



**TESTIMONY BEFORE THE NEW YORK CITY COUNCIL
NEW YORK CITY DEPARTMENT OF BUILDINGS
MELANIE E. LA ROCCA, COMMISSIONER
JANUARY 19, 2021**

Good afternoon Chair Cornegy and members of the Committee on Housing and Buildings. I am Melanie E. La Rocca, Commissioner of the New York City Department of Buildings (“the Department”).

I am pleased to be here to discuss Intro. 2044, a bill that would provide much needed relief to New York City’s small businesses. Now, more than ever, we need to support our small businesses and this bill does just that by extending a moratorium on the issuance of violations for business signs established by Local Law 28 of 2019 (“Local Law 28”). We proudly support this commonsense legislation and look forward to working with this Committee to make it easier, and more affordable, for businesses to bring their signs into compliance with applicable regulations.

Business signs must comply with requirements in both the New York City Building Code (“Building Code”) and the New York City Zoning Resolution (“Zoning Resolution”). The regulations in the Building Code address permitting and structural issues, and the regulations in the Zoning Resolution address issues including permissible surface area, projection and height. Collectively, these regulations exist to protect the public from dangerous or illegally installed signs, and to reduce visual clutter.

We have taken the existing moratorium as an opportunity to focus on educating businesses about sign regulations. We have sent letters to businesses who have received violations from the Department for illegally installed signs in the past, accompanied by information about sign regulations and Local Law 28. Our Community Engagement Unit has also visited businesses door-to-door in every borough to share this information in multiple languages. While educating

businesses about existing regulations is critical, we believe more can be done to support businesses. Last summer, for the first time, we launched an annual no-penalty sign inspection program, which allowed businesses to request an inspection from the Department to determine if their sign complies with applicable regulations by calling 311. This type of compliance inspection helps businesses avoid unnecessary violations and penalties.

Local Law 28 also established a 17-member Task Force, which included stakeholders representing the New York City Department of Small Business Services, the New York City Department of City Planning, community organizations, small business owners, and business advocates. The Task Force evaluated existing sign regulations and the issues businesses face in complying with such regulations. The Task Force issued a report last month, which includes recommendations to further support business owners. Recommendations include:

- streamlining the sign permit application process;
- updating sign resources available through the Department's website;
- issuing warnings, instead of violations, when the Department finds signs that are not in compliance with applicable regulations to provide businesses with time to bring their signs into compliance; and
- assigning sign application liaisons in each of the Department's borough offices.

We are working diligently to implement these recommendations.

We look forward to working with this Committee to implement the Task Force recommendations that require changes to the law, which include expanding the universe of individuals who may install business signs and extending the current moratorium to provide businesses with more time to bring their signs into compliance. The Department has heard from businesses that the current pool of Licensed Sign Hangers who may install business signs is limited, which adds time to the sign installation process and increases costs associated with installing a sign. Therefore, the Department agrees with this recommendation. The Department also agrees with extending the current moratorium, which expires next month, to provide businesses with additional relief.

Thank you for the opportunity to testify before you today. I welcome any questions you may have.

Testimony of the
New York City Department of Housing Preservation and Development
to the New York City Committee on Housing and Buildings regarding
Introductions 118 and 1977
Tuesday, January 19, 2021

Good afternoon, Chair Cornegy and members of the New York City Council Committee on Housing and Buildings. My name is Kim Darga, and I am the Associate Commissioner of Preservation with the New York City Department of Housing Preservation and Development (HPD). Thank you for the opportunity to testify on this important and timely conversation on Community Land Trusts, Land Banks and Introductions 118 and 1977.

As the City works to rebuild from the COVID-19 crisis, affordable housing has never been more important to ensure the health and stability of New Yorkers and their communities. Finding and keeping safe, affordable housing is one of the biggest concerns that New Yorkers face, and COVID-19 has only made that need more urgent. Even in this time of hardship, the City has continued advancing its robust pipeline of affordable housing that we know will be critical to stabilizing New Yorkers and their communities. At the height of the crisis, the City continued to advance the Administration's ambitious housing plan, with a sharpened focus on the most vulnerable New Yorkers and on achieving greater racial equity and inclusion. With the restoration of capital in the Preliminary Plan, we remain on track to continue producing record-breaking numbers of affordable housing this fiscal year, and that is in no small part thanks to the leadership of Chairman Cornegy and all of you here today. We very much look forward to working with the Council to ensure we have the tools we need to protect New Yorkers, who continue to face significant instability, and to support an equitable recovery.

HPD is deeply committed to supporting nonprofits, community based organizations and mission-driven organizations in acquiring, developing, and stabilizing properties to protect tenants and ensure the long-term provision of affordable housing. The agency works to do this in numerous ways. First, as HPD aggressively works to develop its remaining public sites that are suitable for residential use, we have introduced several critical reforms to give greater weight to proposals that involve nonprofit developers. We are also very focused on increasing opportunities for M/WBE developers who often have deep ties to the communities we serve but remain underrepresented in the industry. Through our efforts to increase participation by MWBE and non-profit developers, roughly 80% of projects on City-owned sites designated under this administration include an M/WBE or non-profit. But that doesn't necessarily translate into a meaningful financial or ownership stake, which is why, this November, the city announced a new requirement that an M/WBE or non-profit partner must hold, at minimum, a 25 percent

ownership stake as well as a 25 percent financial interest in any affordable housing project on public land awarded through HPD.

At the same time, the Agency has a broad range of tools and programs to support mission-driven buyers looking to acquire private sites to create and preserve even more affordable housing. One of the key tools is the New York City Acquisition Fund (NYCAF), a partnership with Enterprise, the Local Initiatives Support Corporation (LISC), and a coalition of public, private and philanthropic partners that has generated 13,700 newly constructed or preserved affordable homes since its launch in 2006. This \$210 million public-private affordable housing loan fund offers flexible bridge loans to affordable housing developers to acquire vacant sites and occupied buildings and finance predevelopment work, allowing owners to hold the property for a period of time, but with a clear path to affordability. Nonprofits and M/WBE purchasers are eligible for lower interest rates and otherwise better loan terms from the NYCAF. The affordable housing needs in our city are sufficiently great that we need a deep and wide bench of organizations engaged in this important work.

And through Housing New York 2.0, we launched the Neighborhood Pillars program to help preservation purchasers, particularly nonprofit entities, at each stage of the process of acquiring and rehabilitating existing rent-stabilized and unregulated buildings to stabilize buildings, protect current tenants and preserve affordability in neighborhoods across the city. To date we've acquired 429 homes through Pillars and we've closed on financing for 370 of those homes so far. We see this, along with other preservation programs, as a potential tool in the economic recovery ahead.

We are always looking at new ways to expand and preserve affordable housing opportunities and bring new partners to the table to accomplish these goals, which is why we have been working to expand and strengthen CLTs across the city.

Over the last several years, HPD has supported CLTs through capacity building as well as through financing assistance for CLT projects. In 2017, HPD released the CLT Request for Expressions of Interest (RFEI) to learn what ideas local organizations had about how CLTs could be effective in New York City and to identify qualified groups to form new CLTs.

While the RFEI was pending, the City applied to and won a grant from Enterprise Community Partners, a national non-profit with strong roots in New York City, to fund the growth of three existing CLT groups and to create a Learning Exchange to build capacity among new CLT groups. The Learning Exchange drew upon the expertise of the New York City Community Land Initiative and the New Economy Project to support nine additional community-based organizations interested in forming CLTs. The grant helped to fund operations and start-up support while the CLTs work to identify sites for acquisition. HPD is also now administering additional financial support from the City Council to assist these CLT groups as they continue to establish themselves.

All of this work culminated in HPD and the CLT movement achieving several major milestones in 2020. In March, HPD provided rehabilitation financing and a new Article XI tax exemption to enable the ongoing affordability and operations of Cooper Square's CLT cooperative, the only successfully operating CLT in NYC before this year. HPD's assistance will help ensure the long-term affordability of over 300 units of housing in Manhattan's East Village neighborhood.

In November, the East Harlem/El Barrio CLT became the city's newest CLT when HPD conveyed 4 buildings to the organization and provided much-needed rehabilitation financing. The buildings comprise 36 units of housing that will be operated as an affordable mutual housing association rental project, providing a template for the creation of new CLT projects that HPD can now refine.

Also this past fall, the Interboro CLT acquired its first site and is poised to acquire several more in the coming months. Interboro is a coalition of nonprofit affordable housing groups working to establish a city-wide CLT, focusing initially on neighborhoods in eastern Brooklyn, the South Bronx, and southeast Queens. In addition to the private sites Interboro is pursuing, it is also working with HPD on the predevelopment of several affordable housing projects on city-owned land.

A number of additional CLT organizations also continue making strides as they work to incorporate, establish governance structures, acquire land or buildings, and secure development financing. Many of these groups were incubated through the Learning Exchange and are currently supported by the New York City Community Land Initiative (NYCCLI), a coalition of CLTs and advocates, as well as HPD's new Director of CLT Initiatives, who the agency hired in September.

We hope to draw upon all of this progress within the CLT community as we seek to further partner with CLTs on the development of city-owned land. In December of 2020, we released The Stapleton Site A Request for Proposals for a large city-owned site on the North Shore of Staten Island. This is HPD's first RFP to include a preference for proposals that incorporate a CLT model. The agency is excited to begin reviewing responses to this RFP in March. Additionally, HPD is working on issuing a Request for Expressions of Interest (RFEI) for groups to establish the presence of a CLT in Edgemere, Queens. It is our goal to eventually convey city-owned land in Edgemere to this CLT for the purpose of creating climate-resilient affordable housing and open space, in accordance with HPD's *Resilient Edgemere Community Plan*.

As we continue to further the use of the CLT model of providing affordable housing, it is important to highlight that partnering with CLTs is just one method of many that we use to ensure long-term affordability. The City also has many regulatory and financing mechanisms to accomplish the same long-term affordability goals as we partner with other kinds of nonprofits and affordable housing developers, and CLTs will rely on the same public subsidies as other forms of housing to serve New Yorkers in need of affordable places to live. We look forward to

continuing to work to expand the capacity of CLTs to become active partners in creating and preserving affordable housing.

Int. 118-A would establish a land bank for New York City, which would be tasked with acquiring, warehousing and transferring real property to develop, rehabilitate and preserve affordable housing among other uses. While we are always open to exploring ways to expand availability for land and buildings for affordable housing, we have some concerns that a new entity would likely share many of the same challenges that we currently face. It may also layer additional time and complexity on to the process of land disposition, as well as add the cost and responsibility of long-term property management. The City is fortunate to have infrastructure in place already, unlike a lot of other cities where a land bank model works to fill in that gap. There is also a concern that this model, which assumes government participation, could distort the market and possibly drive up the cost of acquisition, undermining the intended goals of greater affordability and efficiency.

Int. 1977 would give qualified entities a first opportunity to submit an offer to purchase certain residential buildings when offered for sale. If appropriately targeted and well-tailored for our housing market, we think a COPA could be an effective mechanism for stabilizing buildings with responsible mission-driven owners and a good complement to the City's other tools and programs, such as Neighborhood Pillars. The critical issue remains funding sources, which are especially constrained in the current fiscal environment. We would be interested, however, in working together to properly define the universe of buildings for which COPA would be most productive and effective. There is a concern that any measure that slows down the sales process may distort the market, and advantage ownership by entities most able to hold property for longer period of time, which would be counter towards our goals. We also want to be careful to learn from the experiences of other cities including Washington, D.C. and San Francisco. We absolutely share the goal of doing more to support mission driven organizations – non-profits and MWBES -- in shoring up the affordability of our communities and we look forward to working with the Council on finding cost-effective acquisition strategies and other ideas that we are hearing from our advocate partners further in the weeks and months to come.

Thank you for the opportunity to testify here today and I look forward to your questions.

The Real Estate Board of New York to The Committee on Housing and Buildings of the New York City Council Concerning Oversight of Land Banks and Land Trusts, Intros 118, 1977, and 2044

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY thanks the Committee on Housing and Buildings for the opportunity to provide feedback at today's hearing. REBNY appreciates and supports the use of land banks and community land trusts as stabilization tools, such as the successful use of land banks in Kingston and Albany to deal with swaths of vacant properties that were foreclosed on during the last recession with the help of public-private partnerships. It is for this reason that REBNY opposes both Intro 118 and Intro 1977. Both bills prohibit public-private partnerships as a preference category for the former and the expulsion of private developers as qualified entities in the latter – both bills will result in less housing and cost the city more money for the housing that is produced.

Private developers individually and in partnership with not for profits have developed and built thousands of affordable apartments during this administration and with approval by this body. REBNY members are deeply committed to providing well-maintained safe buildings for their tenants, to the preservation and creation of affordable housing, high quality construction and design, and efficient operations. An examination of the City's own land use applications show a history of the City having to re-negotiate city stipulations and in some cases re-acquire, and re-sell formerly city owned properties for not for profits who did not manage their buildings well, who had historical issues with maintaining reserves for capital improvements, and have multitudes of code violations. Before precluding or elevating one type of owner over another, the Council would be well served to do a real comparison, including on eviction filings and code enforcement.

Affordable units are challenging to maintain regardless of ownership given the City's tax system that penalizes multifamily rental buildings, exacerbated by the exponential assessment growth under this administration for those same buildings, and the math that it takes to build and operate affordable housing that is income restricted to the varying neighborhood AMI band needs. The rents do not cover operation costs. Coupled with inconsistent contracting practices by the city, which controls the

disposition process, term sheets, and regulatory agreements, expertise in navigating these challenges is built over time.

The private sector has the consistent capital, capabilities, and technical expertise to bring online a development with hundreds of units, and deal with complicated on site conditions such as brownfields. The most successful projects have been partnerships, with for profit developers leveraging their strengths and not for profits leveraging theirs to have a growth opportunity in financing and construction management expertise. So the preference categories in Intro 118 run at cross-purposes if the goal is to both maximize the number of affordable units per site and build not for profit capacity.

Moreover, this limitation would not align with how many of the successful land banks throughout New York State currently do business. Other land banks look for qualified not for profit and private developers, and do not limit the universe of qualified partners in spite of their housing goals. Such a limitation would be counter-intuitive to the end goal of increasing affordable housing. Finally, Intro 1977 raises a number of legal concerns, including the arbitrary and capriciousness of exclusion of all private entities, broad scope of properties included, and the relationship to the Martin Act.

REBNY thanks the Committee on Housing and Buildings for consideration of these points and would welcome the opportunity to work with City Council to improve the legislation to address these concerns.

Bill-specific feedback as follows:

BILL: Int. 118

SUBJECT: A Local Law to amend the administrative code of the City of New York, in relation to creating a land bank.

SPONSORS: Councilmembers Lander, Brannan, Van Bramer, Rivera

This bill would establish a land bank for New York City, which would be tasked with acquiring, warehousing and transferring real property to develop, rehabilitate and preserve affordable housing. The bill would require that when conveying, leasing as lessor or otherwise disposing of real property for a use that would result in the creation or preservation of affordable housing units, the land corporation shall prioritize disposition to a community land trust, a community housing development organization or a nonprofit organization, and shall prioritize disposition for a proposed use that will maximize the number of affordable housing units at the zoning lot containing the property and the affordability of such units.

For-profit entities have the capital to withstand uncertainty and progress developments. This process appears to mirror in concept the City's Request for Proposal (RFP) process for the development of new units, but replaces the lead agency with this third party entity – both envision larger affordable developments. Yet those larger affordable developments require millions of dollars of pursuit costs with absolutely no guaranty of the project moving forward. We fail to see the rationale of taking away these

entities from stimulating much needed housing at scale. Precluding profit and not for profit partnerships is also an absolute barrier to MWBE participation and capacity growth.

REBNY appreciates and supports the use of land banks and community land trusts as stabilization tools. We are impressed in particular by the successful use of land banks in small cities such as Kingston and Albany in upstate New York. Land banks provided a much-needed framework for these small cities to deal with swaths of vacant properties that were foreclosed on during the last recession. These programs seek to place distressed and delinquent properties back on the tax rolls while addressing capital needs, and in many cases, these land banks have turned fallow properties into homes with the help of public-private partnerships. Private developers are better equipped to navigate the myriad of complexities that arise in renovating tenanted properties, and we fail to see why New York City would want to limit the pool of qualified developers who are able to assist in preserving and increasing affordable housing throughout New York City.

BILL: Int. 1977

SUBJECT: A Local Law to amend the administrative code of the City of New York, in relation to giving qualified entities a first opportunity to purchase and an opportunity to submit an offer to purchase certain residential buildings when offered for sale

SPONSORS: Councilmembers Rivera, Reynoso, Kallos, Ampry-Samuel, Chin, Lander, Rosenthal, Salamanca and the Public Advocate (Mr. Williams)

This bill would give qualified entities a first opportunity to purchase and an opportunity to submit an offer to purchase certain residential buildings when offered for sale. The bill would require building owners to notify the Department of Housing Preservation and Development and a list of qualified entities when their buildings will be listed for sale. The entities would have the opportunity to submit the first offer and match any competing offers for the property.

REBNY believes there should be universal agreement in increasing affordable homeownership opportunities for New Yorkers. Unfortunately, this bill does not accomplish that goal and instead prioritizes one type of business model over another in an over reach into private property transactions, raising a number of legal concerns along the way. First, this bill raises the very same legal concerns that existed in 2005 when the City Council passed the Tenant Empowerment Act. That bill, like this one, was deemed preempted under State and Federal Law for being overly broad and for failing to take into consideration certain statutory rights of first refusal.

Additionally, there is no consideration whatsoever on the interplay with the Martin Act, since these transactions could be considered a syndication if the non-profit takes a penny from the tenants or any other third party for that matter to effectuate the sale, thereby subjecting these parties to enforcement actions by the New York Attorney General, who has recently taken an aggressive stance against syndicates, including those involving affordable housing.

The bill also raises serious scope and implementation concerns. The program is incredibly far reaching in subject properties, with purchase timelines that may be seen as too long and unworkable as to interfere

with reasonable backed expectations for the transfers of property. In addition to interfering with the private marketplace, they also do not help not for profits, as the timelines are not consistent with the timing to negotiate necessary tax exemptions and financing to make the purchase work with subsidy. There's no regulatory regime to handle contract disputes, and it doesn't carve out buildings in foreclosure or mortgage default that may be operating on court ordered timelines different than the one laid out in this bill.

The number of eligible properties coupled with no funding mechanism would leave HPD resource starved to implement, then forces an overzealous and punitive penalty structure on private property owners who unable to comply with a system that cannot be set up.

Lastly, the list of qualified owners are just nonprofits. This doesn't help put buildings into the hands of tenants. It just assumes a nonprofit is a better landlord. The exclusion of any private entity and any private-public entity from the qualified entities list is both pernicious and based on false valuation of good versus bad for business practices.

REBNY would support a bill that created incentives for property owners to voluntarily negotiate sales to not for profits or tenants seeking to become homeowners. However, such a program would need to take into consideration various factors that are simply not considered by this bill. To avoid the pitfalls of past programs in New York City that attempted such, the program would also need to pair tenant purchases with proven training, technical assistance, property management and capacity building. There is no need to re-invent the wheel as there are successful legally sound programs across the country that do this and understand that partnerships are ways to create win-wins for all sides.

Finally, given the fact that New York City is expected to lose approximately \$2.5 billion in tax revenue this year while being asked by housing advocates to stop the tax lien sale when it involves properties owned by not for profits or small homeowners, we strongly suggest that New York City consider prioritizing entities such as community land trusts as an alternative to the tax lien sale. We believe there is a place for community land trusts to help these vulnerable property owners in addressing municipal and tax arrears in exchange for the homeowner's land, thereby creating a long-term stewardship over an asset New York City seeks to safeguard. Since community land trusts are budding in New York City, we strongly suggest a more tempered approach to their use in property transactions, as opposed to them serving as a substitute for all public-private partnerships.

BILL: Int. 2044

SUBJECT: A Local Law in relation to accessory sign violations and waiving penalties and fees for signs that are accessory to a use on the same zoning lot

SPONSORS: Councilmembers Holden, Yeger and Cornegy

This bill would amend Local Law number 28 of 2019 to extend the existing two-year moratorium on the issuance of accessory sign violations until September 1, 2022. The proposed legislation would also

amend Local Law number 28's temporary 75% waiver of work without a permit fees issued to a 100% waiver of all such fees.

REBNY supports this bill to reduce fines for those small businesses that have the proper documentation and are following all applicable health and safety requirements. The City Council and the mayoral administration should be seeking ways to reduce non-health and safety fines to small businesses during the Covid-19 crisis and beyond, without sacrificing enforcement of the rules, to show the city is open, fair, safe and committed to economic recovery.

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Intro. 1977

Memorandum In Opposition

The Rent Stabilization Association represents 25,000 diverse owners and managers who collectively manage over one million units of housing in every neighborhood and community throughout the City. We thank the Committee for giving us the opportunity to testify on behalf of our members in opposition to Intro. 1977, which would give certain qualified entities the first opportunity to purchase and the right of first refusal when residential buildings are offered for sale. This bill creates problems for both purchasers and sellers. Our members are both.

RSA membership is deeply diverse. Our members truly look like every part of our diverse city. Whether in Harlem, Washington Heights, Fort Greene, Ocean Hill, Southeast Queens, Crown Heights, Flatbush, The Bronx, the North Shore of Staten Island, or in so many other neighborhoods – property owners in all communities, RSA members – deserve a clear, unobstructed opportunity to participate in a market sometimes long denied them.

Numerous RSA members have purchased a modest building in communities where their families first settled. They have committed to their neighborhoods and made the choice to invest in their communities. Dictating that certain corporate entities should be given purchase preference over others only limits access to ownership. And this bill establishes a preference that a certain class of corporate owners are more desirable than others.

Currently any purchaser has a right to purchase any property. This measure does nothing to expand opportunity. Instead, it strips opportunity away from individuals and seeks to direct it to a government-vetted preferred purchaser pool. The harsh reality is this bill takes away the opportunity to purchase property from communities of color and further strips them of their opportunity to create generational wealth.

Further, the bill fails to recognize that the affordable housing market is not solely within the purview of a limited group of narrowly-defined affordable housing providers. Rather, affordable housing is provided by thousands of private owners throughout the city. The private market, regulated and less-regulated, has done what government struggles to accomplish: private owners and developers take an active role in keeping markets affordable.

This bill would impair the property rights within the transactional market. This interjection would disrupt the sales market and take away the flexibility of the private market operations and instead establish a rigid timeline that hamstring property ownership. The right to own, and the right to sell and when and for how much are the foundations of private property and contracts. There are times when market conditions and financial realities require owners to be limber and

move quickly in reaction to market situations. The timeline thwarts any ability to be market-responsive and adds unnecessary cost and delay and negatively impacts the value of the property.

Fully played out, this bill would mean the sales process could be delayed for up to one year. As we all know, markets can drastically change in one year and this will place undue hardship on sellers who will be forced to carry an asset for far longer than viable.

Purchase, ownership, and sale of real estate - whether 3 family homes, or apartment buildings – is how families build multigenerational wealth. For too long, and for too many reasons often instigated and supported by government action, families and communities of color have been excluded from this market opportunity. Depending on the neighborhood, it is only recently that families of color have been robustly participating in this vital segment of the economy. Inserting a new third party into the real estate market, and insisting on added time for transactions, will immediately and negatively impact these communities and all residents' property rights.

For the above reasons, RSA is opposed to Intro. 1977



Testimony Submitted to the New York City Council Committee on Housing & Buildings

Re: Int. 1977

January 19, 2021

On behalf of the New York State Association for Affordable Housing (NYSFAH), I would like to thank Chair Cornegy and members of this Committee for the opportunity to provide the following comments on the bills being heard at today's remote hearing.

NYSFAH is the trade association for New York's affordable housing industry, with nearly 400 members, including developers, lenders, investors, attorneys, contractors, architects and others active in the financing, construction, and operation of affordable housing.

Int. 1977: Oppose

The intention behind Int. 1977, with respect to preserving affordability and stability in residential buildings, is one that NYSFAH supports as part of its mission as an affordable housing industry group and advocacy organization. We work on behalf of our members to strengthen funding streams for preservation programs, to increase the supply of affordable housing, and to brainstorm with agencies and other advocacy groups around creative new solutions like converting struggling hotel and office space into affordable and supportive housing.

While the intent is well-meaning, however, the real world impact should Int. 1977 be enacted is very troubling to the affordable housing owners and providers that make up NYSFAH's membership.

First is the presumption that nonprofit entities are, simply by nature of 501(c)3 status, inherently better stewards of affordable housing or better operators of residential buildings. There are nonprofit owners and operators of residential housing with good track records and with bad track records as it relates to building maintenance, financial management of the building, repair responsiveness and more. The same is true for for-profit owners.

NYSFAH has both for-profit and not-for-profit companies in its membership and on its governing Executive Committee. Those companies work together in a shared mission to expand affordable housing and make the industry stronger for the benefit of all players. Our for-profit affordable housing provider members have viewed with alarm recent Council bills that appear to stem from a perspective that they are problematic, when their collective track record many thousands of units of affordable housing created and preserved suggests otherwise.

The practical elements of the bill are also troubling. It is difficult to envision how the real estate market generally will react to the significant new slowdown in activity and months-long freezes on sales that this bill would impose, but a financial crisis is not the time to find out. It is unclear how HPD, facing the same difficult budget context as most other City agencies in this environment, has the capacity to serve as bureaucratic overseers of most new sales of residential properties.

To be a qualified not-for-profit entity capable of making bona fide offers on residential properties that number in the many millions of dollars would require significant cash on hand. This bill therefore would empower a small number of well-financed citywide nonprofits who might conceivably be in a position to make offers, but not the vast majority of 501(c)3s. There is a discussion to be had about improving nonprofit capacity, but the scope of this bill is far too vast and benefiting far too few.

Thank you for your time.



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Chairman, Members and Staff of the City Council Committee on Resiliency and Waterfronts, please accept the following testimony in support of Int 2198 - in relation to amending the New York city building code, in relation to additional freeboard for structures in the floodplain.

The International Code Council is a non-governmental organization, driven by the engagement of 65,000 members, that is dedicated to helping communities and the building industry provide safe, resilient, and sustainable construction through the development and use of model codes (International Codes or I-Codes) and standards used in design, construction, and compliance processes. All 50 states, federal agencies, and many global markets choose the I-Codes to set the standards for regulating construction and major renovations, plumbing and sanitation, fire prevention, and energy conservation in the built environment.

The I-Codes are regularly revised and updated by a national consensus process that strikes a balance between the latest technology and new building products, economics and cost while providing for an acceptable level of public and first responder safety. It is an open, inclusive process that encourages input from all individuals and groups and allows those governmental members that are public safety officials to determine the final code provisions. I am pleased that several New York City Department Staff participated in the 2018 and the 2021 ICC Code Hearings. The expertise of New York City Mayor's Office, Building Department, design professionals, builders, contractors, labor representatives and all disciplines interested in building safety and energy conservation are vital to your adoption efforts as well as ours.

The content of the I-Codes are a minimum standard. Many jurisdictions, like New York City, choose to adopt more restrictive standards which reflect their unique geographical conditions. Int 2198 is an example of such a local law which reflects enhanced requirements of the freeboard provisions in the International Building and Residential Codes to improve building resiliency in New York City. Since the New York City Department of Buildings is working to revise the New York City Construction Codes, including Appendix G of the Building Code, which addresses freeboard, I would recommend that this proposal be coordinated with ongoing Construction Code revision efforts.

Thank you for the opportunity to submit testimony. Please do not hesitate to contact me if you need any additional information.

Sincerely,

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Chairman, Members and Staff of the City Council Committee on Resiliency and Waterfronts, please accept the following testimony in support of Int 2092 which would mandate the use of Climate Resiliency Design Guidelines in all City capital projects.

The International Code Council is a non-governmental organization, driven by the engagement of 65,000 members, that is dedicated to helping communities and the building industry provide safe, resilient, and sustainable construction through the development and use of model codes (International Codes or I-Codes) and standards used in design, construction, and compliance processes. All 50 states, federal agencies, and many global markets choose the I-Codes to set the standards for regulating construction and major renovations, plumbing and sanitation, fire prevention, and energy conservation in the built environment.

The I-Codes are regularly revised and updated by a national consensus process that strikes a balance between the latest technology and new building products, economics and cost while providing for an acceptable level of public and first responder safety. It is an open, inclusive process that encourages input from all individuals and groups and allows those governmental members that are public safety officials to determine the final code provisions. I am pleased that several New York City Department Staff participated in the 2018 and the 2021 ICC Code Hearings. The expertise of New York City Mayor's Office, Building Department, design professionals, builders, contractors, labor representatives and all disciplines interested in building safety and energy conservation are vital to your adoption efforts as well as ours.

We commend the City for its ongoing leadership in assuring that its building stock addresses the risks of today and those anticipated into the future. Buildings are a cornerstone of communities providing shelter for residents, facilitating to conduct of business and providing essential community services like healthcare, education, and social services. Municipal buildings reflect the values of the City and must continue to support the needs of the community to assure that the City continues to thrive.

Investments in public buildings today will impact both the financial and physical stability of the City for years to come. A deliberative approach to assure those investments are cost effective across the lifetime of individual structures is essential. Resilience investments up front have been proven highly cost effective. Where practical, incorporating resilience measures into the initial design can reduce the need to retrofit later (this is particularly impactful when city buildings are expected to last 50 to 100 years).

The Congressionally established National Institute of Building Sciences (NIBS) conducted an extensive benefit cost analysis on various mitigation measures. NIBS found that, at a national level, investments in pre-disaster mitigation can provide up to \$11 of savings for each \$1 invested (with local or hazard-specific benefits potentially reaching \$32 or more).¹ These savings go beyond physical damage to

¹ Multi-Hazard Mitigation Council (2019). Natural Hazard Mitigation Saves: 2019 Report. Principal Investigator Porter, K.; Co-Principal Investigators Dash, N., Huyck, C., Santos, J., Scawthorn, C.; Investigators: Eguchi, M., Eguchi, R., Ghosh, S., Isteita, M., Mickey, K., Rashed, T., Reeder, A.; Schneider, P.; and Yuan, J., Directors, MMC. Investigator Intern: Cohen-Porter, A. National Institute of Building Sciences. Washington, DC. www.nibs.org/mitigationsaves.

include business interruption costs, injuries, and loss of life. The study also recognizes (although does not quantify monetarily) that mitigation measures support key social priorities including the needs of vulnerable populations, impacts on educational progress in school children, and historic preservation. As you'll note in Figure 1, the mitigation measures identified include the retrofit of lifeline infrastructure.

National Institute of BUILDING SCIENCES™		ADOPT CODE	ABOVE CODE	BUILDING RETROFIT	LIFELINE RETROFIT	FEDERAL GRANTS
Overall Benefit-Cost Ratio		11:1	4:1	4:1	4:1	6:1
Cost (\$ billion)		\$1/year	\$4/year	\$520	\$0.6	\$27
Benefit (\$ billion)		\$13/year	\$16/year	\$2200	\$2.5	\$160
 Riverine Flood		6:1	5:1	6:1	8:1	7:1
 Hurricane Surge		not applicable	7:1	not applicable	not applicable	not applicable
 Wind		10:1	5:1	6:1	7:1	5:1
 Earthquake		12:1	4:1	13:1	3:1	3:1
 Wildland-Urban Interface Fire		not applicable	4:1	2:1	not applicable	3:1

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Figure 1. Benefit Cost Ratio for Various Hazard Mitigation Measures

Like the City, the International Code Council has recognized that climate change is altering what it means to provide safety moving forward. Design and construction requirements will need to change to address evolving risks. While we work at a national and international scale to identify and implement necessary changes to address these changing risks within a model code process, we look to leading communities to forge the path forward. New York City has been a leader in recognizing and responding to the challenges ahead.

Late in 2019, the International Code Council convened a group of code development and research organizations from Canada, Australia and New Zealand to share information and collaborate on identifying a path forward. Following that initial meeting we launched the Global Resiliency Dialogue (www.globalresiliency.org) and released *Findings on Changing Risk and Building Codes*.² This effort will culminate in development of an International Resilience Guideline and a joint research plan. Again, we will look to leading communities like New York City to identify what is possible and what works. At the same time, we hope to share insight from our international colleagues and other progressive communities across the country to advance resilience.

As you know, the City's resilience initiatives are not limited to buildings and infrastructure. Social and organizational resilience are also necessary. The Alliance for National & Community Resilience (ANCR), a member of the ICC Family of Solutions, was established to recognize the importance of a holistic resilience strategy across the many functions that make communities great places to live and work (www.resilientalliance.org). ANCR is developing Community Resilience Benchmarks across 19 community functions to support communities in determining their current resilience and identifying policies and programs that can help them improve. We were pleased to have a representative from the New York City Department of Buildings on our founding ANCR Board of Directors and have benefited

² https://www.iccsafe.org/wp-content/uploads/Findings_ChangingRisk_BldgCodes.pdf

from the participation of resilience leaders from both the public and private sector in the City in the benchmark development process. We look forward to continuing to glean lessons learned and best practices from the City as work to enhance community resilience nationwide.

New York City is recognized as a leader in the area of building resiliency and energy conservation. The International Code Council is honored to work with the City on its efforts to enhance the resilience and sustainability of its residents. As you may be aware, legislation to update the NYC Construction Codes will be introduced soon and will be heard by the Housing and Buildings Committee. I am hopeful that Int. 2092 will complement the NYC Construction Code legislation. Thank you for the opportunity to present testimony to you today in support of Int. No.2092.

Thank you for the opportunity to submit testimony. Please do not hesitate to contact either of us if you need any additional information.

Sincerely,

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International Code Council
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NYC
community land
initiative



Testimony of John Krinsky, New York City Community Land Initiative

to the

New York City Council Committee on Housing and Buildings

January 19, 2021

Chairperson Cornegy, Members of the Housing and Buildings Committee. Thank you for providing the opportunity to testify this afternoon. I hope you and yours are, and remain, well.

My name is John Krinsky and I am a professor of political science and community change studies at City College and a founding board member of the New York City Community Land Initiative, on behalf of which I testify today.

The New York City Community Land Initiative, or NYCCLI, is an eight-year-old coalition of neighborhood-based and citywide housing groups, community developers, economic justice organizations, and supporting organizations. We advocate for the expansion of community land trusts across the city to meet—flexibly—many of the challenges the City faces in providing deeply and permanently affordable housing, as well as other community-valued land-uses. Many of the organizations testifying today are members of NYCCLI.

Now is an extremely important time to expand the supply of community-controlled, non-speculative land uses, including social housing and non-profit provision of space for small-businesses and community arts, health, and other programming. The effects of COVID on renters and owners, in particular, make property speculation ever-more attractive to large firms who have, in their words, “kept their powder dry” in anticipation of a calamitous crash (whether COVID-related or economic; these are the lessons they learned from 2008). In contrast to the last major downturn, now, Community Land Trusts in the city have made real progress, in part through funds from the City Council initiative to support their organizing. There are now more than a dozen CLTs either incorporated or in the process of incorporating, ready to begin the tasks of long-term property stewardship. Recently, two new CLTs—the East Harlem-El Barrio CLT and the Interboro took title to their first properties.

We are excited to support Intro. 1977, the Community Opportunity to Purchase Act, and thank Council Member Rivera for her leadership on this issue. COPA would level the playing field for community-based, mission-driven housing groups, such as community land trusts, and help them to acquire property for long-term stewardship and deeply affordable housing and other uses. It’s important, moreover, to develop funding streams that will make the opportunity to purchase real. We hope to

discuss, in the coming weeks and months, ways to raise revenue for capital grants and deeper subsidy for community-based acquisition and stewardship of property.

We understand, further, that New York City is facing some of the most serious budget shortfalls it has for several generations. And yet, even as we may look forward to some federal aid, it is important to work on investing wisely in the future. It is apposite to raise the point that police overtime has amounted to nearly three-quarters of a billion dollars in the last year alone, and further funds will likely be due from lawsuits against the NYPD's protest-policing tactics. Last summer's call to reallocate funding from the NYPD's budget to create opportunities for deeper justice still resonate. So do calls to prioritize housing over shelters, which now costs in the billions. Further, because up-front capital subsidy for affordable housing is one of the most important elements of reaching deep affordability, it may be important to apply bond-funding to acquisition and renovation. Other cities have recently helped to fund affordable housing in this way, and it will be important to consider this here at a significant level, and beyond the present resources of the New York Acquisition Fund.

We are also excited to support Intro. 118-A, which would create a land bank for New York City. This bill, thanks to the leadership of Council Member Lander, is another important step in helping Community Land Trusts and other nonprofits to access land. A further bill, not being considered today, would prioritize Community Land Trusts and other mission-driven nonprofits for public land disposition. These bills recognize the centrality of the government in directing our most precious resource—land—to people or to profiteers, and they prefer the former over the latter, in a break from decades of city policy.

As a coalition of community land trusts, NYCCLI wishes to emphasize the importance of their strengths, even relative to other nonprofit organizations. They emphasize permanent affordability and a certain flexibility: they can work with nonprofit housing developers (and even, potentially, Mitchell-Lama-style landlords), mutual housing associations, and limited-equity cooperatives, and even single-family homeowners, while providing an extra level of stewardship, expertise, and economies of scale. In addition, CLTs can work with small-businesses, whether retail or light-industrial uses, making possible genuine local development where it might otherwise be priced out. CLTs around the country have worked with occupied housing, vacant housing, and vacant land (which poses no unique challenges for a CLT). Further, CLTs' stewardship has historically protected low- and moderate-income homeowners, too; the limits on equity for homes on CLT-owned land are compensated by the protection of housing from many foreclosure risks. In the 2008 crisis, foreclosures--and the loss of equity in many Black and brown households--were at minuscule levels in homes with CLT-owned land. As we face a crisis of epic proportions—epic because COVID's health and economic effects only add to a severe housing and homelessness crisis and crisis for small businesses and the jobs that went with them—we have a chance to intervene in areas of the real-estate market that are at the root of the problems we face. We can move toward a more economically and racially just city, and these bills are critical steps on this path.

January 19th, 2021

**Committee on Housing and Buildings
Cooper Square Community Land Trust
Re: CLTs and Intros 1977 & 0118**

Good afternoon Council Members and thank you for the opportunity to testify at this important hearing. My name is Ryan Hickey and I'm the Project Director at the Cooper Square Community Land Trust. A proud member of the New York City Community Land Initiative, **our CLT ensures the permanent affordability of 328 residential units and 22 commercial spaces. On average, our residential affordability levels hover around 30% of area median income**, a near-impossible feat for market-based, for-profit housing. We are here in support of bill 1977, the Community Opportunity to Purchase Act, as well as bill 0118, which would create a municipal land bank in New York City.

In April of 2020, when the housing market was beginning its freefall, the Wall Street Journal reported a NYC-based investment sales broker as saying, "Our thoughts and prayers are with all of our fellow Americans and nobody wants to capitalize on anybody's misfortune. But I will tell you, real-estate investors – when you take the emotion out of it – many of them have been waiting for this for a decade."¹ Just last December, a real estate lawyer said on a foreclosure panel, "I think it's safe to say that there's going to be an avalanche perhaps something along the lines of 2008...in the not-too-distant-future here in the residential foreclosure world."²

After the 2008 crash, we saw a massive transfer of wealth and property to private equity and real estate firms. In the wake of 2008, it was estimated that there were about 5,500 distressed multifamily properties, more than double the average for the 2008-2020 period.³ The real estate industry pounced on the opportunity to turn these properties into highly profitable assets. If these projections come to fruition, we have little time to make some very important choices. New York City can either make the same mistakes from 2008, or

¹ <https://www.wsj.com/articles/real-estate-investors-eye-potential-bonanza-in-distressed-sales-11586260801>

² <https://www.youtube.com/watch?v=MWfAGtEb6Nc&t=577s>

³ <https://www.cssny.org/publications/entry/corporate-windfalls-or-social-housing-conversions>

chart a new way forward which prioritizes social housing⁴, anti-displacement initiatives, and racial, environmental, and economic justice within a Just Recovery framework. Land stewardship models such as community land trusts, and legislation like the Community Opportunity to Purchase Act (COPA) must be part of such a framework.

Renditions of COPA have been successfully implemented across the country. In San Francisco, over half a dozen successful transactions have been carried out by local community organizations since the bill's passing in late 2019, preserving affordable housing in a rapidly gentrifying city.⁵⁶ Importantly, COPA's success in San Francisco is amplified by the city's existing Small Sites Program, which dedicates funding for acquisition and renovation. This is why it is critical not only to pass a COPA bill that is explicit in its intention to create more social housing through CLTs, but also to establish permanent, dedicated funding streams in order to sustain these efforts.

To put this into perspective, **we at the Cooper Square CLT acquired two financially distressed buildings with 36 rental apartments on the Lower East Side in late 2019.** Despite the pandemic, we've been organizing and holding virtual political education workshops, with the intent of holding Board elections for tenant leaders later this year. Though we couldn't have made these strides without public funding and Council support, it is clear we need to further institutionalize permanent public funding streams to incubate CLTs and to acquire and renovate distressed property in order to prevent further displacement. Our CLT, like many other CLTs around the City, can and should be a model moving forward, and provides a glimpse into COPA's potential dramatic effects. To put it simply, when the City steps in to preserve distressed housing and transfers that property to social housing models, that housing not only remains permanently affordable, but it also facilitates community and tenant control.

A recent report by the Community Service Society clearly outlines the severity of the impending foreclosure crisis and highlights how, if we don't learn from our past mistakes, tenants and small homeowners will bear the cost. And

⁴ A good primer on social housing can be seen here: <https://www.cssny.org/news/entry/how-social-is-that-housing>

⁵ <https://nextcity.org/daily/entry/why-more-cities-are-hoping-to-give-tenants-chance-purchase-their-buildings>

⁶ <https://www.spur.org/events/2020-04-23/community-opportunity-purchase-act-one-year>

while the report acknowledges that any preservation purchasing program will be expensive in the short term, the subsidies “can only be justified if the buildings are **brought into a social housing model in perpetuity.**”⁷

New York City has a chance to rethink our land and housing approach and, with these bills, we can stave off the worst effects of the impending crisis. I thank you for your time and look forward to working with all of you to expand our social housing stock and pass the strongest versions of these bills as possible.

⁷ <https://www.cssny.org/publications/entry/corporate-windfalls-or-social-housing-conversions>

To:
Committee on Housing and Buildings

Re: COPA

My name is Carin van der Donk. I am the chair of Manhattan Community Board Six's Housing & Homeless committee. At CB6's December 2020 Full Board, the Board adopted a resolution supporting the passage of Intro. 1977-2020, the Community Opportunity to Purchase Act.

CD6 like many other community districts across the city is in dire need of affordable housing, particularly NEW low-income and moderate-income housing. The City has not produced the number of affordable housing units needed to meet the demand of working-class New Yorkers, let alone the 60,000 New Yorkers who are currently unhoused and living in shelters. The City has not produced the needed number of supportive housing units and the needed number of senior housing units.

In response to this, it is more imperative than ever that the City provide additional and continued support to non-profit affordable housing developers, such as community land trusts (CLTs). During my time as chair, I learned that the time it takes for non-profits to cobble together financing is an important reason new real estate isn't being acquired by these entities. COPA would provide CLTs, non-profit affordable housing developers, and other qualified entities this needed time to secure and develop the funding necessary to make competitive offers on available properties

CB6 supports, and urges the City Council to pass, and the Mayor to sign the Community Opportunity to Purchase Act (COPA). This one piece of legislation will not be a silver bullet but it is one small act that can help us begin to address the crisis we face.

Sincerely,

Carin van der Donk

KYLE ATHAYDE
CHAIR

SANDRO SHERROD, FIRST VICE CHAIR
MARK THOMPSON, SECOND VICE CHAIR



JESÚS PÉREZ
DISTRICT MANAGER

BRIAN VAN NIEUWENHOVEN, TREASURER
BEATRICE DISMAN, ASST. TREASURER
SEEMA SHAH, SECRETARY
MATT BONDY, ASST. SECRETARY

THE CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD SIX
211 EAST 43RD STREET, SUITE 1404
NEW YORK, NY 10017

VIA E-MAIL

December 16, 2020

Robert E. Cornegy, Jr.
Chair, Committee on Housing and Buildings
New York City Council
250 Broadway, Suite 1743
New York, NY 10007

Corey Johnson
Speaker of the New York City Council
City Hall Office
New York, NY 10007

Supporting City Council Intro. 1977-2020, a law which would give qualified entities a first opportunity to purchase certain residential buildings when offered for sale

At the December 9, 2020 Full Board meeting of Manhattan Community Board Six, the Board adopted the following resolution:

WHEREAS, the lack of affordable and supportive housing continues to be a crisis in New York City and this District;

WHEREAS, in the wake of COVID-19, and a likely resulting increase in evictions as housing courts reopen and eviction moratoriums end, and a likely resulting increase in real estate speculation due to declining housing and land prices, it is more imperative than ever that the City provide additional and continued support to non-profit affordable housing developers, such as community land trusts (CLTs);

WHEREAS, CLTs combine land ownership and management with community organizing, where Community residents work together to collectively decide to acquire and develop land, meet community needs, and preserve affordability for future generations;

WHEREAS, one of the most successful CLTs in the country (Cooper Square CLT) is located on the Lower East Side and has already purchased 23 buildings and has been

able to preserve over 350 units of deeply affordable housing and provide below market rent for 35 small businesses and community offices;

WHEREAS, Intro. 1977-2020, also known as the Community Opportunity to Purchase Act (“COPA”), would provide CLTs, non-profit affordable housing developers, and other qualified entities a first opportunity to purchase, and an opportunity to submit an offer to purchase, certain residential buildings when offered for sale by requiring building owners to notify the Department of Housing Preservation and Development and a list of qualified entities when their buildings will be listed for sale, at which time these entities would have the opportunity to submit the first offer and match any competing offers for the property;

WHEREAS, this statutory right of first refusal would help to ensure that these supportive housing entities would have time to secure and develop the funding necessary to make competitive offers on available properties;

THEREFORE, BE IT RESOLVED that Manhattan Community Board Six supports, and urges the City Council to pass, and the Mayor to sign, the Community Opportunity to Purchase Act (COPA).

VOTE: 32 In Favor 5 Opposed 4 Abstention 0 Not Entitled

Best regards,



Jesús Pérez
District Manager

Cc: Hon. Gale Brewer, Manhattan Borough President
Hon. Carlina Rivera, Council Member
Hon. Keith Powers, Council Member
Hon. Ben Kallos, Council Member
Carin van der Donk, Chair, CB6 Housing, Homeless, & Human Rights Committee

January 18, 2021

Bill: Intro 1977

Hearing Date: Tuesday, January 19, 2021

City Council Members

I urge you to reject Intro 1977. As a small property owner, we are facing the consequences of the Covid Pandemic and through no fault of our own face serious shortages in income. This is exacerbated by recent legislation at both the state and city levels that provide relief to tenants but does not provide concomitant relief to property owners. This is especially true for our real estate taxes, which we are still obligated to pay in full.

To further exacerbate our plight is this proposed legislation that restricts our ability to sell our properties. While I am not opposed in the abstract to certified non-profits owning and managing properties, it is in the context of not providing necessary assistance at this time to distress property owners many of whom provide low income housing under rent stabilization that is fundamentally criminal and unjust. It is these very conditions that will force many small property owners to sell. Many of us are people of color like myself.

More importantly, it is perhaps fiscally irresponsible and morally corrupt to have our government subsidized purchases on behalf of the selected nonprofits with the very taxes that we provide.

Nonprofits pay minimal or no taxes themselves and many of their officers make 6 figure salaries. This is much more than I make myself. Given the lack of accountability, they will drain the resources of the city and state given their potential wasteful expenditures. They didn't take the risks and go into debt like my family did. We had to be responsible.

Instead, we need legislation that focuses on helping property owners who are fiscally responsible and provide affordable housing. It is the property owners who provide the tax base for the state and city.

Irving Lee

917-562-8012

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Kirk Goodrich Testimony – Intro. 1977

January 19, 2021

NYC Council Committee on Housing and Buildings

My name is Kirk Goodrich. I am President of Monadnock Development and Chair of NYSFAFH. I am offering testimony in opposition to Intro 1977.

There seems to be a sense among the sponsors of this legislation that maximizing the ownership of multi-family housing assets in New York City by nonprofits is an ideal outcome for New Yorkers although it is a fact that affordability is dictated by regulatory agreements and has nothing to do with the nonprofit status of owners. As someone who has spent the last 25 years financing and co-developing projects with nonprofits, I don't need anyone to convince me of the greatness of community development corporations. While I am pre-disposed to see nonprofits as heroic institutions, they have limitations and there are problems they cannot be expected to adequately address. Chief among them is the most intractable problem of the last century plus which persists to this day – the massive wealth disparity between Black and White households. The median Black household has just 13% of the wealth of the median White household. This has everything to do with federal policies which reinforced and extended patterns of racial discrimination in the real estate and finance industries. Despite the Civil Rights Act of 1968 and decades of social housing initiatives, including CLTs and limited equity coops, the wealth gap persists. Unfortunately, this problem has never been given the amount of attention in the community development world that it deserves. Instead of only exploring ways to enhance nonprofit ownership, we should be focused on enabling hard working New Yorkers, particularly those of color who have been left behind, to accumulate assets and close the wealth gap. This would allow families from historically disenfranchised groups to borrow money to pay for their children's education, start businesses and retire comfortably – benefits other folks have routinely enjoyed for the past century. We need an affordable housing policy that sees people of color as more than just tenants and clients.

TESTIMONY

The New York City Council Committee on Housing and Buildings

Robert E. Cornegy, Jr., Chair
Tuesday, January 19, 2021
Remote Hearing

Note: This testimony reflects
the position of Pratt Center for
Community Development and not
Pratt Institute.

INTROS. 1977-2020, 0118-2018 Re: Community Opportunity to Purchase Act (COPA), Creation of a Municipal Land Bank

Good morning, I am Paula Crespo, Senior Planner at the Pratt Center for Community Development, and I am happy for the opportunity to say a few words in support of these important pieces of legislation.

Community-driven, social ownership of land is essential for creating a more equitable City. To do so, we need public policies in place to create a more level playing field between mission-driven organizations and private, for-profit real estate developers. Late last year, the Pratt Center for Community Development released "[Our Hidden Treasure](#)," a report which examined how zoning changes increase the value of privately owned land and how some of this increase in value could be recovered for public policy objectives. One of the report's primary strategy recommendations was the creation of certain funding mechanisms that would support the social ownership of land.

Pratt Center supports establishing a municipal land bank to facilitate the transfer of distressed properties to them and other strategies to support social ownership. These are not brand-new ideas, but their time has undoubtedly come as the effects of the pandemic remind us of the need to seize the opportunity that a crisis can create. COVID has exacerbated our City's socioeconomic inequities, and the current economic downturn is likely to lead to an increase of distressed properties. The depressed land values are likely to set off a wave of speculative real estate practices. The proposed legislation would create strong mechanisms to reduce speculation and increase the viability of affordable housing whose longevity is not tied to the dynamics of the private, profit-driven real estate market.

Thank you to Councilmembers Rivera and Lander for introducing this legislation that will play a key role in ensuring that there are meaningful opportunities to expand the city's stock of community-controlled, permanently affordable land. We look forward to working with you, the full Council, and the Administration to advance the goals set out in this legislation

See: Pratt Center's "[Our Hidden Treasure: Recovering Land Value to Repair and Rebuild](#)," available at https://prattcenter.net/our_work/our_hidden_treasure

For more information, contact:

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TESTIMONY OF THE QUEENS & BRONX BUILDING ASSOCIATION
OPPOSING INTRO. NO. 1977
JANUARY 19, 2021

Good afternoon. I am Robert Altman and testify today in opposition to Intro. No. 1977 on behalf of the Queens & Bronx Building Association.

Intro. No. 1977 is a misguided bill seeking to interfere with an owner's property rights. It will force owners of buildings with three or more residential units to go through a cumbersome process administered by an overworked agency that has enough issues taking care of its own current mandates. We know elected officials love rent stabilization, formerly rent control. In this instance, the sponsors of this bill want to create sale control. But this is a foolish endeavor and woefully drafted. Let's take a look at how this bill impacts the sale process.

First, one-hundred eighty days before any sale (and whether that is the case is not clear from the bill), an owner must give notice to HPD of its sale, taking a process that can be as little as three weeks and extending it to a certainly unreasonable time of 180 days. Mind you the statute is also misleadingly drafted. It does not state whether the 180 days is from closing or the listing of the property. In fact, it is not until later on that it seems the listing is what the law intends, because of the requirements in moving forward with a contract offer. We can only surmise it is because the bill's author does not want to make clear the exact fullness of this regulatory scheme.

Second, it forces the seller to divulge the economics of the building to the world. This is information that is normally private and only disclosed to serious entities who themselves might be forced by the seller to show their ability to purchase the building at the amount it offers.

Third, the bill actually encourages owners to offer the price at an amount that is higher than what it should go for to see if a private entity would outbid a qualified entity and discourage

the qualified entities. And some private entity may meet the price leading to market inflation. And that is probably the exact opposite of what this bill probably wants.

Fourth, the bill provides for a right of first refusal not to a single entity but to a host of different ones. And a notice must go to every qualified entity, which could be in the hundreds! And how does the owner know that all these qualified entity addresses are current? What if notice gets bounced back? Does the owner need to go searching to make sure it does not run afoul of the statute? And that notice must contain the identifying information of the purchaser, something the purchaser may not wish to disclose for various reasons.

Fifth, can someone please explain to me how Section 26-856 works in conjunction with Section 26-853? It seems as if after receiving a good offer quickly in the sales process, an owner can't do anything for 120 days, which is a restraint on alienation of the property. Moreover, depending on the qualified entity, it can place a bid in, but how does anyone know if a qualified entity who can purchase a 10-unit building has the wherewithal to purchase a 200-unit building?

And such a bill begs the question. If a property is purchased by a qualified entity, won't they be looking for tax breaks from the City, possibly even taking properties off the tax rolls. Does the bill's fiscal impact statement take this into account? If so, I would love to know how such a figure was calculated and if the City is really ready to deal with the loss of revenue, especially during COVID.

Frankly, logistically, I can go on and on. But what is the intent of this bill. To lower sales prices? To reduce speculation? If so, it is doing so on the backs of the owners, and this is really "sales control" as I earlier mentioned. And if the City really wants to be fair, it should be setting aside funds to assist the so-called "qualified entities" in purchasing properties on the free market.

There are lots of reasons to oppose this bill. But let's get down to a basic principle. In a free and open society shouldn't an owner have a right to sell its property how it sees fit free of over-regulation. Regulations should exist to make sure that the process of buying and selling is real and not a sham (as some of this existed during the Great Recession). But this bill is not geared towards that. It is interference in the market-place and designed to harm the buyer (who often will have spent significant sums in researching the property) and seller. Forget about its logistical and bureaucratic nightmares and the fact that it creates uncertainty to the sales process. It should be rejected on principle of freedom. Just like we reject the actions of the mob on January 6, 2021, we should reject the over-bureaucratic regulation this bill attempts to impose.



**TESTIMONY OF DEYANIRA DEL RIO, CO-DIRECTOR OF NEW ECONOMY PROJECT
BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING AND BUILDINGS**

“OVERSIGHT HEARING ON COMMUNITY LAND TRUSTS AND LAND BANKS”

January 19, 2021

Good afternoon, Committee Chair Cornegy and members of the Committee, and thank you for the opportunity to testify today. My name is Deyanira Del Rio, and I am the co-director of New Economy Project, a citywide organization dedicated to building an economy that works for all, rooted in racial and gender justice, neighborhood equity, and ecological sustainability. We work in coalition with grassroots groups throughout the city to advance cooperative and community-led development, through community land trusts (CLTs), worker and financial co-ops, public banking, and other strategies. New Economy Project is a member and co-founder of the NYC Community Land Initiative.

NYC needs transformative, [community-led solutions](#) to our city's affordability crisis that advance racial equity and a just recovery. **I am pleased to testify in support of Intro 1977, the Community Opportunity to Purchase Act (COPA), and Intro 118-A, to establish a municipal land bank.** Passage of these bills will give communities--and the City, itself--new tools to keep New Yorkers safely housed, expand community land trusts and social housing, and curb speculation in the wake of COVID-19. We thank Council Member Rivera and Council Member Lander for their leadership and urge the Committee to advance this critical legislation.

Intros 1977 and 118-A build on [groundbreaking steps](#) NYC has taken in recent years to expand CLTs and social housing. Notably, through the Citywide CLT Initiative, NYC Council has provided vital discretionary funding in the City's FY2020 and FY2021 budgets for CLT education, organizing and incubation; grassroots leadership development; and legal and technical assistance. These and other efforts have contributed to the growth of [more than 15 CLTs](#) in Black, brown and immigrant neighborhoods across the five boroughs--from the South and Northwest Bronx to Brownsville, East New York, and Jackson Heights. In recent weeks, the East Harlem El Barrio and Interboro CLTs acquired their first properties.

CLTs are community-governed nonprofits that own land and ensure it is used for affordable housing and other community needs. They are a [flexible, proven model](#) to preserve affordable housing, combat speculation, and protect public subsidy. Cooper Square CLT, on Manhattan's gentrified Lower East Side, stewards more than 300 permanently-affordable homes for families earning as low as 28%

of the Area Median Income, and storefronts for over 20 local small businesses. Other emerging CLTs are working to provide mutual and multifamily housing, limited-equity cooperatives, and foreclosure prevention strategies for owners of 1-4 family homes, as well as retail, commercial, and cultural spaces, community gardens, and other infrastructure.

The time is ripe for [passage of COPA, land bank legislation, and other policies](#) that direct land to CLTs based in and led by Black and brown communities. By addressing unaffordable and substandard housing, environmental degradation, and displacement of longtime residents and small businesses, CLTs work to address root causes of inequality and poverty. Through participatory planning and stewardship of land, CLTs create conditions for true community safety and self-determination.

We join with CLT partners in urging the Council to prioritize CLTs and other housing providers that commit to deep and permanent affordability and meaningful community governance--in these bills and in future policymaking around disposition of land. We additionally urge the City to develop dedicated funding streams to give CLTs and other qualified entities a meaningful opportunity to purchase and reach affordability levels that their neighborhoods need.

Thank you again for the opportunity to testify. We look forward to working with this Committee and the Council at large to finalize and ensure passage of this critical legislation.



Good Afternoon Council Member Cornegy and members of the Committee.

My name is Taurean Lewis, and I offer this written testimony on behalf of the Brownsville Partnership and the Brownsville Neighborhood Empowerment Network (BNEN).

It is not a secret that we are in a crisis. And I'm not just referring to the Coronavirus. It is a fact that in every community across our city, people are struggling to either keep, or find a home that is sustainably affordable. Within the 1.2 square mile of my community, there are 89 vacant lots, 12 homeless shelters, several of which are for DV Survivors, a number of three quarter houses, and rooms that are being rented in 4 hotels to temporarily house homeless individuals and families. Despite the ultimate aim of repurposing the vacant land as housing whose affordability is perpetually protected, our broader goal is to strengthen the capacity of the community-based organizations that wish to remain in Brownsville for generations and invest in the people that make it the special place it is to so many.

With the support of Community Solutions, Enterprise and NYCCLI, the Brownsville Partnership has been working for the past 3½ years to establish the Brownsville Community Land Trust. In that time, we have established the BNEN, which is the 18 member advisory committee to the BVCLT, co-designed GatherFor:Brownsville, a peer-to-peer empowerment initiative, supported other affordable housing development projects in the community, assisted 100+ residents to get connected to housing resources through our Housing Lab. In addition to all of that, the Brownsville Partnership has been designated to oversee the largest affordable housing development on city owned land as the result of the Brownsville RFP and, will be breaking ground on our first property, the Rise- 74 supportive and affordable housing units, approximately 7,000 SF of community facility space, 3,000 SF of administrative space for One Brooklyn Health System (OBHS), 5 parking spaces, and 10,000+ SF of rooftop green space, this summer.

While a NYC Land Bank would work best outside the constraints of a local government agency- in this case, HPD, NYC residents, especially communities of color can highly benefit from a land bank, as it can eliminate outstanding taxes and other public liens by shielding properties from foreclosure and preserving equity; while preventing new taxes from accruing which in turn, would help to keep carrying cost down. A NYC Land Bank could assist communities to stabilize by removing foreclosed properties from the market, preventing acquisition by speculators and providing a means to manage the available inventory in an orderly fashion. By holding said properties for a period of time, disposition policies could then be structured to prioritize their redevelopment as affordable housing or in coordination with other local needs, and then convey them to qualified buyers when conditions have stabilized. This is where COPA comes in.

The economic damage caused by the COVID-19 pandemic is raising more fears of displacement for low-income tenants. The Community Opportunity to Purchase Act, could be an important tool to stem the tides of eviction, displacement, and gentrification. With nonprofit organizations having the first chance to buy certain buildings that go up for sale as a means of preserving apartments for low-income residents decreases the rate in which families and businesses alike are displaced in rapidly gentrifying neighborhoods. And while there may be concerns over which city agency will be responsible, because clearly HPD has a conflict of interest, the success of the model depends on its flexibility, responsiveness and innovation, to lessen the financial burden of government while permitting CLTs and other community based affordable housing developers to serve as fiduciary agents of the communities they were meant to serve. And just as an example, the organizational

structure can be set up as partnerships that bring together multiple levels of government, community, resident and faith based organizations to address problems on a community by community basis.

We support the intent behind and passing of City Council Intro Bills *Int 118-Creating A Land Bank and Int 1977-2020 Community Opportunity to Purchase Act*, because we believe that communities should be empowered to be self determining of their own future as they and their families are ones who are most affected by these policies. And ask that the Council bear this ideal in mind, as it contemplates the most effective framework through which organizations like ours can fulfill the community vision of improving the social, physical and economic outcomes in the neighborhood.

Thank You for your time and consideration of what has been presented to you in making your decision.

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A Coalition of Homeowners, Tenants, Property Owners, Institutions, and Business Persons Who are Resolved to remain a Part of The Melrose Community and Become Equal Partners With the City of New York in Our Community's Redevelopment.

The New York City Council-Committee on Housing and Buildings

Robert E. Cornegy, Jr. (Chair) and members of the Committee on Housing and Buildings

Tuesday, January 19, 2021 1:00 PM VIRTUAL ROOM 3

TESTIMONY Re: Community Land Trusts and Land Banks

T2021-7042 Oversight - Community Land Trusts and Land Banks

Int 0118-2018 Proposed Int. No. 118-A and Int 1977-2020

Good Afternoon, I am Jessica Clemente and I am the Chief Executive Officer of We Stay/Nos Quedamos, (Nos Quedamos). Nos Quedamos is a South Bronx-based CDC committed to our collective self-determination. Our sustainable development work creates the conditions that maintain our health and culture. Our work engages, empowers, and transforms marginalized communities to remain and thrive. This vision is one that respects, supports and involves the existing community in the formulation of plans and policies that address the issues of housing, open space, community renewal and its sustainability. This is vital for the continued growth of Melrose Commons, the Bronx and its role in the regional economy which fosters cohesion, growth, and responsibility

I appreciate the opportunity to submit our testimony in support of Intro **Int. 2197** and **Int 1977-2020**. In partnership with many communities of color throughout the city, and as an active member of the New York City Community Land Initiative (NYCCLI).

As community groups and activists organizing community land trusts (CLTs) in NYC, we are fighting for the self-determination of people and communities of color, including through development that is deeply and permanently affordable, community-led, and removed from the speculative market.

It is more important than ever to ensure NYC is maximizing all sources of public value for public good. Bold, community driven provocative solutions are critical and can provide the basis for a just recovery. Community land trusts, while there is no "one size fits all" approach, the various strategies do share some common values and operating principles. They focus on building and anchoring assets and capital in local communities.

Our work at We Stay/Nos Quedamos includes **the creation of The South Bronx Land and Community Resource Trust (SBxLCRT)**. The South Bronx Land and Community Resource Trust (SBxLCRT), which covers Bronx Community Boards 1, 2, and 3, will own land and manage utilities for public use and betterment. It represents a long-term strategy to preserve affordable housing, community gardens, and architecture, foster economic development, and improve infrastructure delivery. The CLT premise is that housing, green and open space, and buildings constitute resources that are best held for the public good as necessary underpinnings of urban quality of life, health, and economic development.

South Bronx Land and Community Resource Trust is intended to not only preserve and create deeper affordability in housing but will also address protecting accessibility to community open space as an equal part of the balance in creating viable, long-term sustainable communities. Further, the model considers some broad approaches to land use management and local economic development opportunities that would be uniquely available to a community land trust entity.

We support and ask that you **Pass Opportunity to Purchase legislation** to provide a right of first refusal to tenants, CLTs, and affordable housing providers when landlords sell property. At the federal level, we support the Emergency Rent and Mortgage Cancellation Act to provide immediate rent and mortgage relief and establish funding and nonprofits' first right to purchase rental properties.

The health crisis that is COVID-19 is causing a housing crisis from loss of employment. Mortgage forbearance will not last forever. Eviction moratoriums will not last forever. Ultimately, we can expect to see evictions, foreclosures, a reduction in land values, and the same sort of large-scale, profit motivated, land buying we experienced in the 2008 financial crisis. As renters and homeowners are evicted or foreclosed upon, there is a real possibility that the housing they leave behind will be purchased by Real Estate Investment Trusts, removing homeownership opportunities and charging rents that are out of reach for many lower income households.

Community land trusts are able to help homeowners during this current crisis and perhaps, more importantly, community land trusts should be used to remove as much land as possible from the speculative market when property values fall and buying opportunities abound. Government, lenders, and philanthropy can act together to find opportunities for creating permanently affordable housing in a depressed real estate market.

Despite these differences, land banks and community land trusts often share a common mission of preserving or creating a public use or benefit such as the creation of affordable housing. New York's land bank law allows for the combination of "best practices" from land banks and land.

New York State's land bank legislation, which was signed into law by Governor Andrew Cuomo in 2011, was designed to target the "crisis in many cities and their metro areas caused by disinvestment in real property and resulting in a significant amount of vacant and abandoned property." The legislative intent indicated that, "[T]he need exists to strengthen and revitalize the economy of the state and its local units of government by solving the problems of vacant and

abandoned property in a coordinated manner and to foster the development of such property and promote economic growth.”

The state law initially permitted 10 banks statewide. A subsequent amendment expanded the maximum total pool to 20. We support and ask that you **Pass Int 0118-18 Land Bank**. This bill would establish a land bank for New York City, which would be tasked with acquiring, warehousing and transferring real property for affordable housing and other public uses. While land banks are relatively new to New York, they are already seeing signs of success—from eliminating blighted, abandoned homes that wreak havoc on communities to investing in renovations to single- and multi-family homes.

In short, we look forward to working with you closely to further strengthen and advance the bills presented today. Thank you in advance for your attention and consideration. Be well and stay safe.


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January 22, 2021

NYC Council Committees on Housing and Buildings

Testimony of the Community Housing Improvement Program in Opposition to Intro 1977-2020 as Currently Drafted

We thank you for the opportunity to submit comments on Intro 1977 of 2020. This testimony is provided on behalf of the Community Housing Improvement Program, an organization representing thousands of small- and medium-sized rent-stabilized housing providers throughout NYC. Our major concern about Intro 1977-2020 is that there will be unintended negative consequences for renters in New York City. The issue of housing affordability is not unique to New York. While other locations have enacted so-called “right to purchase” legislation, such as San Francisco CA, and Washington DC, those laws have not had the intended results.

One of the main reasons for the poor results is the lack of participation: the entities which must be created to participate in the programs simply do not exist and cannot be put together quickly or easily. As many others have testified, the multi-faceted expertise necessary to own and operate a multifamily building is not readily available. It requires a team of professionals, even for smaller buildings. Despite the good intentions of this council, and most residents, it simply is not realistic to expect not-for-profit entities to be created around this program. Even if they were, opportunity to purchase programs do not always lead to continued affordability. According to [a report](#) on the program in Washington DC, “Even in buildings where tenants invoked their TOPA rights, the number of affordable units often declines.”

In San Francisco, the city has had to extend the program’s time frames because not enough qualified entities existed or were being formed to participate in the program. The limited number of qualified entities leads to elongated waits for new owners to take over mismanaged buildings and improve tenant living conditions. Do not forget, many buildings are transferred for this reason, and prolonging the process only prolongs the exposure of residents to poor quality of living and perhaps even safety hazards.

Lessons can also be learned from NYC's own experiences with resident-run housing. Many Housing Development Fund Corporation (HDFC) buildings ended up in disrepair and mismanagement which landed many residents in dire circumstances, often losing much of the equity they had put into the property. In short, without the necessary expertise to manage multifamily housing, many newly formed tenant associations or not-for-profits fall behind on maintenance and other financial obligations, and residents ultimately have to turn to a private, for-profit, partner to come in and assist or seek [special treatment from their council representatives](#).

In the Commonwealth of Massachusetts, a similar "right of first refusal" bill was passed by the legislature but vetoed by Governor Baker. His veto was based on the fact that these types of programs tend to result in less investment and fewer new rental units, and therefore he deemed it irresponsible to exacerbate any existing housing shortages by making it harder to sell buildings.

There needs to be additional research and discussion with stakeholders to accomplish a workable program that furthers the laudable intentions of the bill sponsors without causing the unintended consequences that will ultimately hurt renters and small property owners. The committee report for this hearing was entirely focused on the concept of community land trusts, but contained no real discussion of the pros and cons of Intro 1977 or the results that have been seen in other jurisdictions using opportunity to purchase models. We should learn from the mistakes of others to avoid falling into the pitfalls that other jurisdictions have experienced.

In this spirit, we think it would be beneficial for the city to employ mechanisms that allow more realistic relocation options for tenants who reside in a building that has redevelopment potential. Rather than having to buy a tenant out, allow the tenant to be relocated in the same area, at the same rent, temporarily until the new units are created, and give that tenant the right to reoccupy a new unit when completed. Let HPD facilitate and monitor the relocation and reinstatement process, which they already have experience in doing, as well as the capacity to do so.

Aside from these significant policy concerns, we believe the legal underpinning of the bill to be questionable at best.

And finally, the lack of any standard to measure or determine the ability and expertise of "qualified entities" to develop and manage the property is concerning.

We thank you for the opportunity to testify and look forward to working with the bill sponsors and supporters to find workable and effective solutions to the affordability issues facing many renters throughout the city.