cap and no future rent
15	increase will be passed onto the tenant, and the city
16	would subsidize the landlord through a real estate
17	tax credit. Would you be supportive of something
18	like that?
19	MICHAEL MCKEE: No, I would not agree to
20	that.
21	COUNCIL MEMBER GJONAJ: Tell me why.
22	MICHAEL MCKEE: It's a ridiculous idea.
23	First of all, the city couldn't afford it. It would
24	cost a fortune. SCRIE and DRIE already cost a lot,
25	and that's with-even with many people who are
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1	COMMITTEE ON HOUSING AND BUILDINGS 31
2	eligible not applying for it, which is a big problem
3	with SCRIE and DRIE, but what this really is, this
4	was-this was a proposal that was originally floated
5	by Pedro Espada when he was the Chair of the Senate
6	Housing Committee, and which was drafted by the real
7	estate industry and it's basically a trap to say that
8	well, we'll take care of the low-income people and
9	the people who really deserve and-and need the
10	protections for rent regulations. Once you enacted
11	something like that, then you would have a rationale
12	for just ending that regulation, rent protections for
13	all-all the other tenants. I believe that all
14	tenants deserve and need rent and eviction
15	protections. Rent regulation is not an affordability
16	program, and the proof of that is that rent regulated
17	rents are not affordable in many, many cases. In
18	many cases people are struggling to pay the rent
19	stabilized rent. I know through-I have three friends
20	who in the last eight or nine years have moved out of
21	New York City and given up their rent stabilized
22	apartments. One of them moved to New Jersey and one
23	of them moved to North Carolina, and one of them
24	moved to Texas because they could no longer afford to
25	pay the rent stabilized rent. And so, this is not an

1	COMMITTEE ON HOUSING AND BUILDINGS 32
2	affordable program. You cannot guarantee
3	affordability through rent regulation. What it is,
4	is a program to level the playing field, and to
5	create a better balance between the power of
6	landlords and the power of renters including people
7	going out into the market and looking for apartments,
8	and now you can't possibly find a rent stabilized
9	apartment. You can only find a market rate
10	apartment, which is wrong, and we get vacancy
11	decontrol repealed and if we are able to reregulate
12	the units that have been lost, we have to recognize
13	that a huge amount of damage has been done to
14	affordability, and you can't take all of that back.
15	You can't recapture it all. So, if we do succeed in
16	repealing vacancy deregulation, and reregulating the
17	units that have been lost, we're going to have much
18	higher regulated rents than we used to have, and that
19	is a shame, but it's the reality. So, I would not
20	agree with that-that proposal. I think it's a bad
21	proposal. I think it is-it is-it is a real estate
22	proposal disguised as a pro-tenant proposal, and I
23	oppose it.
24	COUNCIL MEMBER GJONAJ: I thank you for
25	that, and I'd like to continue this with you, but

1	COMMITTEE ON HOUSING AND BUILDINGS 33
2	thousands of seniors and disabled are benefitting
3	from those programs, and I think any help to those
4	that are most vulnerable that could be homeless on a
5	whim because they can't afford their rent or
6	increases regardless of how low or high they are by
7	RGB on a yearly basis. That's the-those are the
8	families that government should seek to protect while
9	offering the same protections to New Yorkers to rent
10	stabilized apartments, but that is a very vulnerable
11	population, and any aid I would imagine should be
12	supported by all that understand that those families
13	are truly facing the most-the most economic
14	challenges because of the income that they have.
15	MICHAEL MCKEE: Have you costed this out,
16	Council Member?
17	COUNCIL MEMBER GJONAJ: I have.
18	MICHAEL MCKEE: Well, I hope you aren't
19	using Pedro Espada's cost estimates because they
20	were
21	COUNCIL MEMBER GJONAJ: [interposing] Uh-
22	hm.
23	MICHAEL MCKEE:utter nonsense.
24	COUNCIL MEMBER GJONAJ: He had the
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1 COMMITTEE ON HOUSING AND BUILDINGS

MICHAEL MCKEE: [interposing] He claimedhe claimed in 2010 that it would cost I believe \$10 million after five years when, in fact, the Community Service Society did an analysis of this and said it would cost \$5 billion a year in lost city revenue after five years.

8 COUNCIL MEMBER GJONAJ: How much a year? MICHAEL MCKEE: \$5 billion. 9 That was an 10 estimate at the time made by the Community Service Society, a very prominent non-profit organization. 11 Ι 12 think we certainly do need to do more to protect people from high rents, and I think the solution to 13 14 that is stronger rent protections and rent rollback. 15 Okay. Does the Rent Guidelines Board have the power 16 to enact a rent rollback? They sure do. Are they 17 like to do it? Don't hold your breath, but they 18 could do it. 19 COUNCIL MEMBER GJONAJ: Alright, thank 20 you for your time. Thank you to the panel. 21 MICHAEL MCKEE: Thank you.

CHAIRPERSON CORNEGY: So, it's a point with me Mr. McKee. I-I got caught up in listening to your wealth of knowledge and forgot I had a hearing to chair. [laughter] So, but-but I do want to thank

1 COMMITTEE ON HOUSING AND BUILDINGS 35 2 you, and—and honestly this could go on for a while, 3 and it's not just interesting banter. We are trying 4 to make some resolutions for the tenants. So, having 5 that wealth of information is not wasted on this 6 committee or myself.

7 MICHAEL MCKEE: Thank you, and we hope that all of you will get involved in the fight 8 between now and next June to close these loopholes, 9 and stop the erosion of affordable housing because 10 that's what's at stake here, and I would remind you 11 12 of the suggestion that each of you could organize town halls in your districts for the purpose of 13 14 activating and mobilizing grassroots tenants, too, 15 because without that kind of grassroots pressure, we 16 can't win, and Corey understands that, and I think most of you understand that. 17 18 CHAIRPERSON CORNEGY: Thank you again for your testimony. I'm going to call the next panel. 19 20 COUNCIL MEMBER ROSENTHAL: [off mic] I do have a comment. (sic) 21 2.2 CHAIRPERSON CORNEGY: Oh. Helen

23 Rosenthal, [laughter] again.

COUNCIL MEMBER ROSENTHAL: My comments--

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1 COMMITTEE ON HOUSING AND BUILDINGS 36 2 MICHAEL MCKEE: [interposing] Surely, you want to ask a question of somebody else on the panel. 3 COUNCIL MEMBER ROSENTHAL: Well, I mean I 4 5 just need to be clear about what's happened on the 6 Upper West Side as an explanation of why I support 7 these resolutions. You know, exactly the story about your couple of friends who are leaving, I mean I 8 have-people in my-many people in my district the only 9 reason that we have middle-income, what we can call 10 middle-income people on the Upper West Side is 11 12 because of rent regulation, and if we lost those units, then the Upper West Side becomes an area where 13 14 you have the very rich and the very poor. And any 15 macro-economic-economist would tell you that a-our-16 our country can't survive on that-that-can't continue 17 on that situation where you have the very rich and 18 the very poor, and we need the middle class in orderand-and opportunities to pull up lower income people 19 20 to the middle-class in order for our country to survive. So, I would caution anyone from making sort 21 2.2 of bad public policy decisions based on a couple of 23 bad apples who are truly outliers who perhaps played the system. If we're going to be making policy based 24 25 on those people, we're going to be in a lot of

1	COMMITTEE ON HOUSING AND BUILDINGS 37
2	trouble. And lastly, in terms of property taxes, you
3	know, I do think that property taxes unfairly as it's
4	structured now, the algorithm unfairly taxes condo
5	and co-op-under-taxes condo and co-op owners and
6	over-taxes single-family homes. And, I would ask my
7	colleagues that when we're talking about property tax
8	reform, which the Mayor has promised to do, that they
9	are willing to have an open mind about possibly
10	increasing taxes on single-family homes because
11	inevitably that will be one of the outcomes of true
12	property tax reform. Although, I would argue that
13	with assessment values going up, which is what's
14	causing everyone's taxes to go up, not because the
15	city is increasing the percent on property taxes, but
16	simply because assessments are going up. We need to
17	recognize, though what the landlords are doing is
18	simply taking advantage of the markets, and on one
19	hand we have to appreciate that's what they're doing.
20	We live in a capitalist country. On the other hand
21	we are a social society that believes that everyone
22	needs to have a home, be able to go to public school,
23	have shelter, and rent regulation is the system that
24	we have. So, our only option is to undo Urstadt
25	[bell] bring all this back to the city where it
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1	COMMITTEE ON HOUSING AND BUILDINGS 38
2	belongs, and allow New York City to make the choices
3	that it wants to do, which we know is to protect our
4	rent regulated tenants. So, I just want to thank you
5	for your testimony and for your fact-based testimony
6	because they incentive, the financial incentive on
7	behalf of the building owners that revenue rent
8	represents is strong, and you are right. They are
9	using their-their money for the-you know, to
10	influence the financial gains of who they represent,
11	and that's problematic if most of the people are not
12	being fairly represented. So, thank you very much.
13	MICHAEL MCKEE: I just want to respond to
14	one point you made, which is about one, two and
15	three-family homes being undertaxed. That's
16	generally true, but I think you have to recognize
17	there are low-income homeowners and you can always
18	incorporate something like a circuit breaker into the
19	system so that base on income people can get a break
20	because there are indeed many low-income homeowners
21	in the city. Not all homeowners are affluent
22	although most of them are.
23	COUNCIL MEMBER ROSENTHAL: Well, I'm-I
24	guess I was thinking about my district, but you're
25	right
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1 COMMITTEE ON HOUSING AND BUILDINGS 39 2 MICHAEL MCKEE: [interposing] Yeah, yeah. COUNCIL MEMBER ROSENTHAL: --citywide, 3 and I hope that when we do property tax reform we are 4 not-our hands are not tied by REBNY in order to 5 6 change the algorithm altogether. 7 MICHAEL MCKEE: I think you need to talk to the other end of City Hall about that. 8 COUNCIL MEMBER ROSENTHAL: 9 Thank you. CHAIRPERSON CORNEGY: Just for the 10 record, I represent one of the districts that the 11 12 homeowners there are actually house rich and cash poor. So, with estimated values of \$2.5 million and 13 14 people living on fixed incomes that we are the 15 epitome of-of that. There's an old saying, You can't 16 beat equity. So, the appreciation of the value of a 17 house just doesn't do people any good if they don't 18 have an adequate income. CHAIRPERSON CORNEGY: I think this is-oh, 19 20 I just want to acknowledge we've been joined by Council Member Chin. Council Member, do you have a 21 2.2 question? Thank you so much for your testimony, and 23 what seemed like a grilling, but it wasn't, Mike. I'll call the next panel. Ellen Davidson, Delsenia 24 25 Glover and Jenny Laurie. [background comments,

1 COMMITTEE ON HOUSING AND BUILDINGS 40 2 pause] Thank you. [pause] You can begin whenever 3 you're settled. [background comments, pause] DELSENIA GLOVER: [off mic] Good morning. 4 5 I thank you, Mr. Chair for the opportunity to 6 testify. 7 MALE SPEAKER: Turn on the mic. DELSENIA GLOVER: Oh. [on mic] Good 8 morning and thank you, Mr. Chairman for the 9 opportunity to testify here today. My name is 10 Delsenia Glover, and I am Director of Education and 11 12 Organizing at Tenants and Neighbors. In this 13 capacity I also serve as the Campaign Manager for the 14 Alliance for Tenant Power, a coalition of 15 organizations working to strengthen the Rent Laws for 16 rent regulated tenants. 17 CHAIRPERSON CORNEGY: Thank you. 18 DELSENIA GLOVER: I am here today to testify in support of the list of bills being voted 19 20 on today, regarding preferential rents revealing vacancy deregulation, rent control relief, vacancy 21 bonus and the number of bills to extend that 2.2 23 regulation to unregulated apartments and extend the statute of limitations for rent overcharges. Just a 24 word about my organization. Tenants and Neighbors is 25

1 COMMITTEE ON HOUSING AND BUILDINGS 41 2 comprised of two or three organizations. The information service and the coalition that share a 3 common mission to build a powerful and unified 4 5 statewide organization that empowers and educates 6 tenants, preserves affordable housing, livable 7 neighborhoods in diverse communities, and strengthens tenant protections. The Information Service 8 organizes tenants in at-risk regulated and subsidized 9 buildings helping them to preserve their homes as 10 affordable housing. The coalition is a 501(c)(4) 11 12 membership organization that does legislative 13 organizing to address the underlying causes of loss 14 of affordability. Our membership organization has 15 over 3,000 dues paying members, thousands of tenants who are and will continue to be affected by what 16 17 happens wit the Rent Laws, this legislative session 18 and next year when the Rent Laws come up for renewal. Rent regulation, as you know, is the largest system 19 20 of affordable housing in New Yorkers for low and moderate income tenants, and is largely concentrated 21 2.2 in historic communities of color that are now rapidly 23 gentrifying. Tenants and Neighbors has been 24 organizing and working with tenants and tenant associations in rent regulated buildings for many 25

1	COMMITTEE ON HOUSING AND BUILDINGS 42
2	years. We have seen the loss of tens of thousands of
3	rent regulated units due to these loopholes in the
4	law, and the devastating effects that that loss has
5	had on our communities. We have also seen tenants
6	living in rent regulated units who are increasingly
7	unable to afford to pay the rent, and many are paying
8	more than 50% of their income in rent including the
9	elderly. This highlighting of these pieces of
10	legislation by the Housing and Buildings Committee
11	and the City Council is particularly significant
12	right now as we approach one year out from the Rent
13	Law Renewal of 2019. We in the movement for housing
14	justice are very pleased to have the support of the
15	City Council and we'll look forward to your support
16	as we move into next year. Thank you again for the
17	opportunity to testify today.
18	JENNY LAURIE: Thank you. Hi. My name
19	is Jenny Laurie. I'm the Executive Director of
20	Housing Court Answers. Housing Court Answers staff
21	information tables in the New York City five county
22	Housing Courts, and we run a hotline for tenants
23	facing eviction because they owe back rent, and we do
24	trainings for advocates eviction prevention programs
25	and on a variety of housing topics. Every year about

1	COMMITTEE ON HOUSING AND BUILDINGS 43
2	200,000 tenants in New York City are sued for non-
3	payment of rent, and get hauled into Housing Courts,
4	and the one piece of legislation that I'd like to
5	focus on today is the, or the two pieces really is
6	real of vacancy decontrol and closing the
7	preferential rent loophole, and I very much want to
8	thank this committee, Council Member Cornegy, and
9	Speaker Corey Johnson for your great leadership no
10	making-strengthening the Rent Laws a real prominent
11	piece of your agenda for low-income tenants or for
12	tenants in the-in the coming years. I think it's
13	vitally important for preventing evictions, and
14	that's what my organization is all about. These days
15	is seems like half of the tenants who come to our
16	table in the Bronx have preferential rents. They
17	don't always know what it means, and they don't
18	always know whether it's legal or what it is, but
19	they understand that they have something that really
20	blocks them from asserting their rights, and blocks
21	them from housing-from feeling stable in their
22	housing. Yesterday, I was filling in on hotline
23	because we had a couple people out sick, and I-a
24	woman called and she needed money for back rent, and
25	I asker her, as we always do, are you rent
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1	COMMITTEE ON HOUSING AND BUILDINGS 44
2	stabilized? And she said, no, I have a rent that is
3	pre-rental, and I said pre-rental, do you mean
4	preferential? And she said, yes, that's it, and I
5	said but you're-you don't think you're rent
6	stabilized? She said, no I'm not. I have a
7	preferential rent, and-and it's true, right? So,
8	she's not-she is rent stabilized. Technically, that
9	apartment is, but if the landlord decides, which the
10	landlord might very well since she's been behind on
11	the rent, not to renew the preferential rent, she's
12	facing a rent increase. What she thought she was
13	facing is a rent increase of \$300 a month. Who knows
14	whether that was legal or not. I couldn't tell over
15	the phone, but she's absolutely right. She's not
16	rent stabilized. She's the equivalent of a market
17	rate tenant. A recent Community Service Society
18	Report found that-reveled that in 2017, half of poor
19	renters reported being unable to afford a \$25 monthly
20	increase in rent and that near poor and moderate
21	income households were just as bad off. For near
22	poor it was 47% and for moderate income it was 40% of
23	people who said they couldn't afford a \$25 increase.
24	We know from the Housing and Vacant Survey that city
25	tenants, rent regulated tenants have very high rent
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1	COMMITTEE ON HOUSING AND BUILDINGS 45
2	burdens with one-third of tenants paying over 50% of
3	their incomes in rent, and we know that about a third
4	of the city rent regulated apartments or we guess
5	that a third of the rent-city rent regulated
6	apartments have a preferential rent. So, those three
7	things combined are creating a really impending
8	disaster for tenants who really were facing a huge
9	eviction crisis as prices increase in neighborhoods
10	particularly low-income neighborhoods across the
11	city. So, I would urge the Council to support
12	closing the preferential rent loophole and, of
13	course, all the other resolutions that are before you
14	today. Thank you very much.
15	ELLEN DAVIDSON: Good morning. My name
16	is Ellen Davidson. I'm a Staff Attorney at the Legal
17	Aid Society, and I'm coming here in support of the
18	resolutions that are before this committee today. I
19	feel like I've been here for years testifying about
20	the housing crisis in New York City. I feel like the
21	first time—I think the first time I testified about
22	the housing crisis in New York City, Council Member
23	Perkins was Council Member Perkins. [laughter]
24	COUNCIL MEMBER PERKINS: [off mic] That
25	was a 100 years ago. [laughter]

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2 ELLEN DAVIDSON: Welcome back and, you know, back then I thought it was back, and it is 3 astounding to me that in all that time things have 4 5 only gotten worse. I mean I think I used apoplectic terms back then, and-and I-and I-I'm using apoplectic 6 7 terms now. It's just hard to imagine how things could get worse. A recent report from the Coalition 8 for the Homeless looked at apartments that were 9 10 affordable to people who were low-income, and looked at the mismatch between how many people have in New 11 12 York City who are low-income and how many apartments that are affordable to those people who are low-13 income, and we found that in 1999 there were over a 14 15 million households in-that live in New York City who 16 needed apartments that rented for under \$800, and at 17 the time, there were 1.3 million apartments in New 18 York City that rented for under \$800. Today, as the economy has changed, we now have about 867,000 19 20 households who need apartments that rent for under 3rent for under \$800 in order for those apartments to 21 2.2 be affordable, and according to the HVS, there are 23 now 349,862 apartments available for these low-income New Yorkers. So, we lost a million apartments in New 24 York City that rented for under \$800 in a little less 25

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2 than 20 years, and that's why we have a housing crisis, and so, from our perspective at the Legal Aid 3 Society an immense amount of our clients live in rent 4 regulated houses-housing and the-and the loopholes in 5 the laws have made their lives miserable. Beyond the 6 7 harassment-extreme harassment they face where landlords do such things as come into their apartment 8 building-apartments and use sledge hammer to get rid 9 of t heir kitchens and bathrooms in order to force 10 them out or get rid of staircases in order to force 11 12 them out, or the much more ordinary experience that our clients have, which is they don't have heat and 13 hot water during the winter, and the landlords are 14 15 hoping that they will pick up and get tired and 16 leave. The other, which is, you know, a huge problem and where do they go? They HVS found that the median 17 18 asks for rent is now \$1,875. The other problem that we're seeing with preferential rent is we now go into 19 20 buildings with horrific conditions. Because as lawyers one of the things we do is we work with 21 2.2 tenants to do group HPs so a group the tenants can go 23 and ask the court to order the judge to correct Housing Code Violations, and we go into buildings and 24 huge majorities of the tenants in those buildings are 25

1	COMMITTEE ON HOUSING AND BUILDINGS 48
2	afraid to ask their landlords to follow the law. We-
3	clients—we cannot get clients to agree to participate
4	in a group HP because they have preferential rents,
5	and they know that if they assert their rights, their
6	right to a renewal lease is gone, and so their choice
7	is to have a home, you know, a roof over their heads,
8	that might be leaking, but a roof over their heads or
9	stand up in court and say tot the judge I just want
10	my landlord to follow the law. So, all of the
11	loopholes have been created in the Rent Laws have
12	made life miserable for New York City tenants, and I
13	want to thank the New York City Council, this
14	committee, Chair Cornegy for holding this hearing,
15	for passing these resolutions for fighting for New
16	York City tenants and I hope I'll see you all in
17	Albany over the next what? Thirteen months because
18	that's where I'll be. Anyway, thank you so much.
19	CHAIRPERSON CORNEGY: Thank you all so
20	much for your testi-your testimonies and for the hard
21	work you do on behalf of people who so much need your
22	advocacy. Thank you. [background comments] So,
23	we're going to at this point ask Billy Martin to call
24	the roll. [background comments, pause]
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1 COMMITTEE ON HOUSING AND BUILDINGS 49 2 CLERK: William Martin, Committee Clerk, 3 roll call vote Committee on Housing and Buildings. All items are coupled. Chair Cornegy. 4 5 CHAIRPERSON CORNEGY: I vote aye. CLERK: Cabrera. Chin. 6 7 COUNCIL MEMBER CHIN: I vote aye on all, and can you please add my name to the Resos as a co-8 9 sponsor? Thank you. 10 CLERK: Rosenthal. 11 COUNCIL MEMBER ROSENTHAL: I vote ave on 12 all, and ask that you add my name to all of these 13 resolutions as co-sponsor. Than you. 14 CLERK: Torres. 15 COUNCIL MEMBER TORRES: Aye on all and 16 please do the same for me, add my name to the 17 resolutions. 18 CLERK: Grodenchik. COUNCIL MEMBER GRODENCHIK: Aye on all 19 20 except 1932, 1935, and 1937. 21 CLERK: Perkins. 2.2 COUNCIL MEMBER PERKINS: I vote aye on 23 all Preconsidered Resolutions, and I would like my name to be added as a supporter, as a sponsor, and 24 25 it's good to be back. [pause]

1 COMMITTEE ON HOUSING AND BUILDINGS 50 2 CLERK: Rivera. 3 COUNCIL MEMBER RIVERA: I vote aye on 4 all. Please add my name to all resolutions as a co-5 sponsor. CHAIRPERSON CORNEGY: We're going to keep 6 7 the roll open for the next 15 minutes. [background 8 comments] 9 CLERK: All items on today's agenda have 10 been adopted by the committee by a vote of 7 in 11 affirmative, zero in the negative and no abstentions 12 with the exceptions of Preconsidered Land Use Items 13 T#s 1932. 35 and 37 are adopted by the Committee 6 in the affirmative, 1 in the negative and no 14 15 abstentions. [pause] Continuation roll call the Committee on 16 17 Housing and Buildings, Council Member Cabrera. 18 COUNCIL MEMBER CABRERA: Aye on all. [pause] 19 20 CLERK: Continuation roll call the 21 Committee on Housing and Buildings. Council Member 2.2 Espinal. 23 COUNCIL MEMBER ESPINAL: With many thanks 24 to the Chair, I vote aye. [laughter, background 25 comments, pause]

1	COMMITTEE ON HOUSING AND BUILDINGS 51
2	CLERK: Continuation-continuation roll
3	call, the Committee on Housing and Buildings, Council
4	Member Gjonaj.
5	COUNCIL MEMBER GJONAJ: 1930 I'm up, 1931
6	I'm down, 1933 I'm up, 1934 I'm down, 1932 I'm down,
7	1935 I'm down, 1936, I'm up, and 1937 I'm down.
8	[background comments, pause]
9	CLERK: The final vote Committee on
10	Housing and Buildings were Preconsidered Resolutions
11	T# 1930 and 1936 are adopted by a vote of 11 in the
12	affirmative, zero in the negative and no abstentions,
13	also 1933.
14	Preconsidered Resolutions T# 1931 is
15	adopted by a vote of 10 in the affirmative and 1 in
16	the negative and no abstentions.
17	Preconsidered T# 1934 is adopted by a
18	vote of 10 in the affirmative, 1 negative and no
19	abstentions.
20	Preconsidered T# 1932, 1935 and 1937 are
21	adopted by a vote of 9 in the affirmative, 2 in the
22	negative and no abstentions. All items are adopted.
23	CHAIRPERSON CORNEGY: Housing and
24	Buildings is now adjourned. [gavel]
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1	COMMITTEE ON HOUSING AND BUILDINGS 52
2	CLERK: Revised committee vote is as
3	follows:
4	Preconsidered Resolutions T# 1930, 1933
5	and 1936 are adopted 10 in the affirmative, zero in
6	the negative and no abstentions.
7	Preconsidered Resolutions T# 1931 and
8	1934 are adopted 9 in the affirmative, 1 in the
9	negative and no abstentions and
10	Preconsidered Resolutions T# 1932, 1935
11	and 1937 are adopted 8 in the affirmative, 2 in the
12	negative and no abstentions.
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CERTIFICATE

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



Date May 30, 2018