

1 BEFORE THE NEW YORK STATE SENATE
2 STANDING COMMITTEE ON HOUSING, CONSTRUCTION, AND
3 COMMUNITY DEVELOPMENT

4 PUBLIC HEARING:

5 RENT REGULATION AND TENANT PROTECTION LEGISLATION

6 Van Buren Hearing Room A
7 Legislative Office Building, 2nd Floor
8 Albany, New York

9 Date: May 9, 2019
10 Time: 4:00 p.m.

11 PRESIDING:

12 Senator Brian Kavanaugh, Chair

13 PRESENT:

14 Senator George A. Amedore, Jr. (RM)

15 Senator Jamaal T. Bailey

16 Senator Brian A. Benjamin

17 Senator Neil D. Breslin

18 Senator Pamela Helming

19 Senator Brad Hoylman

20 Senator Anna M. Kaplan

21 Senator Liz Krueger

22 Senator John C. Liu

23 Senator Shelly B. Mayer

24 Senator Zellnor Myrie

25 Senator Gustavo Rivera

Senator Julia Salazar

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33	Tenant Political Action Committee		
34	Also, honorary member of the		
35	New York City Loft Tenants		

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Member, Citywide Tenant Union
of Rochester
Also, President, 447 Thurston Road
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Emma Young
An Evicted Tenant
Rochester, New York

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Gail (no last name given)
Representative
City-Wide Tenant Union
of Rochester, New York

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Ryan Acuff
Member
City-Wide Tenant Union
of Rochester, New York

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1 SENATOR KAVANAGH: Last minute technical
2 question, and we'll begin promptly.

3 If folks could take their seats, we're going
4 to begin.

5 So let me begin by welcoming everyone to the
6 Standing Committee on Housing, Construction, and
7 Community Development's public hearing on rent
8 regulation and tenant protection legislation.

9 This is our third of five hearings on this
10 topic.

11 We are scheduled to be here until 8 p.m, or
12 until all folks who have signed up to testify have
13 done so.

14 We will then have an additional hearing on
15 this topic tomorrow in Newburgh at 2:30 p.m., and we
16 will have a further hearing in Greenburgh, in
17 Westchester County, on Tuesday, the 28th, at
18 10 a.m.

19 In addition, I should note that there's a
20 separate -- a hearing on a separate topic that we're
21 doing jointly with the Committee on Investigations
22 and Government Operations, tomorrow morning, also in
23 Newburgh, on code enforcement in smaller localities.
24 And that will begin at 9:30 at the same location as
25 the rent-regulation hearing later in the afternoon.

1 So, again, I'm Senator Brian Kavanaugh, Chair
2 of the Committee.

3 And I'd like to welcome all of you, and
4 welcome the -- Senators Helming, Breslin, Hoylman,
5 Myrie, Salazar, and Rivera here.

6 And I would begin just by seeing if any of my
7 colleagues on the Committee or other senators have
8 joined us have any opening remarks.

9 I begin by recognizing Senator Myrie, if you
10 have.

11 Okay.

12 Any other members of the Committee or others
13 present want to begin by making any opening remarks?

14 Senator Hoylman.

15 SENATOR HOYLMAN: I would just like to thank
16 the Chair for his deliberate strategy of holding
17 hearings across the state, and making certain that
18 voices are heard in a diverse manner, as well as the
19 Co-Chair of the working group, Senator Myrie, for
20 marshaling our thoughts on this very complicated
21 issue that is of the utmost importance to so many of
22 our constituents, whether they can stay in their
23 home.

24 Thank you.

25 SENATOR KAVANAGH: Thank you,

1 Senator Hoylman.

2 Any other comments before we call up the
3 first witness?

4 Senator Helming.

5 SENATOR HELMING: Thank you,
6 Senator Kavanagh.

7 I too want to thank you for hosting these
8 hearings throughout the state of New York.

9 I represent, primarily, rural districts in
10 six counties: Ontario County, Wayne County,
11 Seneca County, Cayuga County, Tompkins County, and
12 a part of Monroe County.

13 As I said, they're mostly very rural
14 communities, but I just want to share that, you
15 know, the housing struggles that we have in our
16 rural communities are very real as well.

17 I hear about concerns related to housing from
18 my constituents.

19 I think the number of concerns I've heard has
20 increased since I've become a member of the Housing
21 Committee this year, and I know that there's work
22 that needs to be done to our state's housing laws.

23 However, I just want to put out there that,
24 I'm curious, I'm skeptical, about any proposals that
25 take a one-size-fits-all approach to addressing the

1 housing issues across the state of New York.

2 I'm hoping from these hearings that what
3 you're picking up is that, what may work in one area
4 doesn't necessarily fit in another area, and that
5 we'll take that into consideration, similar to what
6 was done when the Senate finalized the minimum-wage
7 proposals.

8 I think we need to be balanced and
9 responsible, to ensure that any changes in law
10 protect both landlords and tenants, both in our
11 cities and our rural areas.

12 And we all know this, New York is already one
13 of the most difficult states to conduct business in,
14 and it's critical that we don't enact regulations
15 that will stop future housing developments and have
16 the unintended consequence of actually making
17 housing more expensive for working-class families.

18 Again, Senator Kavanagh, I thank you for your
19 leadership on this issue.

20 SENATOR KAVANAGH: Thank you,
21 Senator Helming.

22 I would note, we've also been joined by
23 Senator Benjamin.

24 Thank you.
25

1 Okay, so, without further ado, I think we
2 will bring up our -- we bring up our first panel of
3 witnesses, from the New York City Department of
4 Housing Preservation and Development,
5 Commissioner Louise Carroll and Deputy Commissioner
6 Elyzabeth Gaumer, and perhaps some other folks from
7 HPD as well.

8 I will get -- we have a question from the
9 panelist, but it might be (indiscernible) everybody.

10 We have -- the opportunity to testify closed
11 at noon today, so we have a complete list of folks
12 who signed up by then.

13 We will be calling them in -- we'll be
14 calling them in -- in -- in panels of kind of folks
15 that we think might share a similar perspective,
16 just for clarity for folks.

17 And we also did ask -- offer people the
18 opportunity to express any preferences about
19 testifying at a particular time, and we'll be trying
20 to honor those as well.

21 So, Commissioner, if you could begin, just
22 for the record, stating your name for -- and -- for
23 the transcript, and then begin.

24 COMM. LOUISE CARROLL: Good afternoon.

25 My name is Louise Carroll. I'm the

1 Commissioner for the New York City Department of
2 Housing Preservation and Development.

3 SENATOR KAVANAGH: Great.

4 And will you be testifying also?

5 ASST. COMM ELIZABETH GAUMER: Yes.

6 Hello, good afternoon.

7 Elyzabeth Gaumer, assistant commissioner for
8 research and evaluation at HPD.

9 SENATOR KAVANAGH: Great.

10 So each -- each witness, or -- will have
11 10 minutes to present their testimony today.

12 And then, in addition to that, to answer --
13 after that time has elapsed, any time to answer any
14 questions from senators who are here.

15 And we will maintain that time frame
16 throughout the day, unless we get toward the end,
17 then we have many more people are scheduled to
18 testify, at which point we might announce a shorter
19 window.

20 And I will note that we're nearly a minute
21 into this panel, so perhaps we'll give them a grace
22 period at the end, given that I added a few minutes
23 to their -- a minute to their -- their time.

24 But, Commissioner, if you want to begin your
25 testimony.

1 COMM. LOUISE CARROLL: Thank you.

2 Good afternoon, Chair Kavanagh, and members
3 of the New York State Senate Committee on Housing.

4 I'm Louise Carroll, commissioner of the
5 New York City Department of Housing Preservation and
6 Development.

7 I'm joined today by Elyzabeth Gaumer,
8 assistant commissioner of research and evaluation at
9 HPD.

10 And I'd like to thank the Committee for
11 welcoming us today to present our data and findings
12 to help inform your discussions as you consider how
13 to reform rent regulation in this legislative
14 session, an issue of vital importance for the future
15 of New York City.

16 New York City continues to face a housing
17 crisis, evidenced by a vacancy rate that has
18 remained below 5 percent for decades.

19 The housing crisis contributes to an
20 affordability crisis here in the city and places
21 extreme pressure on low- and moderate-income
22 New Yorkers.

23 Too many New Yorkers pay a larger share of
24 income for housing than they can sustain.

25 This day-to-day reality forces many to make

1 strategic trade-offs: to delay payment of their
2 critical expenses, to go into debt, or to fall short
3 on paying the rent.

4 The housing crisis is a top priority for the
5 City, but requires action at every level of
6 government.

7 Locally, we have doubled down on our work to
8 protect New Yorkers and to help keep them in their
9 homes.

10 Mayor de Blasio has committed unprecedented
11 resources to build and preserve affordable housing,
12 even despite constant federal budget threats.

13 The administration has also taken great
14 strides to protect tenants and fight tenant
15 harassment so that New Yorkers can stay in their
16 homes and in their neighborhoods.

17 We address poor housing conditions through
18 enforcement actions, we bring cases in housing
19 court, and have created and expanded data-driven
20 tools to prevent displacement and harassment.

21 Since 2014, we provided funding for legal
22 services and legislation to guarantee legal council
23 for 250,000 low-income New Yorkers who are facing
24 eviction, and evictions are down 37 percent.

25 We are also part of a multi-agency

1 anti-harassment task force with our state
2 colleagues, and have created a new mayoral office to
3 protect tenants, that will coordinate between the
4 housing and other agencies to help improve
5 enforcement work across the city, yet our most
6 comprehensive protection is rent stabilization.

7 Rent-stabilized apartments are, both, the
8 largest source of lower-cost housing in the city,
9 and provide critical tenant protections that enable
10 residents to remain in their homes and exercise the
11 choice to stay in their neighborhoods.

12 To preserve this invaluable resource,
13 rent-stabilization laws must be renewed and
14 restrengthened.

15 Using the housing and vacancy survey on which
16 we will go into in more detail shortly, we can see
17 that the 2011 and 2015 reforms made progress towards
18 protecting our rent-stabilization stock.

19 By our estimates, these reforms helped retain
20 tens of thousands of units that would otherwise have
21 exited rent stabilization.

22 But, we are still making up ground from years
23 past, and given the current market pressures facing
24 New York City, it is critical that we do more.

25 That's why we are strongly advocating to

1 strengthen rent regulation, to keep New Yorkers in
2 their homes, and keep lower-cost units stable.

3 And good data-driven policy can do just that.

4 As we present critical information to the
5 Legislature, I want to emphasize the importance of
6 systemizing access to the kind of aggregate data
7 information that tells the full story of rent
8 stabilization, while ensuring that we are protecting
9 the privacy and security of millions of New Yorkers
10 that live and rent regulated housing.

11 As you will hear in greater detail later in
12 our testimony, current rent-stabilization laws offer
13 the largest rent increases when units are vacant.

14 This means owners are incentivized to get
15 tenants out of their units, allowing them to drive
16 up rents and push rent-stabilized units into the
17 decontrolled threshold.

18 This is resulting in the loss of low-cost
19 housing at an alarming rate; meaning, that there are
20 fewer and fewer rent-stabilized rents available to
21 low- and moderate-income New Yorkers.

22 Worse still, the disproportionate value of
23 vacancy in rent-stabilized units creates the
24 incentive to harass current tenants, particularly
25 the longest tenured and most vulnerable.

1 Better, smarter rent-stabilization laws can
2 shift the incentives away from vacancy, remove the
3 ability to decontrol units, refocus investments to
4 help ensure rent-stabilized tenants can live in
5 high-quality housing, and protect against
6 displacement of current tenants.

7 As we evaluate proposals, we believe
8 five principles must drive this process.

9 We must:

- 10 1. Retain the rent-stabilization stock;
- 11 2. Preserve affordability and stabilize rent
12 levels;
- 13 3. Ensure current tenants are secure in
14 their homes and in their neighborhoods;
- 15 4. We must maintain the quality of the
16 stock;

17 And, 5. We must protect the benefits of rent
18 stabilization for future tenants.

19 To that end, this administration recommends
20 eliminating vacancy decontrol, eliminating the
21 vacancy bonus and longevity bonus, closing the
22 preferential rent loophole that allows landlords to
23 shock tenants with high rent increases at lease
24 renewal, and pursuing significant reforms and
25 limitations for major capital improvements and

1 individual apartment improvements.

2 You'll hear next from Assistant
3 Commissioner Gaumer about the analysis
4 that informs our approach.

5 And with that, I will turn it over to
6 Assistant Commissioner Gaumer.

7 ASST. COMM ELIZABETH GAUMER: Thank you very
8 much, and good afternoon.

9 I am Elyzabeth Gaumer, assistant commissioner
10 of research and evaluation within the division of
11 housing policy at HPD, and I'm here today to testify
12 in my role as the survey director of the
13 New York City Housing and Vacancy Survey, or, "HVS."

14 The HVS has been conducted since 1965, making
15 it the longest-running housing survey in the
16 country.

17 It is, therefore, uniquely positioned to
18 provide context on New York City's housing landscape
19 and tenant population, information that we hope will
20 ground your decision-making process with sound
21 evidence.

22 The survey's history runs parallel to the
23 history of rent regulation in our city which has
24 been in effect, in some form, for more than
25 75 years.

1 I'd like to begin by articulating some of the
2 broad historical changes in housing that have
3 occurred over the past several decades, and the
4 major challenges that we face today, in order to
5 inform the future of rent regulation.

6 I will start by speaking to the overall
7 housing stock in New York City before focusing on
8 the rent-stabilized stock in particular.

9 New York City's housing stock has changed
10 dramatically in the last 50 years since the HVS
11 first began.

12 We have seen dramatic improvements in the
13 quality of the housing stock, and have continued to
14 see growth in stock, particularly in the last
15 decade.

16 We have the largest housing stock on record,
17 currently, with about 3.5 million housing units in
18 2017.

19 Over the past few decades, during a time when
20 rent stabilization has been in full force, we have
21 seen steady growth, with about 69,000 units added
22 between the 2014 and 2017 HVS survey cycles.

23 In 2017 we saw the lowest prevalence of
24 poor-quality housing on record in the HVS since the
25 1960s when the survey began.

1 In 2017, the quality gap between older rental
2 housing, that which was built before 1947, and the
3 rental stock overall closed almost completely.

4 Despite the overall increase in supply of
5 housing, rents continued to rise.

6 Between 2014 and 2017, we saw about
7 130,000 fewer units, overall, in the bottom half
8 of the rent distribution, those with rents below
9 \$1500.

10 This is the result of increases in rent among
11 the lowest-cost units, not only construction of
12 higher-cost stock.

13 New York City has been in a state of housing
14 emergency, defined as having a net rental vacancy
15 rate of less than 5 percent, since the HVS first
16 began in 1965.

17 In 2017, the vacancy rate was 3.63 percent.

18 The housing shortage is most acute among
19 lower-cost units where we see even lower vacancy
20 rates.

21 Units renting for 1,000 to 1500 dollars had a
22 vacancy rate of only 2.5 percent in 2017.

23 I'd like to now turn to the rent-stabilized
24 stock in particular, and the population and
25 residents.

1 Rent stabilization applies to just under
2 1,000,000 units, or about half the rental units in
3 New York City.

4 We also find from the data that rent
5 stabilization overwhelmingly serves low- and
6 moderate-income New Yorkers.

7 86 percent of those in rent-stabilized units,
8 or, more than 830,000 households, are low-,
9 moderate-, or middle-income New Yorkers, with the
10 vast majority being low-income.

11 Rent stabilization is one tool to protect
12 those tenants, providing not only price controls,
13 but also tenant protections.

14 The HVS found no statistically meaningful net
15 change in the overall size of the rent-stabilized
16 stock in 2011, 2014, and 2017.

17 That does not mean, however, that the
18 rent-stabilized stock has remained static over time;
19 rather, it signals that the number of units added to
20 the stock has kept pace with those that have exited
21 rent stabilization.

22 As a reminder, rent-stabilization units are
23 created through affordable-housing development and
24 through tax-benefit programs, such as 421-a and
25 J-51.

1 Since 1993, more than 150,000 units have
2 exited rent stabilization through high-rent vacancy
3 decontrol.

4 In 2011 and 2015, rent reforms stemmed the
5 loss of units by increasing the deregulation rent
6 threshold, or, the "DRT."

7 We estimate that this saved as many as
8 70,000 units that would have otherwise have been
9 lost due to vacancy decontrol.

10 Although this was an important set of reforms
11 to retain the rent-stabilized stock, those reforms
12 did not go far enough to retain low-cost units, and
13 it is likely that a large number of the units saved
14 from decontrol are those with rents at a very high
15 level, those with a minimum rent of \$2,000 or more.

16 I would now like to turn it back over to
17 Commissioner Carroll.

18 COMM. LOUISE CARROLL: So, in order to
19 further explore one of the primary causes of the
20 loss of low-cost stock in New York City, I would
21 like to walk through how an owner can easily use the
22 rent increases allowed in the current
23 rent-stabilization system, and the different ways
24 those increases may be applied to occupied versus
25 vacant units.

1 So through the next few slides, I will show
2 how an owner can easily take a unit renting below
3 \$1,300, and drive that rent up to decontrol in just
4 two vacancies.

5 (Slide show begins.)

6 COMM. LOUISE CARROLL: You'll see that the
7 current rent system allows owners to take advantage
8 of extremely high rent increases when a unit turns
9 over, which we believe has a major -- is -- has been
10 a major driving force of the loss of low-income
11 units and significant deregulation, and can
12 incentivize tenant harassment.

13 The HVS shows that the medium contract rent
14 of an occupied rent-stabilized unit in 2017 was
15 \$1,269.

16 This is represented in blue, and we will hold
17 this, the same, to show how the allowable rent
18 increases would apply to an occupied and a vacant
19 unit.

20 The most recent annual increase voted by the
21 Rent Guidelines Board was 1.5 percent increase for a
22 one-year lease and 2.5 percent increase for a
23 two-year lease.

24 These increases are historically low and
25 follow two years of 0 percent rent increases for

1 one-year renewals for 2016 and 2017.

2 This effectively kept the occupied portion of
3 the rent-stabilized stock level for the past few
4 years.

5 At vacancy, owners seeking to dramatically
6 increase the rent can use three main levers: The
7 vacancy increase for units where the prior tenancy
8 was at least eight years, a longevity increase, and
9 increases resulting from individual apartment
10 improvements, better known as "IAIs."

11 These increases would be in addition to any
12 major capital improvements, better known as "MCIs,"
13 that have already been applied.

14 The allowable vacancy increase may be up to
15 20 percent, but based on the current RGB order, a
16 landlord using the vacancy increase would be able to
17 raise the rent for a vacant unit, with no other
18 restrictions, by 19 percent for a one-year lease.

19 Remember, this is with no guarantee of any
20 individual unit investment that would improve the
21 overall living conditions for the next tenant.

22 Using the longevity increase, owners may also
23 increase rents by 0.6 percent of the legal rent for
24 each year that the previous tenant was in residence
25 where the prior tenancy was at least eight years.

1 For a vacant unit whose prior tenancy was --
2 was an occu -- tenant was in occupancy for
3 eight years, an owner would be entitled to a
4 longevity increase of 4.8 percent.

5 As a note, nearly 500,000 units would
6 currently be eligible for longevity increases at
7 their next vacancy.

8 And when any of the 250,000 rent-stabilized
9 units that have been occupied for 20 years or longer
10 become vacant, a longevity increase of 12 percent
11 will apply in addition to the vacancy increase that
12 we discussed a minute ago.

13 There are two mechanisms for incentivizing
14 investment: Major capital improvements, and, IAIs,
15 which I just mentioned was the third lever in
16 driving significant increases at vacancy.

17 MCIs permit owners to recoup investment in
18 building-wide improvements, such as roofs and
19 boilers.

20 The corresponding permanent increases are
21 capped at 6 percent of each tenant's rent per year.

22 In 2017, we estimate that, for buildings that
23 had an MCI, the average effective full increase for
24 a typical unit was 4.3 percent.

25 While these increases may seem low compared

1 to others that we will discuss, the current MCI
2 system must be reformed.

3 Owners can misuse MCIs and tenants feel added
4 increases acutely.

5 IAIs permit owners to recoup investment in
6 upgrades made to a single unit. Unlike MCIs, there
7 is no cap and no phase-in.

8 Although IAIs can be applied to both occupied
9 and vacant units, tenants have to give approval for
10 IAIs to be done in occupied units.

11 Because of this, we believe the vast majority
12 of IAIs are in vacant units; meaning, that the
13 largest rent increases occur at vacancy.

14 Because IAIs are not capped, an owner with a
15 vacant unit can choose to invest the amount
16 necessary to raise rents just enough after applying
17 the vacancy and longevity increases, and any other
18 MCIs that were already taken, to get to the
19 deregulation threshold, essentially, buying the unit
20 out of rent stabilization.

21 Our model show that after just two tenants,
22 an owner with access to sufficient capital can
23 easily and quickly get to the DRT.

24 In this model, the base rent increases
25 19 percent due to vacancy increases after each

1 vacancy, and 4 percent as a longevity increase after
2 the first vacancy.

3 An owner with only \$24,000 in IAI investment
4 at each vacancy can increase rents by an additional
5 \$400 at vacancy, which works out to a 32 percent
6 increase at the first, and a 20 percent increase at
7 the second vacancy, an investment that can more
8 easily be recouped once the unit is decontrolled.

9 When we consider how these permanent rent
10 increases compound over time, we see how quickly the
11 rent increases allowed in vacant units add up.

12 Within two vacancies, the typical vacant unit
13 would reach the DRT and be eligible for vacancy
14 decontrol under the current system.

15 According to the department of homes and
16 community renewal, the state agency that is
17 responsible for enforcing the regulation laws, at
18 least 14,000 IAIs were filed between 2016 and 2017.

19 This represents as many as 14,000 units that
20 may have seen dramatic increases in rents, some of
21 which may have been high enough to get them above
22 the DRT, and decontrolled.

23 As you can see, rents increase quickly as
24 rent-stabilized units become vacant and turn over.

25 This has two significant consequences:

1 First, it creates an incentive for owners to
2 turn over units in order to get to vacancy and
3 access larger rent increases.

4 This incentivizes and encourages speedier
5 turnover, potentially, by harassing tenants out.

6 The incentive is even greater among the
7 lower-cost units, putting the most vulnerable
8 tenants, many of whom have aged in place, at risk.

9 Second, by contributing to the large-scale
10 decontrol of rental units across the city, it limits
11 the benefits of rent stabilization for anyone
12 seeking to move, including both newcomers, as well
13 as tenants who are looking to find a new home.

14 It is clear that the status quo is not
15 working.

16 We must seize this opportunity to reform the
17 system; however, it is important to remember that
18 reform of one part of the rent-stabilization system
19 should not be considered independent of the others.

20 Closing one loophole without addressing the
21 others risks unintended consequences.

22 To bring us back to our guiding principles,
23 we must work toward a system that ensures current
24 tenants are secure in their homes, prioritizes
25 retention of the stabilized stock, preserves the

1 affordability and stable rent levels, maintains the
2 quality of housing stock, and protects the benefit
3 of rent stabilization for future tenants.

4 Thank you for the opportunity to testify.

5 We'll now take your questions.

6 SENATOR KAVANAGH: Thank you for your
7 testimony.

8 I would note, we've been joined by
9 Senators Krueger and Liu, and Senator Amadore who's
10 the ranking member of the Committee.

11 I did offer folks opportunity to say some
12 brief remarks at the beginning, if they choose to.

13 But I think if we -- if the new senators
14 wouldn't mind, we'll hold those, and, you know, get
15 questions from the commissioner, and then we'll go
16 back if people want do that.

17 So I -- rather, I have a few questions, but
18 maybe I'll see if colleagues want to begin.

19 So, first, Senator Myrie.

20 SENATOR MYRIE: Thank you very much,
21 Commissioner and HPD for your testimony.

22 We've heard a number of concerns on MCIs
23 and IAIs, and reform or repeal, as they pertain to
24 investment in the property, and what effect reducing
25 these or eliminating these will have on the quality

1 of housing stock that were just investment
2 decisions, period.

3 And so I was wondering if you could speak
4 to --

5 I have a number of questions related to that.
6 -- whether you could speak to any programs
7 that HPD currently has in place to assist property
8 owners in the investment and maintenance of their
9 property?

10 I guess I'll start with that as the first
11 question.

12 COMM. LOUISE CARROLL: Thank you for that
13 question, Senator.

14 So, first of all, we view our HPD programs as
15 a complement to rent stabilization, and so it cannot
16 replace the importance of rent stabilization to
17 New York City and the housing stock.

18 What we're proposing, the elimination of the
19 vacancy decontrol threshold, it does not target the
20 quality of housing and does not limit the investment
21 in housing.

22 What we're asking for is to remove that
23 target, that line, that incentivize landlords to
24 take major increases at the vacancy of a tenant,
25 that does not go towards any investment in the unit

1 during the tenancy of the tenant who left, and is
2 not necessarily appropriate in terms of the
3 condition of the apartment.

4 And so what we're trying to do is just make
5 sure that the incentive is taken out for investments
6 that are not necessary, but are just meant to take a
7 unit out of decontrol.

8 Our -- our view that the vacancy bonus,
9 again, needs to be eliminated, that also does not
10 contribute to the living standards of a tenant that
11 has been in occupancy over a period of time, and
12 does nothing to benefit investment for a new tenant.

13 It is simply money paid to the landlord that
14 has no bearing on investment to a unit.

15 So, the changes that we're asking for in the
16 rent-stabilization laws are not intended to cause
17 disinvestment in a unit.

18 And our goal, as the City of New York, and as
19 a housing agency that's charged with producing
20 affordable housing and maintaining the quality of
21 housing through the housing maintenance code, we
22 would never put forward ideas for rent stabilization
23 that would cause disinvestment in a unit.

24 SENATOR MYRIE: Great.

25 And if I could just, one follow-up question,

1 on that note, if you can comment on whether or not
2 the City would be open to further recouping -- if
3 the Legislature makes the decision to reduce or
4 eliminate what a landlord can recoup from an MCI or
5 an IAI, would the City at all be open to working
6 with the State to try to help the landlord recoup by
7 in some other way; i.e., an expansion of the J-51
8 program, or some other tax incentive?

9 COMM. LOUISE CARROLL: Thank you, Senator,
10 for that question.

11 So, again, we -- our budget -- our HPD
12 budget, our housing budget, is primarily federally
13 funded, and so we have limited resources and a
14 limited supply of funds that we like to use
15 strategically to, one, produce affordable housing.

16 So, the Mayor has a plan to produce 300 units
17 of affordable housing by 2026.

18 What we're looking to do is have a net gain
19 in housing over time.

20 So what we would like to do -- what we would
21 like is to produce housing, and have a system of
22 rent stabilization, that helps promote and keep
23 good-quality, affordable housing, because it's like
24 a -- what we have a -- pouring water into a bucket
25 with a hole.

1 And so what we're trying to do is have rent
2 stabilization help us maintain stock while we
3 produce stock.

4 We have housing programs that help finance
5 repairs, we have tax-exemption programs that help
6 finance repairs, but these are finite.

7 What we're trying to do is make sure that
8 there's not just one million units of housing, but
9 three million, four million, that we don't have a
10 housing crisis long term.

11 SENATOR MYRIE: Thank you.

12 SENATOR KAVANAGH: Thank you.

13 So, (indiscernible), I'm going to go to my
14 right on this -- for this panel, and then we'll do
15 to the left, and we will switch it up as we go
16 through the day.

17 But -- so, Senator Salazar, I believe you
18 have questions?

19 SENATOR SALAZAR: Thank you.

20 Thank you for your testimony.

21 I wanted to ask you about the vacancy-rate
22 data that you shared.

23 You mentioned, I think, that it's mostly
24 remained below 5 percent in New York for decades.

25 Some -- I've heard from some of my

1 colleagues, they've asserted that vacancy rates in
2 their districts appear to have been much higher than
3 this, or increasing, and I suspect it's because they
4 might be considering foreclosures and abandoned
5 homes in their idea of what the vacancy rate is.

6 And I just -- I'm wondering if you could
7 clarify what is -- what exactly is meant by "rental
8 vacancy rate"; which vacant units or buildings are
9 included in that?

10 ASST. COMM ELIZABETH GAUMER: Of course.

11 And thank you for the opportunity to clarify
12 how we approach this.

13 So the HVS has been the statutorily-mandated
14 survey that collects that official vacancy rate
15 since, actually, 1962, under the name of the HVS in
16 '65.

17 We've had only minor adjustments to the
18 methodology in the vacancy-rate calculation.

19 It is what we call a "net rental vacancy
20 rate."

21 So not a gross vacancy rate, which would just
22 be a simple count of units that are not occupied.

23 For us, it's very critical to calculate that
24 vacancy rate in a way that ensures that we're only
25 counting units that, in fact, could be occupied.

1 So you are very familiar with sort of the
2 changes that have happened in New York over many
3 decades.

4 Back in the '60s and '70s, that vacancy
5 rate, that calculation, was important because some
6 units were not occupied because they could not be;
7 they were not safe, they were not habitable.

8 Those units would not be counted in the
9 vacancy rate then, or now.

10 Likewise, we see units that are, particularly
11 nowadays, not available for rent or sale.

12 They're second homes.

13 They're often luxury homes that have an
14 occupant, but not a primary resident.

15 They are not -- don't have actual residents
16 in them at the time of the survey.

17 And, similarly, we exclude those types of
18 units from our vacancy-rate calculations.

19 There are, in fact, many classes of
20 properties that are not counted, and have not been
21 over the last 50 years.

22 And the reason for that, and we have done
23 this in conjunction always with the U.S. Census
24 Bureau, the reason is to make sure that we have a
25 truly precise and meaningful vacancy rate that

1 really represents the reality of everyday
2 New Yorkers.

3 SENATOR SALAZAR: Thank you.

4 If I can ask follow-up question?

5 SENATOR KAVANAGH: Uh-huh.

6 SENATOR SALAZAR: You mentioned that 86
7 percent, roughly, of rent-stabilized tenants are
8 low-, middle-, moderate-income range, and that the
9 vast majority are low-income.

10 Could you tell me what the upper bound is on
11 the income range for that 86 percent, or, what is --
12 what's -- what actually is the income range when we
13 talk about moderate- to middle-income?

14 ASST. COMM ELIZABETH GAUMER: Sure.

15 So this here, the graph that's on the
16 screen -- I pulled it back up for everyone as
17 reference -- this is using the same AMI, or, HUD
18 income, in the categories that we use in all of our
19 affordable housing.

20 And so this is -- obviously, varies, based on
21 household size, but low-income for a household of
22 three is, essentially, just under \$50,000.

23 I can confirm and get you guys a full table
24 of what have those levels are.

25 SENATOR SALAZAR: All right.

1 And to sort of follow up on Senator Myrie's
2 question regarding the major capital improvements
3 program, what -- is there a program that currently
4 exists, through DHCR, or otherwise, that if we
5 eliminate MCIs, as I believe we should, is there a
6 program that exists to, otherwise, incentivize or
7 support property owners if they actually need that
8 support in order to make necessary repairs to their
9 buildings?

10 COMM. LOUISE CARROLL: So any program that
11 exists, whether it's a low-cost loan or an abatement
12 in taxes, would mean -- would not be free money.

13 So, an owner of a building would have to have
14 the income and the finances to either repay a
15 low-cost loan, or, an abatement in taxes would only
16 reduce their expenses -- their day-to-day expenses,
17 so much.

18 At some point, we have to be able to support
19 a housing stock that stands on its own, so that the
20 state and city governments are not, basically,
21 constantly subsidizing and spending money to
22 preserve all the housing in the city.

23 We have to manage our resources so that we're
24 helping the neediest housing structures, and that
25 we're also producing more housing, so that,

1 basically, the more housing we produce, the cheaper
2 it gets. Right? It's a supply-and-demand thing.

3 And so we really do feel like rent
4 stabilization and the City housing programs
5 complement each other, and that we're not
6 recommending an elimination of MCIs or IAIs.

7 We're recommending curbing the abuses that
8 currently exist, because the system is being abused.

9 And we just -- we really feel like we can
10 rationalize the system so that there's a benefit to
11 tenants and that there's a benefit to the housing
12 stock overall.

13 SENATOR SALAZAR: Thank you.

14 SENATOR KAVANAGH: You all set?

15 Senator Rivera.

16 SENATOR RIVERA: Thank you.

17 Good afternoon, or morning?

18 What is it? Afternoon, morning, something
19 like that -- afternoon.

20 So I wanted to talk a little bit about --

21 Thank you for being here, first of all.

22 I want to talk a little bit about
23 construction harassments, and the role that HPD
24 plays in that.

25 It is my understanding, and this has happened

1 plenty in my district, when -- when a certain --
2 landlords are pursuing an MCI, and there's a major
3 renovation, if necessary, sometimes they require
4 access to the people's bathrooms and kitchens, which
5 means, obviously, that my tenants -- that my
6 constituents don't have access to them.

7 And if they're many times told that, if they
8 don't provide the access, then they will be evicted.

9 And so there -- could you talk a little bit
10 about the role that HPD plays in that
11 construction-harassment process; how you help
12 tenants, and what are some of the things that they
13 can do to make sure that they -- you know, that they
14 know what their rights are, and that this doesn't
15 happen to them, or what is the role you play in
16 that?

17 COMM. LOUISE CARROLL: So the City of
18 New York and the Mayor of the City of New York, and
19 the City Council, for that matter, we are definitely
20 anti-harassment of tenants.

21 We have taken a number of measures recently
22 to combat just that.

23 We have, one, the Mayor has formed a
24 tenant-protection unit within the Mayor's Office,
25 that, basically, coordinates efforts between all

1 city agencies, so that tenants can complain to that
2 office if there is harassment. And that office will
3 coordinate with DOB, HPD, and any other city
4 agencies that are necessary to tackle the issue.

5 HR -- we also funded HRA to provide legal
6 services to tenants. So, we're providing free legal
7 services to tenants in order to combat harassment
8 and any housing issues that they may have with their
9 landlords.

10 We also have a tenant-protection unit. It's
11 newly-formed at HPD.

12 We recently hired about eight staff, and
13 we're hiring a lawyer. And, basically, that unit is
14 meant to combat just this kind of construction
15 harassment, code-enforcement type of harassment.

16 So any tenant that feels they're being
17 harassed in that way, through code-enforcement type
18 of violations or construction-related violations,
19 should contact HPD. They should contact the Mayor's
20 Office. And we have a coordinated plan to help
21 those tenants.

22 We also have -- in rezoned areas, we have
23 formed a pilot program called "The Landlord
24 Ambassadors Program."

25 And, basically, what we've done is hire

1 not-for-profits to be our community activists and
2 coordinators to, basically, assist tenants and -- to
3 assist tenants in getting -- and their resources,
4 legal or otherwise, in order to combat harassment.

5 But, finally, we're here, because we think
6 rent-stabilization laws are key to protecting
7 tenants against harassment and protecting tenants
8 against displacement.

9 And so all of the actions that we're doing,
10 not only providing affordable housing, but creating
11 laws and programs and pilots to help tenants on the
12 ground, this law, and reforming this law, is key, it
13 is the cornerstone, to us being able to protect
14 tenants long term.

15 SENATOR RIVERA: I have one more thing.

16 I want to talk for a few minutes about the
17 concept of warrant of habitability.

18 There is -- there are conversations that
19 we've had with some -- whether in one of the past
20 hearings, or in some conversations that we've had
21 with folks coming to us, and some letters that we've
22 gotten, et cetera, that seem to, at least to me, I'm
23 a little confused, so I want to --

24 You know, obviously, this is what you do for
25 a living. You know far more about this than I do.

1 -- and it is my understanding that such a
2 standard is set so that, a landlord, who is a
3 proprietor of a property, keeps -- has a
4 responsibility to keep that facility, to keep that
5 building, livable.

6 If it is a residential building, that it
7 should have heat, that it should have windows that
8 close all the way, that it should have doors that
9 close all the way, that shouldn't have holes in the
10 side of their kitchen or on top of their bed,
11 et cetera, et cetera.

12 You know --

13 COMM. LOUISE CARROLL: Yes.

14 SENATOR RIVERA: -- these basic human things.

15 So it is my understanding that that is a
16 basic responsibility of each -- of a landlord.

17 Is that correct?

18 COMM. LOUISE CARROLL: That's correct, and we
19 have a housing-maintenance code that sets forth the
20 standards.

21 SENATOR RIVERA: So that is -- okay.

22 So -- because I'm confused, because every
23 time that I hear about a major capital improvement
24 or an independent apartment improvement, it seems to
25 be around issues that -- well, actually, while --

1 it's-- it's -- I'm a little -- this is why I'm
2 confused, you see, I want you to kind of help me
3 out, because, one, I hear that there are buildings
4 that have all of these sorts of issues, which,
5 again, you know, not having heat when it's
6 25 degrees outside, kind of a problem.

7 Or not having windows that close all the way.
8 So, if you're 85 years old and asthmatic, and have,
9 like, you know, your window is basically open in the
10 winter, it's kind of a problem.

11 And yet, some of those same buildings are
12 getting major-capital-improvement dollars, or
13 approved for terra-cotta siding, or pointing, or
14 new -- new -- brand-new entranceways, you know, nice
15 fancy entranceways, while the windows upstairs don't
16 work.

17 To -- so -- I'm just -- I'm just kind of
18 confused.

19 Is -- so maintenance is required; right?

20 And so maintaining a place livable is
21 required.

22 And those landlords that would seem to
23 suggest that the only way that they should -- that
24 they can maintain their buildings is to have access
25 to this thing, that we should -- as I agree with my

1 colleague, change completely and get rid of,
2 shouldn't they -- don't they have the responsibility
3 already, and shouldn't -- just, could you just
4 clarify for me, because I'm really confused about
5 this.

6 I'm not the smartest of the bunch.

7 COMM. LOUISE CARROLL: Thank you, Senator.

8 We share your values, that tenants throughout
9 the city should live in safe, quality housing.

10 Society shares your values, because we have
11 laws that say, you have to have heat at a certain
12 period of time.

13 However, I want to separate what are bad
14 landlords.

15 And we have ways of dealing with bad
16 landlords from a system-wide regime, which is making
17 sure that people have the right resources to change
18 that -- replace that boiler, to repair that roof or
19 change that roof.

20 And that, while we are doing that, we are not
21 shocking tenants with rents that they cannot pay.

22 So we're trying to have balance in this
23 system.

24 SENATOR RIVERA: That's why you go to
25 experts.

1 Thank you, ma'am. That clarifies a little
2 bit for me. Thank you so much.

3 Thank you, Mr. Chairman.

4 SENATOR KAVANAGH: And I would just specify
5 that Senator Rivera is the smartest senator.

6 He's just -- we're assuming there are smarter
7 people who have joined us today to testify.

8 Next up we'll have Senator Hoylman, who is
9 pretty smart as well.

10 SENATOR HOYLMAN: You're pretty smart
11 yourself, Senator Kavanagh.

12 [Laughter.]

13 SENATOR HOYLMAN: I -- thank you,
14 Commissioner and Deputy Commissioner, for being here
15 today.

16 I wanted to ask you about MCIs.

17 It's a constant issue for so many of our
18 tenants, and, frankly, it's an issue we're grappling
19 with because, you know, there's the scope of the
20 proposals, from reform to elimination altogether.

21 And I want to just drill down on your
22 recommendations and thoughts as to which approach is
23 better, given the statistics that you've shared with
24 us today, and what might some of the reforms that
25 we're considering look like.

1 COMM. LOUISE CARROLL: So one of the first
2 things we want to do is maintain the
3 rent-stabilization stock.

4 We have a housing crisis.

5 We need people to have affordable places to
6 live so that they can live where they work and we
7 can have a thriving city, a diverse city.

8 And so retaining the rent-stabilization stock
9 means removing that target, that threshold, for
10 deregulation, because that line and that target is
11 what people who want to remove units from
12 rent-stabilization stock will look at.

13 And then you can look at all the ways you can
14 add it up to get to that target and get out of rent
15 stabilization.

16 And, you know, maintaining housing stock and
17 investing in housing stock does not mean that you
18 need to increase rents rapidly by whatever means
19 necessary to reach that line.

20 And removing that line takes away that
21 incentive.

22 So we're saying, get rid of the deregulation
23 threshold.

24 Preserve affordability and stabilize rent
25 levels.

1 So we're saying, don't shock tenants with
2 huge rents, right, that don't have anything to do
3 with true investment in the property and true living
4 conditions.

5 So we're saying, let's curb MCIs, let's make
6 them rational, and let's curb IAIs and make them
7 rational, so that, you know, there is a direct
8 benefit and a slow increase that tenants can
9 actually pay, so that they -- people can invest in
10 buildings and tenants can have good housing.

11 We're saying that -- that tenants can stay in
12 their homes and in their neighborhoods.

13 So, again, when you have a 20 percent vacancy
14 increase that is not connected to any repairs, and
15 you have that line that people target to go to, you
16 have -- and you get a longevity bonus, if I've been
17 in an apartment for eight years, I'm a target,
18 right, because that there's another bonus that the
19 landlord can use.

20 And so now you have tenant harassment.
21 Right?

22 And so you -- what we want to do is take away
23 the vacancy bonus, take away the longevity bonus,
24 take away that decontrol threshold.

25 And so you're hitting several things:

1 You're ending harassment of tenants to get
2 them out;

3 You're allowing people to stay in their
4 neighborhoods where they work;

5 You're maintaining rent levels and
6 affordability levels;

7 And, you're protecting future tenants in
8 having places to live.

9 And what we're saying is, curb the MCIs and
10 curb the IAIs because we want investment in those
11 properties.

12 Though we're not saying, have complete
13 disinvestment in the properties and have the housing
14 rundown. Right?

15 We're saying, let's make rational
16 improvements that make tenant housing livable, and
17 let's make sure we can -- the cost of those
18 improvements don't shock tenants.

19 SENATOR HOYLMAN: And just to follow up, in
20 terms of, I mean, it would seem to me that, since
21 they do contribute MCIs and IAIs to the ultimate
22 deregulation threshold, they're an incentive, not
23 just -- well, some would say to invest, but, almost
24 to deregulate at the same time.

25 COMM. LOUISE CARROLL: I agree.

1 The way that they're being used now, the way
2 they're being abused now, is definitely an incentive
3 to deregulate.

4 But what we're saying is, that we could
5 change the laws, and we can create rules, so that
6 they're used at certain times for certain expenses.

7 And so that -- you know, if you -- if a
8 tenant leaves an apartment, and a landlord can go in
9 and say, I only need \$24,000 to make sure I can get
10 this thing deregulated. I can go in and make any
11 repairs that are not necessary, right, when the
12 apartment is in perfectly good condition, and I can
13 do it every year.

14 Right?

15 If a tenant leaves this year, I'll do it.
16 And if the tenant leaves next year, I can do it.

17 And what we're saying, let's rationalize
18 these rules so that the -- we're matching real
19 investment in property that is timely, so that we're
20 not getting to HPD having to come in with code
21 enforcement, because, by then, it's too late, the
22 tenant hasn't had heat for a while and the roof is
23 leaking.

24 And so we're saying, let's rationalize these
25 and not shock tenants with crazy rent increases.

1 SENATOR HOYLMAN: And final question, if
2 I may: Is there -- are you -- how often does HCR
3 turn down a request for an MCI or an IAI?

4 COMM. LOUISE CARROLL: So, I'm sorry, I'm not
5 able to answer that question.

6 SENATOR HOYLMAN: Have you ever heard of one
7 being turned down?

8 COMM. LOUISE CARROLL: I -- again, I -- you'd
9 have to ask the -- my -- the folks at HCR.

10 SENATOR HOYLMAN: Thank you.

11 SENATOR KAVANAGH: Senator Benjamin.

12 SENATOR BENJAMIN: Thank you, Commissioner,
13 for coming.

14 Thank you, Chair Kavanagh.

15 And I just want to support, I think -- where
16 I think Kav -- I'm sorry, Brad's last comment was,
17 we do need to speak to HCR.

18 And so, hopefully, that can be done sooner
19 than later.

20 SENATOR KAVANAGH: If I may, we do -- we have
21 been having conversations with HCR, and we do expect
22 that HCR will testify, although not today. Probably
23 at one of our remaining two hearings.

24 SENATOR BENJAMIN: Okay.

25 All right, because there's a lot of questions

1 on that that we need to talk about.

2 But, I'm sorry, let me stay focused on your
3 testimony.

4 So you made three recommendations, at least
5 what I heard, that were clear:

6 Eliminate vacancy decontrol;

7 Eliminate the vacancy bonus;

8 And, were you suggesting the grow
9 preferential rent at the Rent Guidelines Board? Is
10 that where you're -- or you -- you just were saying,
11 just don't have it, be able to go to the legal rent
12 when -- on lease renewal?

13 COMM. LOUISE CARROLL: So we're saying that
14 we should close that loophole.

15 SENATOR BENJAMIN: I see.

16 COMM. LOUISE CARROLL: That we should protect
17 the tenant in the -- that's existing in the unit,
18 and that we should close that loophole.

19 SENATOR BENJAMIN: Do you have a
20 recommendation or a thought around something that is
21 not growing it at the Rent Guidelines Board, the
22 rent --

23 COMM. LOUISE CARROLL: I'm sorry, can you
24 repeat that?

25 SENATOR BENJAMIN: So the -- what we have

1 been talking about is a preferential rent, upon
2 lease renewal, can only grow at the rate that the
3 Rent Guidelines Board recommends for all
4 rent-stabilized tenants.

5 That's what we've been looking at.

6 Do you have another idea of a solution that
7 is separate from that, that would close the
8 loophole, as you stated?

9 COMM. LOUISE CARROLL: Not at the moment.

10 SENATOR BENJAMIN: Got it.

11 So how much -- what percentage of the rent --
12 the loss of rent-stabilized units would you
13 associate with those three items specifically?

14 Would you say that's more than half?
15 75 percent? 80 percent? or 60?

16 COMM. LOUISE CARROLL: I don't have a precise
17 number for you.

18 SENATOR BENJAMIN: No, roughly.

19 ASST. COMM ELIZABETH GAUMER: But we know
20 from doing the substantial amount of analysis that
21 we've done as part of the most recent HVS cycle, and
22 also for many years before that, that the large loss
23 of those low-cost units, I think we have it up here,
24 the 130,000, these, here, that a large source of
25 that is where we have units that have increased

1 rents dramatically at vacancy.

2 They're not all rent-stabilized units, but we
3 know that a lot of rent-stabilized units have
4 experienced very large increases at vacancy, and
5 that the overall rent distribution has increased
6 over time.

7 SENATOR BENJAMIN: So let me ask my question
8 again differently.

9 Is the majority of that related to these
10 three items, or other items?

11 I'm trying to figure out what percentage of
12 that -- your concern is, we don't want to lose any
13 more rent-stabilized units, which we all agree with
14 that, or at least I hope we all agree with that.

15 So the question is: What percentage of that
16 loss, that you've been referring to, do you
17 attribute to the three items that you are saying we
18 should eliminate: vacancy control, vacancy bonus,
19 and the preferential-rent loophole being closed?

20 ASST. COMM ELIZABETH GAUMER: So based on our
21 analysis --

22 SENATOR BENJAMIN: Yeah.

23 ASST. COMM ELIZABETH GAUMER: -- my analysis,
24 the majority of the loss of those units, of the
25 stabilized units, is due to vacancy increase,

1 longevity increase, as you're calling it "bonus,"
2 and IAIs.

3 SENATOR BENJAMIN: IAIs?

4 ASST. COMM ELIZABETH GAUMER: The coupling of
5 those three things at vacancy.

6 SENATOR BENJAMIN: Great.

7 So, all right, so, let's talk about those for
8 a second.

9 How much time do I have left?

10 SENATOR KAVANAGH: Whatever.

11 I would just -- I (indiscernible) -- let me
12 ask --

13 SENATOR BENJAMIN: I won't be out of control.

14 SENATOR KAVANAGH: -- with respect to
15 senators, you know, we do have many people who want
16 to testify, but people should ask the questions
17 they're here to ask.

18 SENATOR BENJAMIN: Okay.

19 No, because, I mean, you know, we don't have
20 HCR here, so it would be nice -- okay.

21 So let's talk about IAIs for a second.

22 So you mentioned that we should curb IAIs.

23 Do you have some -- any ideas of what "curb"
24 looks like?

25 Are you suggesting that maybe we say, there

1 only could be so much money in each apartment
2 increase, like, so you can't go get, I guess like
3 Senator Rivera's point, you know, the Ritz-Carlton
4 kind of stuff?

5 You can prob -- you know, you only have
6 certain limits?

7 Are there ideas that you can recommend that
8 we can consider as we look at this?

9 COMM. LOUISE CARROLL: We are working on a
10 couple of ideas, and we're analyzing them.

11 And some of our HPD staff has been here
12 before to work with their colleagues at the state,
13 and will be back with those.

14 SENATOR BENJAMIN: Now, on the MCIs, do
15 you -- do you know how MCIs are financed,
16 typically, by owners? Do you have a sense of that?

17 Because one of the things that we've been
18 trying to figure out is, I know there's lenders,
19 like CPC, non-profit lenders.

20 I know -- I don't know if Liz is still here,
21 but, you know, that we've been talking to -- or, we
22 should be talking to about how, you know, this stuff
23 gets financed.

24 Do you have a sense of that that you can
25 share with the -- share with us?

1 COMM. LOUISE CARROLL: I mean, they get
2 financed in a variety of ways.

3 SENATOR BENJAMIN: Okay?

4 COMM. LOUISE CARROLL: So, you know, a
5 building owner may take private financing.

6 A building owner may -- you know, every
7 building should have a level of reserves that is
8 used for maintenance and operating.

9 But, depending on the size of the repair --
10 elevator, boiler, roof replacement, those are
11 expensive -- some people may go to CPC, some people
12 may go to HPD.

13 It all depends.

14 I mean, all of us have a limited resource,
15 and we all have a pipeline that we can fund within a
16 certain year.

17 So, the more players that are out there who
18 are able to support those repairs, people are going
19 to them as (inaudible).

20 SENATOR BENJAMIN: Great, so this leads into
21 my last question.

22 So, if HPD is a lender, can you talk about
23 what the requirements are that you need to determine
24 your lending to -- for an MCI?

25 COMM. LOUISE CARROLL: So we -- HPD has what

1 we call "term sheets" on our website, both for new
2 construction and for preservation.

3 And so we come up with a certain amount of
4 funding we'd give per dwelling unit, and our
5 different programs.

6 Basically, we get a capital-needs assessment
7 of the building, and we anticipate a certain amount
8 of money per dwelling unit for different kinds of
9 rehab.

10 And then we would go to our budget office and
11 ask for the funds in order to extend the loan to
12 make the repairs based on the scope of work.

13 And, of course, the landlord would have to
14 repay the loan, but they would also have to extend
15 rent stabilization to all of the tenants for the
16 duration of the loan term, which is 30 years, and
17 sometimes more.

18 SENATOR BENJAMIN: Right.

19 So -- I'm sorry, and now you're forcing me to
20 ask the question. I apologize.

21 But -- so -- but, right.

22 But when you -- do you look at their cash
23 flow when you make this decision?

24 And then do you -- I mean -- because what
25 we're trying to grapple with, and we've been having

1 these conversations, is, you know, there are a
2 number of landlords who will say, you know, if we
3 don't -- if we're not able to pass some of the
4 MCIs on through increasing the rent, then we can't
5 get the loans.

6 And so we need to understand from lenders if
7 that's a true statement or a false statement.

8 So when you make that loan, do you look at
9 their cash flow and then say, okay, this cash flow
10 warrants our loan?

11 COMM. LOUISE CARROLL: Yes, yes.

12 So we look at the entire health of the
13 building.

14 We do a full capital-needs assessment.

15 We look at all of the cash flows, because the
16 buildings has to be able to support the debt service
17 as well as pay its maintenance and operating costs.

18 SENATOR BENJAMIN: So is your ultimate -- so
19 I'm just going to kind of back up.

20 So your argue -- so you're saying not -- that
21 you wouldn't eliminate the MCIs because it would
22 be hard for to you make a loan if MCIs were
23 eliminated?

24 COMM. LOUISE CARROLL: So just to clarify, a
25 lot of our -- the projects that we finance, you

1 know, we're not looking to MCIs to cover our debt
2 service.

3 We're not -- a lot of our products we
4 don't -- that's not a source that we're looking to.

5 But when we do make a loan, we're trying to
6 make sure that the rents that people are collecting
7 and the expenses that they have support the debt
8 service.

9 So we wouldn't give a loan to a building that
10 cannot pay the loan. So we might find other ways.

11 Sometimes city council members give
12 (indiscernible) money. We may get grant money.

13 But, you know, the way we look a buildings in
14 different programs is to help buildings survive and
15 tenants maintain low rents.

16 So I -- we're not looking at MCIs in our
17 equation when we're financing a building.

18 SENATOR BENJAMIN: So when you say you
19 shouldn't eliminate MCIs or IAIs, you're not
20 basing it on your experience.

21 You're base -- what are you basing it on?

22 So why would you say --

23 COMM. LOUISE CARROLL: I'm just saying, when
24 we finance -- I'm not -- when we finance a building
25 and we finance repairs, we put the building in rent

1 stabilization, all of those buildings are not coming
2 to us. We're not able to finance all of the
3 buildings that are in the rent-stabilization system.

4 And what we're saying is that, long term,
5 year five, six, seven, of a landlord having seven --
6 actually, let's take the life of a roof, right?

7 So let's say, 15 years after constructing a
8 building, and the landlord has a roof, we cannot, we
9 just -- we would bankrupt the City if we were
10 financing every single landlord under rent
11 stabilization to replace every roof and every boiler
12 and make those capital improvements to buildings.

13 So what we're saying is, let's have a system
14 out there that complements what we do, and what we
15 do is finance and preserve affordable housing, and
16 build affordable housing that we put into the
17 system.

18 But as we're putting units into the system,
19 there's a hole in the drain that units are coming
20 out of.

21 And we're saying, get rid of the threshold
22 that does that. Get rid of the vacancy.

23 Allow landlords some means of financing
24 required improvements, but make sure that they're
25 not overcharging tenants and they're not shocking

1 tenants.

2 So let's right-size that equation.

3 SENATOR BENJAMIN: Thank you.

4 SENATOR KAVANAGH: Thank you very much for
5 your testimony.

6 Are there any -- I have a couple of
7 questions.

8 Any questions from any other members of the
9 panel?

10 Okay.

11 I would note, we've been joined by
12 Senator Kaplan and Senator Bailey since this
13 testimony began.

14 So thank you both for being here.

15 So I just want to drill down a little
16 further.

17 Your -- just to try -- a couple of the
18 headlines that I'm hearing from your testimony.

19 You're telling us that a very substantial
20 driver of unaffordability in the city of New York,
21 your jurisdiction, is events that happen upon
22 vacancy.

23 The vacancy -- the so-called "vacancy bonus,"
24 sometimes we like to call it an "eviction bonus,"
25 and I appreciate the opp -- the fact -- that you're

1 also emphasizing the longevity bonus, which has been
2 less, you know, emphasized, but is -- you know,
3 adds -- also adds a significant amount of money to
4 the rent without any indication that it's being
5 spent in any way on improving the properties.

6 And, in addition, you focused very much on
7 IAIs, which also, as you note, generally occur
8 during vacancy.

9 Can you just talk about -- I want to ask you
10 a couple questions, specific questions, about your
11 suggestion that, perhaps, IAIs could be reformed,
12 rather than repealed, because, as has been noted,
13 that's -- that's a kind of a -- you know, a hot
14 topic for us at the moment.

15 But can you just talk about, to what extent
16 is this activity a result of improper behavior, lax
17 enforcement, and documentation?

18 So, as we know, MCIs, you know, there's
19 scepticism of HCR's ability to enforce those. But
20 at least we know they are, you know, applied for,
21 documented, approved; whereas, IAIs, we know that
22 that does not occur and there's, you know, some
23 limited oversight.

24 But can you just talk a little about -- about
25 the extent, either anecdotally or any formal data

1 you have, about the extent to which there's, for a
2 lack of a better word, cheating going on in the
3 system now?

4 COMM. LOUISE CARROLL: Well, as you rightly
5 said, so there is no oversight over IAIs, and so,
6 you know, they're not reviewed and approved in the
7 same way that MCIs are.

8 So it really is up to the landlord, and the
9 proof is in the numbers of how many units are
10 exiting rent stabilization as they hit the decontrol
11 threshold.

12 And, you know -- so, anecdotally, and
13 numbers-wise, you know, that's what we're seeing.
14 Right?

15 So if you have an opportunity to constantly
16 increase rents and take units out of rent
17 stabilization as we're seeing, that is unmonitored
18 and unreviewed, then, I mean, it's up to the
19 imagination. And, of course, the numbers prove that
20 people are using it and doing it.

21 SENATOR KAVANAGH: Great.

22 But do you have any indication that they may
23 be lax in actually spending the money that they're
24 assert they're spending, or, you know, otherwise,
25 kind of gaming the system, beyond the fact that

1 these are, obviously, very generous reimbursements
2 for work they may be actually doing?

3 COMM. LOUISE CARROLL: You know, since HCR
4 actually is responsible for monitoring the
5 rent-stabilization system, I think that's really
6 more a question for them.

7 SENATOR KAVANAGH: That's fair enough.

8 COMM. LOUISE CARROLL: But, really, we're
9 looking at the numbers of units that are exiting
10 rent stabilization, and the vast majority of them
11 are using these increases.

12 SENATOR KAVANAGH: So you're saying,
13 irrespective of whether they're proper or improper,
14 they're this very substantial driver of
15 unaffordability at this point?

16 COMM. LOUISE CARROLL: Yes.

17 SENATOR KAVANAGH: Great.

18 ASST. COMM ELIZABETH GAUMER: I would just
19 add, from a numbers standpoint, in addition to what
20 Commissioner Carroll just said, it also -- it --
21 it's sort of, this is the driver of lack of
22 affordability regardless of whether it's fraudulent
23 or real.

24 The numbers, in fact, can be gotten to to
25 reach deregulation, even by actually spending that

1 money, regardless of any fraudulent behavior that is
2 or isn't happening.

3 SENATOR KAVANAGH: So assuming we would
4 repeal the deregulation provisions of the law, this
5 would still -- I mean, that would mean that units
6 don't get out of deregulation.

7 But do you believe that if we left the IAI
8 provisions intact, that landlords would still have a
9 very substantial incentive to use them and drive
10 rents up very rapidly --

11 COMM. LOUISE CARROLL: Absolutely.

12 SENATOR KAVANAGH: -- if they wanted to get
13 rid of them?

14 COMM. LOUISE CARROLL: Absolutely.

15 And we think that that system is being abused
16 now, and we think that reform should happen to the
17 use of IAIs.

18 SENATOR KAVANAGH: So I will -- I will not --
19 as you note, HCR is the agency that's supposed to
20 actually be enforcing these laws, and we do expect
21 them to testify.

22 So I'll hold my questions about how we might
23 enforce the -- you know, the provisions of it, and
24 ensure that the work is being done, and ensure that
25 costs are appropriate, and all that sort of thing.

1 But if you would, you said, I believe, in
2 response to one of my colleagues, that you would be
3 come -- that HPD would be coming up with a more
4 specific proposal to reform these provisions rather
5 than abolish them.

6 Is that -- did I hear that correctly?

7 COMM. LOUISE CARROLL: Yes, that's correct,
8 we are working on it, and we have thoughts on it.

9 And when we're -- when our thoughts are
10 properly refined, we will come to you.

11 SENATOR KAVANAGH: Okay.

12 And do you have a sense of the -- I mean,
13 I will note that it is May 22nd, and these laws
14 expire on June 15th, which is a Saturday.

15 So if we wanted to vote on them in the normal
16 course of business, that would be no later
17 June 13th. And, typically, we print our bills at
18 least three days before we vote on them, so that
19 would be June 11th, which is very soon.

20 Do you have a sense of when that kind of
21 analy -- that kind of more concrete proposal might
22 be available?

23 COMM. LOUISE CARROLL: So we're marking our
24 calendars too.

25 This is -- I can't -- and -- I can't say

1 enough how important this is to us.

2 You know, we have been in the
3 affordable-housing business for over 12 years, and
4 either creating programs that produce units, both
5 permanent or enforcement and compliance units, to
6 make sure that landlords comply with our
7 tax-exemption programs.

8 And this is a unique opportunity for us.

9 We really, really need this; we need rent
10 regulation reform.

11 So we will be coming to you shortly.

12 SENATOR KAVANAGH: Good.

13 And we appreciate that.

14 And I should have started by congratulating
15 you on becoming, you know, the commissioner
16 recently.

17 And -- but both of you have very long and,
18 you know, distinguished careers working in this
19 space, and that's why we value your testimony so
20 much today.

21 Can I just not get -- I'm trying to get you
22 to reveal more about your proposal than you're ready
23 to do today.

24 But can we just talk about -- and let's --
25 since you focused more on IAIs than MCIs, let's

1 focus on those.

2 So IAIs are currently recouped by the
3 landlord by increases in rent, at 3 1/3 year over --
4 over the course of 3 1/3 years, or 40 months, as
5 a 1/40th of the total value of an IAI added to the
6 rent of an individual apartment, and that amount
7 then becomes a permanent part of that rent, going
8 forward, indefinitely.

9 If we were looking at -- and I would also
10 note that IAIs have no -- unlike MCIs, there's no
11 cap. That is separate from the manner in which it's
12 amortized.

13 Can you -- are there -- are there -- can you
14 talk about -- just without getting quantitatively
15 specific, can you talk about what -- in what manner
16 we might consider reforming that?

17 Like, would we extend the period over which
18 it's expected to be recouped?

19 Would we limit the amount of money that a
20 landlord can spend on a given apartment?

21 Would the length of the prior tenancy factor
22 in?

23 Would the last time there's been a not -- an
24 IAI factor in?

25 And I guess, one more, do you envision a

1 world where we would make these temporary rather
2 than permanent charges?

3 COMM. LOUISE CARROLL: You know a lot about
4 this issue.

5 So, I mean, we're thinking along the same
6 lines as you.

7 Timing, how often.

8 How much, at -- you know, how much -- how
9 often do these repairs really do need to be made,
10 what type of repairs?

11 How much would typically be spent on such
12 repairs in whatever period of time?

13 And whether they -- and at what point should
14 they expire, the increase in rent?

15 So these are the things that we're thinking
16 about, just the same as you're thinking about, and
17 we'll come back to you soon.

18 SENATOR KAVANAGH: So I would just note for
19 the record, so we have -- and you've been asked a
20 lot of questions today, and I would caution the
21 witnesses and the audience not to conclude which
22 direction we might go at the end of the day.

23 You know, and I do sponsor a bill that would
24 repeal IAIs entirely.

25 But, you know, to the extent that we -- to

1 the extent we get feedback, we often get assertions
2 that, you know, it would be too difficult.

3 And, as you note, if we were going to retain
4 IAIs, it would be, presumably, because we would
5 expect that somebody would need to use them in order
6 to maintain the quality of their housing.

7 So your -- with your sense of experience and
8 your agency's experience with how things get
9 financed, we really would value your assessment of,
10 numerically, what is necessary to make these things
11 viable, but not more generous to landlords, and they
12 need to be -- or more of a negative impact on
13 affordability.

14 But just -- and just, I heard one thing
15 specifically.

16 It sounds like you are -- you are of the
17 belief, at least at this stage, that IAIs could be
18 temporary rather than permanent, and that would
19 not -- as some people in some quarters have told us,
20 would not make them such that landlords would not
21 able to use them to make legitimate expenditures?

22 COMM. LOUISE CARROLL: It's one of the things
23 we're looking at.

24 SENATOR KAVANAGH: Okay.

25 Again, we will follow up with you.

1 But I would urge you, to the extent that you
2 have, you know, quantitative assessments of this, to
3 get them to us as quickly as possible.

4 Just one more topic I want to raise, which
5 is: Is there anything -- you know, you have -- your
6 agency has done an extraordinary job of producing,
7 and preserving, affordable housing; existing
8 housing, and producing new housing.

9 And the current mayor, as have prior mayors,
10 have had very ambitious targets about that.

11 I mean, I think it is one of the things that
12 has kept New York City such a vibrant place.

13 And, unlike many older cities, you know,
14 we're not seeing the population declines, which is a
15 good problem to have, perhaps, but also is part of
16 the source of the -- you know, the pressure on our
17 housing market, on affordability.

18 But do you -- is there anything about
19 reforming these rent laws, in the manner that people
20 are suggesting, that would affect your ability to
21 produce affordable housing, that -- to run the
22 affordable-housing programs that you're running now?

23 COMM. LOUISE CARROLL: Yes, and no.

24 So, yes, in that, if we're trying to get to a
25 net gain in affordable housing, producing units only

1 to stay at a certain level without -- and -- and
2 without enormous resources, means we're always
3 dealing with an affordable-housing crisis.

4 And our resources are limited.

5 And so, yes, it would affect our ability
6 to -- to meet our goal of having a net gain in
7 affordability, because, as much as we're putting in,
8 all we're doing is stemming the flow or the
9 reduction in housing. We're not ever able to get to
10 a net gain.

11 It also affects how we do our programs.

12 So, when we're writing our programs, if we
13 knew we had a strong rent-stabilization regime that
14 our units can go into, it would help us with
15 enforcement, it would help us in the way we write
16 our programs.

17 And so it would relieve a lot of the stresses
18 and the pressures we have of maintaining the
19 affordable-housing stock.

20 SENATOR KAVANAGH: Great.

21 And so, in both cases, you're saying it would
22 enhance your ability, both to increase the net
23 number of affordable units, and, also, to have a
24 sort of sound mechanism to use, to ensure that the
25 stuff you're adding to the stock is available, long

1 term, as affordable.

2 Is there anything, any element of this -- any
3 element of the rent laws that are currently generous
4 to housing providers, to landlords, that, if we were
5 to diminish them; if we were to reform them or if we
6 were tighten them up, that would diminish your
7 ability to produce housing through any of your
8 programs?

9 COMM. LOUISE CARROLL: No.

10 We're here to support changes, either
11 complete removal of certain aspects of the
12 rent-regulation laws or curbing both MCIs and
13 IAIs.

14 So any -- if you were to adopt all of these
15 recommendations, it would really, really help the
16 City of New York and the tenants in New York City to
17 be able to live in safe, affordable housing.

18 SENATOR KAVANAGH: Great.

19 Thank you very much.

20 And if there are no their further questions
21 from the senators, we just end by thanking you for
22 all of your work on behalf of the residents from
23 New York City, and your testimony today.

24 Thank you.

25 So I'm gonna -- the next panel we're going to

1 have are folks with, you know, we think a
2 perspective from other geographic parts of the city.

3 We have Rebecca Garrard of Citizen Action of
4 New York, and Cara Long Corra.

5 And while they're coming up, if anyone was
6 here at the beginning or did not have an opportunity
7 to say a few words, and would like to do so, this
8 would be an opportunity to do so.

9 Okay, Senator Mayer.

10 SENATOR MAYER: I just -- thank you,
11 Mr. Chairman; thank you for the opportunity.

12 I just want to remind those who are
13 participating, that these issues of rent
14 stabilization and rent laws go beyond the city of
15 New York. That, in the suburbs of New York City
16 that are subject to ETPA, we're talking about
17 thousands, tens of thousands, of rent-stabilized
18 tenants who are extremely important to us.

19 And while some of the rules and laws and
20 regulations actually differ, the issue of
21 affordability remains a substantial challenge in the
22 suburbs around New York City.

23 And we ought to ensure that, as we move
24 forward, we address that as well as the City's
25 problems.

1 Thank you.

2 SENATOR KAVANAGH: Thank you, Senator Mayer.
3 Any other senators?

4 Senator Bailey.

5 SENATOR BAILEY: So thank you, Mr. Chair, and
6 thank you for convening this.

7 Senator Myrie, thank you, thank you both, for
8 your leadership on this issue, and also with my
9 other colleagues in the Senate taking time out today
10 to be here.

11 I have a Bronx (indiscernible) district, so
12 I was along the same lines of what Senator Mayer
13 (indiscernible). We need to make sure that we look
14 at the entire global package, and what this package
15 of bills will do for all tenants in the state of
16 New York.

17 As tenants get priced out, they move
18 norther -- they move further north, and they're
19 moving further north into my region of The Bronx,
20 which is the northeast and northwest Bronx, and into
21 the city of Mount Vernon.

22 So people are being displaced at -- at -- at
23 high rates.

24 And making sure we get a handle on this is
25 vitally important.

1 And we are -- I am speaking for myself here,
2 to listen to anybody with any perspective on it, as
3 we formulate our opinion and go forward, and then do
4 what's right for all tenants in the state of
5 New York.

6 So thank you with, Mr. Chairman, for the
7 opportunity to speak.

8 SENATOR KAVANAGH: Thank you, Senator Bailey.

9 Any other senators?

10 Great.

11 Okay.

12 So if we can get the clock rolling, and,
13 I guess, either of you who wants to go first.

14 REBECCA GERARD: So, I am Rebecca Garrard.
15 I am the statewide organizer for housing justice
16 with Citizen Action of New York.

17 Thank you for the opportunity to testify.

18 I want to thank Majority Leader
19 Stewart-Cousins and Senate Housing Chair Kavanagh
20 for holding, not just today's hearings, but the
21 other four scheduled hearings, which provide an
22 opportunity for renters across our state to provide
23 testimony about the housing crisis we are currently
24 in.

25 As many of you are aware, the statistics

1 around housing in this state are terrifying.

2 Half of our state's residents are renters,
3 and of those, approximately half are rent-burdened,
4 and a quarter are severely rent-burdened.

5 We also know that when we analyze these
6 statistics, we see an enormous disproportionality in
7 how people of color are impacted in both access to
8 and quality of rental properties to which they are
9 able to avail themselves.

10 Homelessness has risen astronomically over
11 the last decade, and on any given day, there are
12 over 90,000 homeless New Yorkers in this state.

13 There's a cause-and-effect relationship
14 between these statistics, and if we don't act to
15 protect tenants in a meaningful capacity, the
16 epidemic will only worsen.

17 This legislative session, there are nine
18 pieces of housing legislation which would be vitally
19 important steps in slowing the progression of this
20 crisis.

21 Today I am here to speak to one of those
22 pieces of legislation. This is the good-cause
23 eviction bill, S2892, which is sponsored by
24 Julia Salazar.

25 During this legislative session, I traveled

1 around the state to areas outside of New York City,
2 meeting renters in cities and towns, visiting urban
3 and rural neighborhoods.

4 Across these varied regions and demographics,
5 the experiences I hear are the same.

6 Rents are not only unaffordable, but they
7 continue to rise at an alarming rate.

8 The quality of affordable housing is
9 substandard, yet tenants cannot advocate for
10 improvements for fear of retaliatory evictions.

11 Entire communities are being displaced due to
12 predatory development, and there are fewer and fewer
13 housing options for these residents to access when
14 this happens.

15 Gentrification is not just a plague on
16 New York City communities. It is happening in
17 municipalities across the state.

18 The tenants in every ZIP code of New York
19 need help, and they need it now.

20 The good-cause eviction bill provides vital
21 protections to tenants which, while not a solution
22 to every aspect of the housing crisis, are an
23 important first step in triaging the situation in
24 which we as a state stand.

25 Across this state, renters are forced to

1 access housing which is not only unsafe and
2 unstable, it is inhumane.

3 Residents tolerate sewage that rises from
4 their drains, bug infestations, crumbling
5 infrastructures, and so much more; yet they are
6 unable to complain to landlords about these
7 conditions, and they are unable to protect their
8 families from these atrocities, because, if they do,
9 they could and would be issued a 30-day eviction
10 notice.

11 So these families suffer in silence and
12 continue to endure conditions which are horrific.

13 Some of these stories you have already heard
14 firsthand during the Syracuse and Brooklyn hearings.

15 If this bill were law, renters would have the
16 right to advocate for repairs and improvements
17 without the fear of retaliation.

18 These members of our communities not only
19 deserve this, they are owed it.

20 Renters in this state are also the victims of
21 predatory development.

22 This either benefits the wealthy few in any
23 given area, or imports residents from other areas,
24 thereby displacing entire communities from the
25 neighborhoods they have called "home" for sometimes

1 generations.

2 The good-cause eviction bill would protect
3 residents from this, as converting
4 affordable-housing stock into housing which caters
5 to luxury tenants would no longer be a just cause
6 for eviction.

7 It would also protect renters from facing
8 unaffordable rent hikes as a result of proximal
9 development which does nothing to benefit the
10 tenants' living situation.

11 Let's be very clear here:

12 If a landlord's property taxes on a
13 single-family home increase, this cost could be
14 recouped through rent increases under this proposed
15 legislation.

16 If mom-and-pop landlords make renovation to a
17 property, they can raise the rent to recover their
18 investment they have made in their community.

19 This is not an attack nor a burden on good
20 landlords.

21 It is an attempt to prevent the assault on
22 our communities by bad landlords and the real estate
23 industry who care about nothing more than maximizing
24 their profits off the backs of the vulnerable
25 residents of this state.

1 This cannot be repeated enough: If you truly
2 believe that housing is a human right, then we are
3 in a human-rights crisis in New York.

4 It is crucial that the good-cause eviction
5 bill and the other eight bills on the
6 housing-justice-for-all platform be passed this
7 legislative session.

8 The renters in this state who are one car
9 repair or health scare away from homelessness cannot
10 wait another minute.

11 Thank you for your consideration of this
12 testimony.

13 And if you will indulge me, can I use the
14 rest of my time, we had a member from VOCAL who
15 wanted to speak, and ran out of time. And I would
16 like to just give a little bit of their testimony as
17 well.

18 SENATOR KAVANAGH: If you're going to read
19 some testimony from someone who hadn't -- didn't
20 leave yet, you can use your four minutes in any
21 manner you choose.

22 REBECCA GERARD: Thank you.

23 SENATOR KAVANAGH: We will have folks --
24 I think we will have folks from VOCAL testifying
25 shortly, but, you're welcome to (indiscernible).

1 REBECCA GERARD: So he had to leave, so he
2 passed his testimony along.

3 So I'm speaking now on behalf of
4 Darryl Herrings (sic), a member of VOCAL-New York.

5 "VOCAL is a statewide organization with
6 members in Rochester, Albany, Westchester, and the
7 five boroughs.

8 "They fight and build power amongst people
9 without housing, and they are imploring you to pass
10 home stability support in order to address the
11 growing housing crisis in this state.

12 "Home stability support is a statewide
13 rental-assistance program which would provide people
14 in shelters a way to get permanent housing, while
15 also preventing folks who are at risk of losing
16 their housing from entering a shelter in the first
17 place.

18 "For the last three years, homeless
19 New Yorkers, advocates, and legislators have been
20 fighting for this vital program, and they are closer
21 than ever" --

22 And I'm going start saying "we" because we're
23 in this with them.

24 -- "we are closer than ever to passing this
25 bill now than we've ever been before.

1 "In March, dozens of activists came to the
2 capitol and held a 24-hour vigil to demand funding
3 for HSS. 12 activists from across the state were
4 arrested.

5 "HSS has been heard and passed out of the
6 Senate Social Services and Finance committees, and
7 it must be brought to a floor vote and passed in the
8 Senate now."

9 Darryl is a formerly homeless New Yorker.

10 He says, it breaks his heart to think that
11 another legislative session may pass without
12 creating programs to help people suffering in this
13 housing crisis.

14 "This bill is not controversial.

15 "It is widely supported by a majority of
16 members of the Legislature, from both houses and
17 both sides of the aisle, as well as scores of other
18 elected officials at every level of government, and
19 over 140 community groups and faith leaders from
20 across the state.

21 "HSS would help in big and small cities alike
22 in New York State.

23 "While the most attention has been focused on
24 homelessness in New York City, where over
25 63,000 people sleep in shelters each night,

1 communities across the state have faced massive
2 increases in homelessness.

3 "In Rochester, the homeless population grew
4 by 18 percent; Long Island, 20 percent; Albany,
5 23 percent; and Binghamton, 31 percent.

6 "In combination with laws like good-cause
7 eviction, home stability support has the power to
8 sustain and grow our communities.

9 "In creating this vital pathway to permanent
10 housing for tens of thousands of New Yorkers who are
11 suffering, the State of New York can demonstrate a
12 commitment to equality and justice.

13 "Failure to take meaningful steps to address
14 the crisis" --

15 SENATOR RIVERA: Give me one second.

16 I'm sorry, I'm sorry.

17 Folks, the folks on the top of the stairs, if
18 you either could step outside, having a
19 conversation, or close the door, please, that would
20 be swell.

21 There you go.

22 Thank you.

23 Yes, please close that door.

24 I am sorry.

25 REBECCA GERARD: It's quite all right.

1 "Failure to take meaningful steps to address
2 the crisis will show a level of callousness and
3 cowardice.

4 "New Yorkers will not forget anytime soon.

5 "We implore the New York State Senate to
6 bring HSS to a vote as soon as possible.

7 "Thank you."

8 SENATOR KAVANAGH: Thank you.

9 CARA LONG CORRA: Good afternoon.

10 My name is Cara Long Corra. I'm the
11 executive director of the Neighborhood Preservation
12 Coalition of New York State, otherwise known as
13 "NPCNYS."

14 The coalition and its members would like to
15 thank Chair Kavanagh, the members of the Senate
16 Housing Committee, and the members of the Senate for
17 this opportunity to present testimony on proposed
18 rent regulation and tenant protection legislation.

19 As has been mentioned, 46 percent of our
20 state's residents are tenants, and, in fact, only
21 the District of Columbia has a greater percentage of
22 residents who are tenants, even in --

23 Senator Helming is not here now, but she mentioned
24 rural counties.

25 So even in rural, non-metro counties, we

1 frequently have upwards of a quarter of the
2 residents being tenants, and sometimes even a third.

3 So we are very much a "tenant" state.

4 And given our state's affordable-housing
5 crisis, which is well understood and well documented
6 by the Housing Committee and by the Senate proper,
7 we know we've seen rents increase at a rate that has
8 not kept up with increases in income.

9 So we commend the Legislature for examining
10 how our state can better protect residents -- or,
11 tenants and address the crisis.

12 I want to put a finer point on what I just
13 said.

14 In our state, between 2000 and 2017, the
15 median rent increased by 78 percent, while the
16 household median income increased by only
17 45 percent.

18 A greater percentage of renter households are
19 more cost-burdened, and within that, extremely
20 cost-burdened, than they were even back in 2008.

21 My connection to the affordable-housing
22 crisis is both professional and personal.

23 I have testified to the Legislature before
24 about conditions in my own neighborhood, which is
25 located in the south end of Albany.

1 I've lived there now for 12 years, and -- as
2 a homeowner, two years before as a renter.

3 I've seen people, faces, come and go, and
4 those are largely tenant faces.

5 On my walk to work in the morning, I see
6 children waiting for the school bus who I know
7 I won't see in six months, or even three.

8 There are many rental units and buildings
9 that you can look at just from the outside and know
10 they're not in good condition, and those buildings
11 see a near-constant shuffling in and out of tenants.

12 And to be clear, the rents for these units
13 aren't affordable rents even.

14 Many of my neighbors know, through our
15 discussions and interactions, that I work in
16 affordable housing at this juncture.

17 It's not an uncommon occurrence for me to be
18 approached by someone in my neighborhood, saying,
19 "I heard you work in housing. I just got a 30-day
20 notice and I don't know what to do. Can you help
21 me, please?"

22 And sometimes the request for help is
23 different, but that "please" at the end, that's
24 always the same.

25 And it's half terror, half resigned, with

1 seldom a trace of hope. I don't even think they
2 expect me to be able to help.

3 I do what I can to find out about their
4 situation, and I make a referral to a local
5 neighborhood-preservation company.

6 For tenants, I always refer them to
7 United Tenants of Albany. And I usually end up
8 having a cursory chat at some point thereafter with
9 Laura Felts, who is here from UTA today, and will
10 testify.

11 The situation facing these tenants weighs
12 heavily on her because, the truth is, we aren't
13 always able to help, and I think about the human
14 toll of this crisis quite often.

15 And while I sleep better knowing that our
16 state has preservation companies that are helping
17 residents find and keep their housing, I know there
18 are residents that couldn't or didn't reach them,
19 and residents that could not be helped, because we
20 don't have all the tools that we need to help them.

21 In my written testimony I included graphs and
22 figures that show, in cities and in metropolitan
23 areas across our state, we are losing affordable
24 units and we are gaining high-rent units.

25 I think there's further proof of this in

1 consolidated plans all across this state, which talk
2 about the lack of supply of affordable housing,
3 which is frequently for people at 60 percent of the
4 median income and lower.

5 The addition of these higher-income housing
6 units, and, therefore, the diminished supply of low-
7 and moderate-income units, has had the combined
8 effect of creating gross housing instability.

9 I frequently find myself remarking that it
10 would be wholly unacceptable for a hospital to run
11 its emergency department by prioritizing minor cuts
12 and sprains over people with severe trauma.

13 But when it comes to housing, it does seem as
14 though the priority has been luxury development, as
15 opposed to affordable where we have a clearly
16 defined and critical need.

17 There is a saying in medicine that says --

18 And if you can't tell anything, I think my
19 family wanted me to be a doctor, but that didn't
20 happen.

21 -- but there's a saying in medicine that
22 says, "When you hear hoofbeats, think of horses, not
23 of zebras."

24 The affordable-housing crisis and eviction
25 epidemic is not a zebra.

1 We know what it is, and we know how it takes
2 hold and we know how it spreads.

3 The coalition, therefore, views legislative
4 protections and regulation as a necessary part of
5 the treatment for this crisis, along with increasing
6 the state supply of truly affordable housing for
7 preservation and creation.

8 So, with that, I thank you for your time
9 today, and thank you for allowing us to present
10 testimony.

11 SENATOR KAVANAGH: Thank you.

12 Any -- I would just note, as a procedural
13 matter, the home stability support bill is, as you
14 know, a bill that has been reported from the
15 Social Service Committee, and I think many of us,
16 including myself, are sponsors. And I think the
17 prime sponsor of bill, Senator Krueger, is also with
18 us here.

19 And I would note that Assemblymember Hevesi
20 has also done yeoman's work on that issue over a
21 number of years.

22 But it is something that has made progress
23 this year, but is -- and people are certainly free
24 to ask questions, although it's not formally before
25 this committee.

1 So, first, any -- I said I'd start on the
2 left this time, so I'm going to start with
3 Senator Benjamin.

4 SENATOR BENJAMIN: Thank you for your
5 testimony.

6 Quick question on the good-cause bill that
7 was referenced.

8 I think you had mentioned, and correct me if
9 I'm wrong, that if -- I guess, if the utilities
10 bills, or whatever it is for the landlord, goes up,
11 that that could be included in the rent?

12 Or did you say that?

13 I want to make sure.

14 REBECCA GERARD: That's correct.

15 So -- so the way the bill is written, there
16 is an allowance to increase the rent 1 1/2 times CPI
17 just as a rent increase.

18 SENATOR BENJAMIN: Yes?

19 REBECCA GERARD: And then, above and beyond
20 that, if landlords' expenses increase, they are
21 allowed to recoup those costs and pass those along
22 to the tenants.

23 SENATOR BENJAMIN: I see.

24 REBECCA GERARD: So -- so that could include
25 property taxes, it could include improvements on the

1 property, et cetera.

2 SENATOR BENJAMIN: So that includes like
3 capital improvements as well?

4 If you will, within --

5 REBECCA GERARD: Yeah, I mean --

6 SENATOR BENJAMIN: -- right.

7 REBECCA GERARD: -- you're using in New York
8 City. So, yes.

9 SENATOR BENJAMIN: I'm sorry.

10 REBECCA GERARD: That's all okay.

11 SENATOR BENJAMIN: Let me use -- that
12 includes the repair, and, I don't know.

13 REBECCA GERARD: Yes, improvements on the
14 property. Yes.

15 SENATOR BENJAMIN: All right. Thank you.

16 SENATOR KAVANAGH: Senator Mayer.

17 SENATOR MAYER: Thank you for your testimony.
18 In the data that you presented, two questions
19 for you.

20 One is, it's very helpful -- it's unfortunate
21 it ends in 2017, because I think the trend is only
22 probably greater.

23 CARA LONG CORRA: Last available year.

24 SENATOR MAYER: Last available year.

25 Can I ask, what is the source of your data

1 here?

2 CARA LONG CORRA: So we actually extended a
3 project Harvard's Joint Center for Housing Studies
4 had done and released back in 2017.

5 So we polled American Community's survey
6 data.

7 So they actually had access to data that
8 wasn't summary data, which is why I included an
9 analysis between 2015 and '17, because there was a
10 change in the data at that point, where they
11 bucketed rent, you know, they added rent variables,
12 because we had seen such an increase in those rents.

13 But, yeah, the 2017 was -- is the last
14 available year, so...

15 SENATOR MAYER: Okay.

16 One data point you don't have in here, that
17 I think is relevant, is the median rent in these
18 communities.

19 And I wonder, for example, just looking at
20 Westchester, and just as an example, you give your
21 affordable based on a third of median --

22 CARA LONG CORRA: Right.

23 SENATOR MAYER: -- income. I understand that
24 is a starting point.

25 But I think it would be very relevant for us

1 to know what the median rent is, because the
2 challenge is not just finding affordable units.
3 It's also that the median rent is gradually
4 increasing so much, that the choices available of
5 affordability are so diminished --

6 CARA LONG CORRA: Dwindling.

7 SENATOR MAYER: -- as well as the stock
8 itself coming out of -- in Westchester, their
9 rent-stabilization program.

10 So I wonder, if you have that, that would be
11 valuable.

12 If you don't, I understand.

13 CARA LONG CORRA: Senator, I -- as you're
14 saying it, I'm thinking, yes, I have that data, and
15 why did I not include that in this.

16 And so I would absolutely be happy to go back
17 to the office --

18 SENATOR MAYER: Thank you.

19 CARA LONG CORRA: -- and submit that data.

20 SENATOR MAYER: Thank you.

21 CARA LONG CORRA: Yeah.

22 SENATOR MAYER: Last question, again, since
23 you seem to have more data than other DHCR, which
24 hasn't deigned to give us data, a number of
25 evictions per county, which I think is relevant to

1 our conversation, the good-cause bill.

2 And I don't know that anyone has it, and
3 there's many kinds of evictions, but, the prevalence
4 of evictions in rental housing is great outside of
5 the rent-protected units, particularly in the
6 suburbs.

7 And I wonder if you or anyone you know has
8 data on how many people are, literally, being served
9 with a notice that requires them to go to court,
10 going to court, and, then, whatever happens next?

11 But, this process of being evicted, I wonder
12 if you have data about that?

13 CARA LONG CORRA: Senator, I would say that
14 I want that data very, very badly.

15 We have been working with our NPCs to see
16 if we can pull it out of the courts.

17 I have gone right up to the level of being
18 ready to submit a FOIL request, and just getting all
19 of the cases and doing an analysis.

20 We're challenged then by issues of capacity.

21 But I think -- I had a conversation with
22 Senator Krueger two years ago about this, and we
23 talked about how we could possibly get our hands on
24 that.

25 I'm sad to report that, two years later,

1 I don't have a better answer, and haven't been able
2 to obtain it.

3 Albany has, Syracuse has, through working
4 with their universities, and so I think that's one
5 channel.

6 But we know, again, that, "hoofbeats, think
7 horses."

8 If 20 -- if 60 percent of the population is
9 renter in Albany, up to 20 percent may be facing
10 eviction actions. In Syracuse it's 16.

11 We expect that to be largely the same, and
12 perhaps to even accelerate, as we get to areas
13 closer to downstate.

14 SENATOR MAYER: Thank you, very helpful.

15 Thank you so much.

16 SENATOR KAVANAGH: Great.

17 REBECCA GERARD: I'm so sorry, but I'd
18 actually like to just continue my answer for one
19 second, to Senator Benjamin's question --

20 SENATOR KAVANAGH: Sure.

21 REBECCA GERARD: -- because I think I may
22 understand why he was referring to it as "a capital
23 improvement," now that I've run it through my head.

24 I just want to -- if we're going to try to
25 compare that carve-out in the bill to an MCI or an

1 IAI, I think it's important to note that the
2 difference between the language in good-cause is
3 that it would not allow that recouping of the costs
4 to exist in perpetuity, and thereby compound.

5 So, you know, we firmly stand as supporters
6 of this bill, and supporters of the MCI and IAI
7 bills.

8 And we certainly would not want the negative
9 impacts of those bills to negatively impact what we
10 believe are the really good parts of the good-cause
11 bill, where you have to show that you're recouping
12 the costs, not attempting to profit off of those
13 investments.

14 So I just wanted to amend my answer to
15 include that.

16 SENATOR BENJAMIN: And that was not my
17 intent. I was just asking you about repairs.

18 REBECCA GERARD: I'm so glad.

19 But just in case there's any confusion, I did
20 feel the need to amend my answer.

21 Thanks so much.

22 SENATOR KAVANAGH: That was helpful, thank
23 you.

24 And before we recognize the next Senator,
25 I just note, in response to the conversation about

1 eviction data, that the Princeton University
2 Eviction Lab, which is run by the guy who wrote the
3 book "Evicted," which won a Pulitzer Prize, is --
4 represents an attempt to gather eviction data in
5 every locality that's available throughout the
6 United States.

7 And it is presented in a very rich and
8 searchable format, but it also does very
9 specifically note the difficulties of gathering
10 eviction data in New York. And there's a very big
11 asterisk on the data they present about New York,
12 about how it's incomplete because it's so difficult
13 to ascertain from our own court records.

14 But next up I think we have Senator Myrie.

15 SENATOR MYRIE: Thank you very much for your
16 testimony.

17 This -- the information that you provided is
18 incredibly helpful.

19 I think it shows, you know, in the district
20 that I represent, in Kings County, is really at the
21 epicenter of -- of -- of this crisis.

22 But I'm wondering if you can speak to the
23 regional relationships of the affordability crisis.

24 And what I mean by that is, there are times
25 where people think that this is just an urban

1 problem, this is just a city problem, and that that
2 is something they should deal with in isolation.

3 And I'm hoping that you could speak to
4 whether or not there exists a relationship to even
5 folks that are not being acutely affected by it, the
6 affordability crisis, and what effects that may have
7 with surrounding regions?

8 CARA LONG CORRA: I think, you know, if
9 you -- if you covered up the numbers, right, number
10 of units, those graphs all look remarkably similar,
11 from one area, and I have data for other areas, like
12 Elmira and Watertown, and it looks the same.

13 And so I think sometimes the argument comes
14 around, you know, especially upstate, that we need
15 investment.

16 And I would say that that's true, but it's
17 the kind of investment that doesn't create
18 sustainable or equitable communities.

19 And, you know, the dialogue at a regional
20 level becomes about, you know, well, who should do
21 it?

22 And the truth is, I'm not sure why we're not
23 doing it, because affordable housing is just a
24 cornerstone of a healthy neighborhood, a healthy
25 city, and a healthy region.

1 So I also -- I also think, you know, people
2 tend to see the change is positive, and if you're
3 doing fairly well from an income perspective, you
4 might not think about what's missing from that.

5 As I said, I live in a neighborhood where
6 sometimes -- and it's not a joke -- I describe it as
7 looking like a war has gone through, because, you
8 know, we've got vacant and boarded-up buildings,
9 many of which are red-X buildings. They're in
10 terrible shape.

11 But if you don't go through my neighborhood
12 when you get off the highway, you're not going to
13 see that.

14 And I think that's true for a lot of us in
15 low-income neighborhoods where we might feel
16 invisible.

17 And so, when there's investment, it's always
18 necessarily seen as a good thing.

19 And I would just like to push for investment
20 at that affordable level where we have that
21 documented and critical need, because that's also a
22 good, very good, thing that helps us become more
23 equitable and sustainable.

24 SENATOR KAVANAGH: Other senators?

25 SENATOR KRUEGER: (Microphone off.)

1 I just wanted to thank you for your
2 testimony, and always appreciate whenever we have
3 the opportunity to have you come.

4 REBECCA GERARD: Thank you.

5 SENATOR KRUEGER: (Microphone still off.)

6 I think this whole panel thinks it's critical
7 that (inaudible) of what's going on, because many of
8 us are from New York City, so we might know
9 intimately the details of what's happening in our
10 communities.

11 But it's important to understand the housing
12 crisis may be different (inaudible) --

13 SENATOR RIVERA: (Indiscernible.) Are you
14 sure it's on, by the way? I'm not sure it's on.

15 SENATOR KRUEGER: Okay. Thank you, Senator.

16 SENATOR KAVANAGH: That was a well-timed
17 assistance.

18 SENATOR KRUEGER: (Microphone on.)

19 Thank you.

20 -- that it's really important to understand,
21 that while a housing crisis may look different in
22 different parts of the state and in different
23 communities, in different towns and cities, to not
24 forget that these are ubiquitous problems for us all
25 over the state.

1 CARA LONG CORRA: And shared root -- root
2 cause.

3 SENATOR KRUEGER: Thank you.
4 Senator.

5 SENATOR KAVANAGH: Great. Okay.
6 Thank you again for your testimony; we
7 appreciate it.

8 Next up, again, we are -- next up we have --
9 we're going to have Thomas O'Connor.

10 And just to check, is Judd Fineman in the
11 room?

12 So if Judd -- Judd Fineman, if he's here, and
13 Thomas O'Connor.

14 And you're Mr. O'Connor?

15 THOMAS O'CONNOR: Correct.

16 SENATOR KAVANAGH: Great.

17 Thank you.

18 If you would state your name and affiliation
19 for the record, and then begin.

20 THOMAS O'CONNOR: Sure.

21 I'm Tom O'Connor. I'm vice president of the
22 government relations of the Capital Region Chamber.

23 The Capital Region Chamber represents 2400 of
24 the employer community within the capital region.

25 That's private employers, which includes both

1 for-profit and not-for-profit.

2 So anything, from a large corporate company,
3 to a small family-owned business, to United Way,
4 Habitat for Humanity, it's really across the board.

5 Our school districts, our hospitals, our
6 universities, are typically members of our chamber.

7 So what the chamber's role is, while we like
8 all our employers to succeed, whether they're
9 for-profit or not-for-profit, our bottom line isn't
10 their bottom line.

11 Our bottom line is, how do we make the entire
12 region as a whole, prosper, everyone?

13 So, unless we're doing that, unless we're
14 driving that, we're not doing our job as a chamber,
15 because that's really our mission.

16 So instead of going into my written
17 testimony, which you all have --

18 SENATOR KAVANAGH: And which we will
19 incorporate for the record as well.

20 THOMAS O'CONNOR: Okay.

21 -- I just wanted to first thank the Chair and
22 the Committee for holding these hearings, I think
23 it's important.

24 I think, as Senator Hoylman in his opening
25 stated, it's important to hear from all

1 stakeholders, and from stakeholders within many
2 regions of this state.

3 While we may not agree on certain approaches,
4 we do agree that affordable housing is an issue of
5 concern that needs to be addressed.

6 And I think my main message here is, the
7 capital region, as a whole, is attempting to address
8 the issue, and has thoughtfully attempted to address
9 the issue.

10 And we don't do it in a vacuum, and we don't
11 do it without including all stakeholders.

12 If you look at what the City of Albany, the
13 City of Troy, Schenectady, Saratoga Springs, at the
14 county level, what they're all trying to do, is they
15 try to bring all stakeholders to the table.

16 And a lot of what they do is:

17 One, first identify the problem;

18 Second, attempt to analyze the data that's
19 available, Come up with a strategic plan, Then find
20 capital investment, And then take action.

21 Now, while they are doing these efforts to
22 understand and get the data, they're also not
23 waiting. They are building affordable housing.

24 If you look at any one of those cities, they
25 already have spent millions and millions and

1 millions of dollars to build affordable housing, and
2 they are building affordable housing, and there's
3 more in the pipeline.

4 City of Albany alone, they're looking to
5 address issues in the South Bend. They're looking
6 to address issues in Clinton Square.

7 They are trying to get those vacant buildings
8 to a point where, let's find some responsible
9 homeowner, that may be low-income, but can we get a
10 loan that allows them, if they commit to rehabbing
11 that vacant building, one of those houses that has a
12 red X through it, can we get them to bring it back,
13 so we keep our neighborhoods intact, and we don't
14 allow blemished, blighted buildings to push people
15 away from their neighborhoods?

16 We want them connected, we want them to stay.

17 So, you look at the city of Albany.

18 Back in 2016, they put together a task
19 force -- the mayor and the city council put together
20 a task force on affordable housing.

21 That's made up of tenants, it's made up of
22 landlords, it's made up of local elected officials,
23 and other stakeholders.

24 And for the last -- now, since 2016, they've
25 issued three different reports.

1 Their last report, their basic finding was,
2 and this was related to a roadblock, they're having
3 difficulties making any suitable recommendations to
4 the mayor and to the city council because of one
5 critical issue: The lack of reliable data when it
6 comes to low-income.

7 And the reason for this, and I don't think
8 it's unique to the city of Albany, you have a high
9 population of students living within the city
10 confines.

11 Now, they are captured in low-income data and
12 income-to-rent. And for most students going to
13 school full-time to one of our universities or
14 colleges within Albany County, of course, when you
15 look at their income during the school year to what
16 they're paying in rent, yes, it flies well over the
17 30 percent.

18 But are they truly low-income, and should
19 they be captured when you're trying to address
20 affordable housing?

21 And the task force is saying no.

22 What we need, and I'm not sure where
23 Citizen Action is getting their data, but it would
24 be great if that data could be shared with the task
25 force.

1 Actually, Legal Aid Society and
2 United Tenants of Albany sit on that task force.

3 So if that task force is saying in its
4 report, it doesn't have the data, how does some
5 other organization that has the data not provide it?

6 That's a question that kind of confounds me.

7 So, the other things you have to look at is
8 with the not-for-profit community, because there are
9 many resources for affordable housing and for
10 homeless.

11 And, thankfully, they're part of the chamber
12 membership, whether it's the Homeless and Traveler
13 Aid Society, which has its roots in the city of
14 Albany, 1927; you have the Albany Housing --
15 Affordable Housing Partnership; you have Interfaith
16 Partnership for the Homeless; you have United Way;
17 all with programming, not just for tenants, but also
18 for landlords.

19 AHP has a no-cost for tenants and a low-cost
20 for landlords, how do you be good tenants? how do
21 you be a good landlord?

22 I think that's an effective program. I think
23 it should be taken advantage of.

24 If you are truly in need, if there's an
25 emergency, United Way's 211, 24/7, it's staffed.

1 They can get you the assistance you need.

2 So there are resources.

3 And I think you have to also take the good.

4 Yes, there are problems, but I think there
5 are also good resources available here.

6 And then you look at -- what we look at is,
7 you need coalitions. You need everyone at the
8 table, and you need to find the resources at that
9 table.

10 The money.

11 So, with the state of New York, you have a
12 \$20 billion, 5-year, affordable housing plan, meant
13 to create 100,000 units across the state.

14 You're investing.

15 Last week alone, tens of millions of dollars
16 announced by the Governor and this Committee about
17 affordable housing.

18 So there is programming.

19 I think the danger is, with what's termed
20 "universal rent control," is that really the best
21 approach, and will that really change the dynamics?

22 If you look at rent control, you look at last
23 week's Assembly hearing, which I testified, but, the
24 vast majority of those that testified, testified
25 more on code enforcement and eviction, not about

1 affordable housing.

2 And I think, one, we'll have to address
3 affordable housing; but, two, is affordable housing
4 the driving issue, or is it a symptom?

5 And from the chamber's perspective, it's a
6 symptom.

7 What's driving it?

8 Yes, you will have homeless.

9 Yes, you will have needs for affordable
10 housing.

11 But, are there things that we could do, as a
12 state, as a region, as a community, to affect
13 outcomes, such as, education, talent development?

14 And we're taking an active role in
15 encouraging the State to ensure that all students
16 regardless of what part of the state, regardless of
17 what school district, you not only have quality
18 high-education standards, you have access, and
19 that's the important thing.

20 You may have good opportunities in school
21 districts, but does everyone have access to those
22 opportunities?

23 So, if we can change the dynamics, education,
24 to workforce development, to employment, it allows
25 you not to focus on affordable housing, but, can

1 I make that income which allows me to afford housing
2 in New York State?

3 SENATOR KAVANAGH: I'm going to ask you,
4 you're ready; right?

5 Good.

6 I think you'll have some questions, but thank
7 you; thank you for your testimony.

8 And as you note, we do want to have a very
9 wide range of perspectives here.

10 So just let me begin, if I may, you know,
11 start off the questioning with this witness, the --
12 and I think some of my colleagues may have questions
13 as well:

14 But, just, in your written testimony, you,
15 you know, say more -- you know, sort of, just, in a
16 more straightforward way, although we appreciate
17 the -- you know, the context and the background of
18 your -- of your oral testimony, that you are
19 opposing the emergency -- the expansion of the
20 Emergency Tenant Protection Act of 1974, to expand
21 to statewide, to counties beyond the current region;
22 and, also, the expansion of the eviction protections
23 that would be offered by the just-cause bill.

24 So I just wanted to talk to you a little bit
25 further about, as a representative of Albany, and

1 the business community here, why that would be so.

2 So, just, you know, the Emergency Tenant
3 Protection Act, as I'm sure you know, allows
4 localities with low vacancy rates, pursuant to a
5 study of their own housing market, to choose whether
6 to opt in or not to opt in to that system of rent
7 regulation.

8 Can you talk to us about why you would not
9 want the city of Albany or other cities in the
10 capital region, and towns and villages, to have that
11 opportunity?

12 THOMAS O'CONNOR: Sure.

13 First, one objection would be, you're putting
14 yet another unfounded -- unfunded mandate on our
15 localities.

16 Who is going to pick up the tab to do that
17 study?

18 And, ultimately, if they do opt in, who's
19 going to pick up the tab for that control board in
20 each of our municipalities?

21 If you look just 10 miles from this building,
22 you have towns, cities, villages, villages within a
23 town, within a county, 10 miles from here.

24 So I would imagine, for renters, and for
25 landlords, you could have multiple places in --

1 within 10 miles of each other that have completely
2 different rules when it comes to rent.

3 And -- so you create a patchwork.

4 The other thing is, is it actually an opt-in,
5 or is it, eventually, de facto mandate, because, as
6 the advocates for this legislation are calling it,
7 it's "universal rent control."

8 To me that means it's going to be universal;
9 statewide, not an option.

10 I think that's their angle.

11 They will, I think, push levers to make sure
12 that mayors who may not want this, city councils
13 that may not want this, opt in to it.

14 SENATOR KAVANAGH: Okay. I think --
15 I appreciate your perspective.

16 Just a couple -- just a couple of clarifying
17 points for all those present.

18 I mean, usually we think of an unfunded
19 mandate as something that the State, or some other
20 higher level of government, requires a locality to
21 do, and does not pay for it. Right?

22 So, in this case, you know, this bill would
23 not require the City of Albany to do anything unless
24 it chose of its own accord, its locally-elected
25 governing body, to engage in a study.

1 And if that study led them to conclude that
2 they had a vacancy rate below 5 percent in the
3 relevant kind of housing that would be regulated,
4 they would then be able to, of their own accord, opt
5 in.

6 And only at that point would any meaningful
7 expenses be included in this.

8 I'd also note that, the locality, the system
9 is administered by HCR, and there is some ability to
10 recoup the costs of administering that from the
11 locality.

12 But, again, since this is a system that
13 localities opt in, we have not heard a lot of
14 concerns in the -- I mean, this has been around for
15 45 years, and we have not heard a lot of concerns in
16 the three counties where localities can opt in, that
17 it is being forced upon them.

18 I mean, if -- if your definition of "forced"
19 is, you know, the voters elect representatives who
20 choose to then opt in on behalf their locality, you
21 know, that's -- you know, that might be -- that
22 might well be the goal of some folks in some of
23 these localities.

24 But, that's not usually what we think of as
25 an unfunded mandate.

1 Do you have any -- sort of any -- this --
2 your substantive concerns about whether we should be
3 regulating rent and giving tenants rights that they
4 don't currently have in Albany?

5 THOMAS O'CONNOR: I think, one, any policy
6 that you would attempt to implement statewide,
7 I think you have to ensure that, one, you do have
8 the correct data, regionally; and, two, that you
9 include all stakeholders.

10 You mentioned 45 years it's been around.

11 I can tell you, truthfully, in
12 Upstate New York, this has not been a topic of
13 discussion. Rent control has not been a topic of
14 discussion.

15 I think when you go out to other parts of
16 this state, I don't think a lot of elected
17 officials, I don't think a lot of communities,
18 understand what you are looking at.

19 And I think there's a danger that, because
20 you're not hearing from them, you think they're in
21 agreement.

22 I'm telling you, you're probably hearing
23 nothing because they're just simply unaware of it,
24 because it hasn't been, for 45 years, something that
25 Upstate New York has talked about.

1 And, to be sure, I haven't had one
2 locally-elected official from this region contact me
3 about rent control.

4 I haven't had one not-for-profit contact me,
5 our members, about rent control.

6 What they have contacted us about, and this
7 is very specific to the capital region, are
8 not-for-profits, not just on affordable housing and
9 homeless, but across the board, they came to a
10 unified conclusion that they're not on the same
11 page, both on input and outcome.

12 And they came to the chamber with an idea,
13 that it would be great if we were -- if we had a
14 dashboard, where we could, as a community, identify
15 community indicators, whether it's transportation,
16 health, education, employment, and it all goes to
17 the ALICE study from United Way, it kind of goes
18 back to that.

19 So what we've done is, through their input,
20 as well as the for-profits, we've come up with a
21 contract with you, Albany, to create a dashboard, so
22 that anyone in the region can take a look at it and
23 see:

24 Are the things we're doing, changing?

25 Are we moving the levers in the right

1 direction, or, do we have to adjust?

2 So our chamber for-profits are funding this,
3 so that issues, like, affordable housing, education,
4 health care, at the community level, we can start
5 effectively understanding if what we're devoting in
6 resources are changing, or do we have to adjust?

7 But let's get everybody on the same page.

8 SENATOR KAVANAGH: Okay, and I appreciate
9 that.

10 And I am going to -- that sounds like a very
11 interesting effort, and may well be something some
12 members of this committee may be interested in,
13 going forward.

14 I want to just ask you a couple of
15 particulars about the -- you know, the legislation
16 that people have been talking about here.

17 The -- you -- and, again, I would emphasize
18 that, to the extent you're not hearing about rent
19 control, is because it would be illegal, absent the
20 legislative act that we're talking about, for rent
21 control to be, or rent stabilization to be,
22 implemented here.

23 So, you know, local legislators have not had
24 an opportunity that, if we were to pass the bill
25 that we're -- that's before us, then that

1 opportunity would become available, and, presumably,
2 there would be a lively local debate about whether
3 it's appropriate here in Albany, and useful.

4 Just on the other bill that you specifically
5 commented on, you say in your testimony that you
6 oppose expanding eviction protections statewide.

7 And, so, do you -- just -- do you believe
8 that landlords ought to be able to evict tenants
9 entirely at will for no reason at all?

10 THOMAS O'CONNOR: No.

11 And I think what we're -- if you look closely
12 at our memo in opposition, part of our concern is
13 not just the prohibiting eviction for good cause
14 only.

15 It's also tying non-renewals to that as well.

16 So --

17 SENATOR KAVANAGH: So I'm just trying to
18 understand, factually, you're saying that you
19 would -- you would accept that people can't be
20 evicted during the term of their lease. But, at the
21 end of their lease --

22 THOMAS O'CONNOR: On non-renewal, and not as
23 an eviction.

24 SENATOR KAVANAGH: -- a non-renewal.

25 And then if they choose not to leave,

1 presumably, the remedy is for them to be -- they --
2 you know, they become a holdover tenant, and then,
3 presumably, the remedy is to be evict.

4 And at that stage you believe the landlord
5 ought to have the absolute right to remove the
6 tenant for no reason?

7 THOMAS O'CONNOR: I think what I would say
8 is, if you have -- like any other contract, if you
9 have -- and a lease is a contract -- if you have a
10 lease that has a term, which expires, just like
11 legislation has a term, not all, but it sunsets, you
12 have to come back and reevaluate it.

13 Sometimes that law goes away, or sometimes
14 there's an agreement to bring it back and extend it.

15 Not unlike the lease.

16 There's more than one person under that
17 contract, and one is making a payment for an
18 expressed term, and one is saying, you can have
19 occupancy of that property which I own, and it
20 expires.

21 So --

22 SENATOR KAVANAGH: I appreciate that.

23 I mean, I don't want to cut you off, but
24 we -- I think we're -- you know, we're familiar
25 the -- as members of the Housing Committee, with the

1 basic concept of a lease.

2 I mean, just -- there's --

3 THOMAS O'CONNOR: But that's our concern.

4 SENATOR KAVANAGH: -- okay.

5 I understand that that's the reason.

6 What -- can you speak to the downside that --
7 from the perspective of public policy, from the
8 perspective of people who want to make sure that
9 tenants can legitimately express their rights during
10 the course of their tenancy, can you speak to what
11 would be the downside of giving tenants a reasonable
12 protection against entirely arbitrary evictions, or
13 evictions for causes that you and I might agree are
14 not fair reasons to evict somebody?

15 THOMAS O'CONNOR: I think, when you get to
16 that question, there are bad actors on both sides.

17 I think there are bad tenants, just as
18 I think there are bad landlords.

19 In the capital region, I don't believe that
20 the bad on both sides are the bulk by any means.

21 I think they are on the margins.

22 They don't represent, certainly not our
23 members that are landlords, or that --

24 SENATOR KAVANAGH: Do bad -- do good
25 landlords evict tenants for no reason whatsoever?

1 THOMAS O'CONNOR: I think if a good landlord
2 has a reason that they no longer want to rent out
3 that property, that, for whatever reason, it could
4 be that they no longer want to be in the rental
5 business. They want to not renew leases, and then
6 get out of the business completely, sell it, either
7 for housing or for some other use.

8 But, shouldn't they be able to do that?

9 SENATOR KAVANAGH: And you would consider
10 that a good cause to evict somebody?

11 That's not for no reason. That's for a
12 specific business reason.

13 I mean, I'm trying to figure out, are we
14 debating, like you -- you --

15 THOMAS O'CONNOR: I think there's -- I think
16 there's a concern, that when you -- when you put
17 eviction and terms of leases together, and basically
18 say that, regardless of the eviction, or the lease
19 term is ending, basically, equating them to the same
20 thing, and only being able to have an out, as a
21 landlord, to prove good cause, I think that's
22 something you have -- I'm saying, you want to hear
23 our concerns.

24 It's -- our concerns, and our members have
25 expressed, that that is problematic --

1 SENATOR KAVANAGH: Yeah --

2 THOMAS O'CONNOR: -- as is -- as is concerns
3 regarding capital investments, which -- which has --
4 which can have unintended negative consequences for
5 both parties.

6 SENATOR KAVANAGH: Okay.

7 I -- I -- I appreciate that, and we certainly
8 do want to hear your concerns.

9 And my questions were intended to try to
10 understand and clarify your position.

11 And, you know, I do -- I would note that --
12 that the -- you know, the bill before us does
13 enumerate reasons that a reasonable landlord might
14 choose not to renew a lease or not extend the
15 tenancy, and those would be defined in the bill as
16 "good cause."

17 So to the extent that your members have
18 specific concerns, specific things, they think that
19 good landlords evict tenants for good reasons, and
20 you want to articulate what those reasons are, that
21 might be constructive.

22 THOMAS O'CONNOR: Correct.

23 And I'd be remiss if I didn't point out the
24 fact that, our senator, Senator Breslin, has met
25 with us, and has met with our members, to have an

1 open dialogue regarding our concerns.

2 And I think that is constructive that we do
3 have those conversations, and we appreciate the
4 Senator for conducting those.

5 SENATOR KAVANAGH: Okay, I appreciate it.
6 I've taken up a lot of time.

7 Do other senators have questions or comments?
8 Senator Breslin.

9 SENATOR BRESLIN: At the risk of being
10 repetitive, we've discussed it at some length, they
11 do have several.

12 When you look at the 5 percent opt-in for
13 vacancy, do you find that to be an appropriate
14 number?

15 THOMAS O'CONNOR: Again, when you look at the
16 5 percent, my understanding, that's set in statute
17 now. Correct?

18 What if that was to change in either
19 direction, in that your market is different in
20 certain parts of the state, but now you opt in.

21 And while it may be fitting in maybe
22 Nassau County or New York City, or any other part of
23 the state, to adjust that upward or downward, maybe
24 that doesn't consider the rest of the state, but
25 you're now locked into that.

1 SENATOR BRESLIN: I would just suggest it's a
2 good benchmark.

3 THOMAS O'CONNOR: Yeah, I think --

4 SENATOR BRESLIN: But it creates -- does it
5 create -- anything less than that, wouldn't it
6 create a situation where there's an inequality
7 between landlord and tenant?

8 THOMAS O'CONNOR: And, again, I think you
9 have to look at the datasets you have, what are you
10 relying on?

11 If you look at HUD's data, they go down to
12 block level. And within any city or rural area, you
13 can move, block to block, and go from anywhere,
14 below 5, to well above 5.

15 So if you're looking to, okay, affordable
16 housing is needed in this area, this specific area,
17 where you may be only looking at a 10-block radius,
18 but that 10-block radius is within a city.

19 Now that should be something that is valid,
20 and the need is there.

21 But what about the rest of --

22 SENATOR BRESLIN: Well, in the city,
23 obviously, that might -- that might be something
24 that's because of something else. It's a
25 neighborhood that has been blighted, that's left

1 alone.

2 But the 5 percent is something that goes to
3 the entire governmental entity; the village, the
4 town, the city.

5 THOMAS O'CONNOR: But, again, I go back to,
6 are the numbers being captured regarding vacancy
7 rate, are those true numbers? And when was the data
8 collected?

9 Because if you look at --

10 SENATOR BRESLIN: But it's the entity itself,
11 the county that's going to be reviewing it and
12 analyzing it, not some far-away group.

13 THOMAS O'CONNOR: I know.

14 And I think, if it's at the county level,
15 say, in Albany County, they're going to have the
16 exact same problems that the City's task force is
17 having right now, capturing the correct data,
18 because, just one example, high volume of college
19 students in this county.

20 SENATOR BRESLIN: Do you think, in some
21 further analysis, there might be a question asked:
22 Are you, in fact, a temporary resident of this area
23 attending an educational institution?

24 And it might be relatively easy to exclude
25 those people from an analysis?

1 Or you might say, there might be another
2 question that throws it out.

3 We've gone through this, and I don't want to
4 do this.

5 I know your answers.

6 THOMAS O'CONNOR: I think you're right,
7 because I think those, like a task force or board,
8 they have a responsibility to base recommendations
9 on accurate informed data.

10 And I think they're doing what they can, as
11 far as trying to (indiscernible) those with data and
12 capture it.

13 It's -- I think they're finding that some of
14 the data that has been captured is capturing the
15 wrong things.

16 And I think they do -- I think, anyone, you
17 have to address that, you have to ask the question,
18 you have to know your community.

19 If you know you have a high population of
20 temporary renters, should they really be captured
21 when resolving affordable housing, or should they be
22 excluded so that you then go to the heart of it?

23 SENATOR BRESLIN: Well, you can't exclude
24 them and then include where they're renting.

25 THOMAS O'CONNOR: No, I think it's two

1 different -- I think you have to look at it as, this
2 is a college housing unit.

3 SENATOR BRESLIN: Crisis, as well.

4 I mean, I think that's a different crisis.

5 Just -- on beyond that, you mentioned the
6 Interfaith Partnership.

7 The prior witness from Albany testified about
8 a crisis.

9 I deal with, you know, the tenant groups
10 consistently indicating to me there's a problem.

11 The Interfaith Partnership, an institution
12 that's probably a member --

13 THOMAS O'CONNOR: Uh-huh.

14 SENATOR BRESLIN: -- the Interfaith
15 Partnership of the Homeless --

16 THOMAS O'CONNOR: They are.

17 SENATOR BRESLIN: -- a place that I was
18 vice president of for a number of years before I got
19 to the Senate, and I think everybody connected to it
20 would indicate there's a tremendous housing
21 crisis --

22 THOMAS O'CONNOR: Correct.

23 SENATOR BRESLIN: -- one in need of rent
24 reform.

25 THOMAS O'CONNOR: And that I do not disagree.

1 And I think my opening statement was that, we
2 don't disagree that affordable housing is an issue
3 that needs to be addressed.

4 It's simply that, we may have a different
5 approach to it.

6 And I think --

7 SENATOR BRESLIN: Good.

8 THOMAS O'CONNOR: -- I think a lot of our
9 counties and our local governments --

10 SENATOR BRESLIN: If you agree with me that
11 there's a housing crisis, we're halfway along.

12 I will be satisfied with that answer.

13 THOMAS O'CONNOR: -- what I agree to was
14 that, there is an issue of affordable housing.

15 It's the approach that we take to address it.

16 SENATOR BRESLIN: That's as far as I think
17 I'll be able to go.

18 SENATOR KAVANAGH: Thank you,
19 Senator Breslin.

20 I just -- I will to remind senators we do
21 have a great many more of people that are expecting
22 to testify, but I -- you know, we appreciate all the
23 interest.

24 But next up, Senator Salazar.

25 SENATOR SALAZAR: Thank you.

1 Thank you, Mr. O'Connor, for your testimony.

2 You -- you mentioned that you had been
3 present at an Assembly hearing last week, recently,
4 and that many of the witnesses at the hearing had
5 testified about, what you said was more related to
6 code enforcement and eviction. Right?

7 THOMAS O'CONNOR: Correct.

8 And I think there was some acknowledgment by
9 the members of the Committee that that is something,
10 whether it's an issue of proper resources, I think
11 they believe there's -- there are people in the
12 enforcement end that can do a very good job, and
13 have the understanding and the expertise.

14 It's, are they properly resourced to do those
15 enforcement?

16 SENATOR SALAZAR: Yeah.

17 THOMAS O'CONNOR: So I think that was a --
18 that was an issue.

19 But, I think that's more of a topic of your
20 hearings on tenant protection and code enforcement.

21 SENATOR SALAZAR: Uh-huh.

22 So I agree that there needs to be better
23 enforcement by the agencies.

24 And, actually, I also think that the State
25 needs to invest more in resources.

1 THOMAS O'CONNOR: And I think that's
2 important. I think --

3 SENATOR SALAZAR: (Indiscernible.)

4 I just want to --

5 THOMAS O'CONNOR: -- if you get to the -- the
6 bad actors.

7 SENATOR SALAZAR: -- but I -- uh-huh, yeah.

8 But what I want to say is that, the reason
9 that witnesses, tenants primarily, but not only
10 tenants, at the Assembly hearing where you were
11 present, at previous Assembly hearings, at the
12 Senate hearings that we've held, the reason that
13 they cite the condition in their buildings and their
14 experiences as tenants, in urging us to pass the
15 good-cause eviction bill, which I'm the lead sponsor
16 of, is precisely because, currently, those tenants
17 have, virtually, no protections from retaliation.

18 So if they were to -- you know, some of them
19 have leases, some of them do not, but, either way,
20 if they were to complain to -- if they were to call
21 311, do whatever they can, to try to get the
22 landlords in their buildings, you can call them good
23 landlords or bad landlords or slumlords, if they
24 were to complain about those conditions, their
25 landlords could, and have, retaliated against them

1 by evicting them, because they don't have the
2 protections that they would be afforded by this
3 bill.

4 Do you think that they should have
5 protections in place that -- that -- that this bill
6 would provide to protect them from retaliation,
7 or -- or should landlords be able to evict someone
8 because they complained about the conditions in the
9 building?

10 THOMAS O'CONNOR: I think, one, there are
11 steps you can take if you're facing eviction.

12 You do have rights, you do have legal
13 avenues.

14 You have resources, both from the public
15 sector and the private sector, not-for-profit
16 included.

17 So there are -- there's recourse that you can
18 take.

19 Our concern would be, is it so overly broad
20 that you make it, basically, a -- a lease agreement
21 that is open-ended as far as the term? That you
22 cannot, at any point, without good cause, end the
23 term of that lease?

24 That is a concern.

25 SENATOR SALAZAR: Okay.

1 THOMAS O'CONNOR: And I also think that
2 there's -- there's the other side of the coin, that
3 there are landlords, our members included, that will
4 not go to an eviction, say, for months of
5 non-payment. That they will try to come to an
6 agreement with the tenant that is the least
7 disruptive, which allows them to leave and have the
8 debt forgiven, because they simply know, for
9 whatever reason, maybe your employment changed, you
10 had no control over that.

11 And they want you to be able to not go
12 through two traumatic experiences at the same time,
13 but also allow you not to have the debt that you've
14 incurred.

15 So I think there's -- I think, again, are we
16 casting a very wide net that captures a large part
17 of the good, where maybe we should focus on truly
18 bad actors, focusing on code violations, and
19 ensuring that it's not just affordable housing, it's
20 affordable housing that's safe and that's habitable.

21 SENATOR SALAZAR: You -- I know that you
22 referred to the good-cause eviction bill as
23 "universal rent control."

24 And I wanted to ask, have you read the -- and
25 given your opposition memo, have you read the text

1 of the bill?

2 THOMAS O'CONNOR: Yes, both the bills.

3 And what I was referring to, if you look at
4 what the advocates have, whether on their website or
5 what they're circulating, they have a package of
6 bills which they refer to as "a bundle," and that's
7 what I'm referring to as the "universal rent
8 control."

9 The positions we took were solely on those
10 affecting Upstate New York, nothing related to those
11 that are currently under rent-control provisions.

12 Simply, upstate.

13 And that's what I'm talking to.

14 SENATOR SALAZAR: Right, right.

15 THOMAS O'CONNOR: Have I read the other
16 bills? No. And we haven't taken a position on
17 those two bills.

18 The two bills that we have, yes, we've read,
19 our counsel has read, and our membership have read
20 and have concerns, and that's what I'm conveying.

21 SENATOR SALAZAR: Right.

22 So -- so then you know that -- that the
23 good-cause eviction bill enumerates reasons that
24 constitute good cause, a rebuttable presumption,
25 that constitute good cause for the -- for the

1 property owner to evict the tenant, and that this
2 includes violation of the lease, that this includes
3 a chronic non-payment of rent, since, given that a
4 lease is, as you said, you know, says that, on a
5 date every month you have to pay rent, and,
6 therefore, you know, this also executes constitutes
7 a violation of the lease.

8 But also that, in an eviction proceeding,
9 a -- as Senator Benjamin mentioned earlier, in an
10 eviction proceeding, the property owner would be
11 able to make the case that they needed to increase
12 the rent beyond the threshold, or that they needed
13 to evict the tenant for another reason.

14 Right?

15 THOMAS O'CONNOR: Uh-huh.

16 SENATOR SALAZAR: The only other thing
17 I wanted to ask, I know you mentioned that,
18 anecdotally, you don't not think that people in the
19 capital region want this. They haven't -- they
20 haven't been contacting you or the Capital Region
21 Chamber about rent control.

22 I was looking at the list of sustaining
23 investors of the Capital Region Chamber, and saw
24 several banks.

25 M&T Bank, National Grid, TD Bank,

1 Charter Communications, Berkshire Bank.

2 I just have to ask, why would tenants or
3 people who need the protections of rent control
4 contact the Capital Region Chamber?

5 THOMAS O'CONNOR: Because I think if you look
6 at our reputation, I think if you ask one of your
7 colleagues that are from the capital region that
8 represent this: Are we a reliable source? Are we
9 the same center?

10 I think they will say yes.

11 You cite that list.

12 We also have not-for-profits that are
13 members, and guess what? Do you know where a lot of
14 their funding comes from?

15 Those very corporations that they couldn't
16 survive without, and, they don't sit in a vacuum.

17 They're on our board.

18 They're on other boards, community boards.

19 They sit, they talk, they understand each
20 other. And, they actually try to work
21 collaboratively, because we are looking at the
22 region as a whole.

23 Our schools matters.

24 Our not-for-profits matter.

25 Housing matters.

1 Education matters.

2 So our bottom line is, and our yardstick is,
3 is everyone in the capital region enjoying
4 prosperity?

5 And if they're not, then we're not done with
6 what we're doing.

7 And it's because of our chamber members, both
8 large companies and not-for-profits. That's how we
9 approach things.

10 SENATOR SALAZAR: Thank you.

11 SENATOR KAVANAGH: Thank you.

12 I think we have a quick question from
13 Senator Mayer.

14 SENATOR MAYER: Thank you.

15 I just have to note, reading your testimony,
16 you keep calling it "New York City-style rent
17 control."

18 I represent the suburbs that has ETPA,
19 Westchester, as does Nassau and Rockland.

20 So I think it's not accurate to call it
21 "New York City rent."

22 In the first place, it's not rent control.
23 ETPA is really rent stabilization.

24 And, second place, as someone who does not
25 represent New York City, and is strongly supportive

1 of this, I just think it's a bit disingenuous to
2 characterize it as "New York City."

3 And I wondered if, in your review before you
4 submitted your testimony, you considered the fact
5 that suburbs, like Westchester, they have
6 communities that opt in, and communities that don't
7 opt in, and the world has not collapsed, we do find,
8 although we don't have enough affordable housing.

9 So I wonder if you considered those facts
10 when you drafted your testimony.

11 THOMAS O'CONNOR: Yes.

12 And based on long-term knowledge of
13 rent-control debates in the Senate and the Assembly,
14 having been a Senate staffer from '87, I'm well
15 aware of the debate that goes on when rent control
16 comes up.

17 And from those years, the majority of the
18 discussion is regarding New York City.

19 It truly is.

20 And the vast majority of the public that is
21 aware of rent control, it's about New York City rent
22 control.

23 And when you look at Upstate New York, it has
24 not been an issue of concern because it hasn't been
25 discussed.

1 SENATOR MAYER: I understand.

2 It's a new Senate, I think you're seeing
3 that.

4 THOMAS O'CONNOR: Oh, I know, I know.

5 I just -- again, I go back to, the Committee
6 is providing an opportunity to hear from all
7 stakeholders.

8 SENATOR MAYER: I appreciate that.

9 THOMAS O'CONNOR: We may not agree on the
10 approach, but I think you have -- and I think
11 Senator Breslin can attest, you have a willing
12 partner to address issues in our community.

13 And I think we try to be a driving force on
14 that, and I think we're dedicated to that.

15 And I know the Senator had indicated our
16 banner on our website.

17 But I think if you look in the -- my
18 testimony, you will see a like banner, where I think
19 you would be very surprised who is on our coalition
20 for New York equity.

21 SENATOR MAYER: No, I understand, I'm not
22 quarreling about it.

23 I was quarreling with your use of the words
24 "New York City rent control" when that is actually
25 not the way it is described.

1 THOMAS O'CONNOR: Yeah, I think it -- I think
2 it's also, when you term a package "universal rent
3 control," if that's not it, then I'm at a loss,
4 because that's how it's been packaged.

5 And what we're looking at is, if anyone in
6 this region knows about rent control, it's always
7 been in term, and this is could be because of the
8 reporting, about "New York City rent control."

9 SENATOR MAYER: Thank you.

10 SENATOR KAVANAGH: Thank you.

11 And I think that wraps up this testimony.

12 Thank you very much for your testimony.

13 THOMAS O'CONNOR: Thank you very much.

14 Thank you for the opportunity.

15 Thank you.

16 SENATOR KAVANAGH: And so next up we're going
17 to have Laura Felts.

18 And at the suggestion of our much-more
19 experienced committee member at endless hearings,
20 Liz. Krueger, I'm gonna -- we're going to begin
21 having a clock on the exchange between any given
22 senator and any given witness of, I'm going to
23 propose 5 minutes for that.

24 And if there's a burning question beyond
25 that, we might extend past that, but, we're going to

1 try to hold to that.

2 So next up, Laura Felts, of the
3 United Tenants of Albany.

4 And I think Taffney Wallace.

5 And anyone else from the Albany -- I mean,
6 United Tenants of Albany this is signed up to
7 testify today, this would be a good time to come up.

8 TAFFNEY WALLACE: Good afternoon.

9 My name is Taffney Wallace. I'm a single
10 parent working full-time for New York State,
11 14 years, and a full-time student at the College of
12 St. Rose.

13 I'm here today to speak to you about the
14 importance and critical need to pass the good-cause
15 bill.

16 I was evicted from my apartment in the city
17 of Albany December of 2017, not because I didn't pay
18 my rent. It was paid before the month came in,
19 every month.

20 I wasn't evicted for damaging property or
21 being a bad neighbor.

22 I was evicted because I reported my landlord
23 to code enforcement.

24 My bathroom had a host of issues, but office
25 in my apartment had a leaking crack in the ceiling,

1 and the rear entrance of my building had a lock that
2 could only be opened from the inside with a key.

3 I paid over \$1,000 a month for rent.

4 I was fortunate enough to meet and align with
5 a few good people that helped me fight.

6 United Tenants Association armed me with
7 information that I otherwise would not have known or
8 had access to.

9 Attorney Kevin Willowbrand (ph.) took my case
10 pro bono and I hadn't asked him to do so.

11 We lost the initial eviction hearing and
12 trial.

13 Our local court rule, that although I hadn't
14 done anything wrong, they were concerned about my
15 relationship with my landlord going forward.

16 If I had to move in the middle of the
17 semester while working, I would have had a nervous
18 breakdown.

19 Attorney Willowbrand was willing to still
20 fight, and so was I.

21 He filed a motion to stop the eviction with
22 the intent to appeal the lower Court's decision.

23 I was able to finish the semester strong, and
24 find a new home, before going back to court.

25 My situation ended well, but many others

1 don't. Families, children, and elderly are
2 wrongfully displaced daily.

3 This is immoral, it's unjust, and it's an
4 abuse of power, and we need to do something about
5 it.

6 If you don't pass this law, you're giving
7 landlords and developers the right to wreak havoc on
8 renters.

9 I beseech you to do what is right, and fair
10 for the greater good, and not a few privileged with
11 an objective to capitalize.

12 Thank you for the opportunity to testify
13 today.

14 SENATOR KAVANAGH: Thank you.

15 LAURA FELTS: Thank you all for having me.

16 My name is Laura Felts. I'm the homeless
17 prevention program coordinator at United Tenants.

18 And thanks again for having us here today.

19 United Tenants is a local community-based
20 non-profit organization here.

21 I've been working at United Tenants for
22 four years, and in this time I've attended court
23 with about 1,200 households, to stand with them as
24 they faced the prospect of losing their home to
25 eviction.

1 United Tenants has responded to more than
2 20,000 calls for help on our hotline from tenants
3 dealing with housing emergency in those four years
4 alone.

5 Thousands of those tenants are calling and
6 cannot believe that they can be evicted for no
7 reason at all.

8 I must say that, in my relatively short
9 period of time that is just four years in this
10 field, I've become utterly disturbed by our
11 society's failure to address the extent to which
12 eviction is plaguing our neighborhoods.

13 The vacancy rate of occupiable housing in
14 Albany hovers around just 3 1/2 to 4 percent.

15 And in a market-study review that was
16 completed in Albany in 2016, we were found to be
17 short 6,500 units that are affordable to the people
18 who live here, based on an analysis of their
19 incomes.

20 I don't doubt the validity of that study
21 because I'm meeting those thousands of people as
22 they come through our doors every single year at
23 United Tenants, desperately searching for an
24 apartment that they can afford that's habitable.

25 We've only been losing affordable units since

1 2016, and we need to invest in truly
2 affordable-housing development here in Albany
3 because that's blatantly what the need is.

4 Those who are speaking here -- those who are
5 here speaking to you today in support of the
6 expansion of tenant protections really want to make
7 the case that it's a moral issue.

8 Eviction disproportionately impacts already
9 marginalized populations in Upstate New York.

10 Currently, we're allowing tenants to be
11 repeatedly displaced by the thousands, so very often
12 for no reason at all beyond the exploitation of our
13 very imbalanced property-ownership system.

14 At present, about 60 percent of the people
15 that live in Albany are renting, myself included,
16 and we have to be realistic that the prospect of
17 home ownership is pretty out of reach for most of
18 us, and we're, more or less, at the mercy of
19 landlords in Upstate New York.

20 We'll con -- we will continue to be renters
21 that are working to make ends meet.

22 There is no good reason that we must continue
23 to lack basic rights that would allow us to live
24 without fear of displacement when there's no valid
25 reason for eviction to be sought.

1 There have been over 5,000 cases filed by
2 landlords seeking eviction in Albany City Court
3 alone, two blocks from this building, every year for
4 the past two years.

5 We are well on track to top that sad number
6 again this year.

7 We're here to ask you to all make the
8 collective decision that a person's right to be
9 housed with dignity and stability is more sacred
10 than one's right to own and profit off of that
11 property.

12 And I'm further personally here to ask you to
13 make the decision to stand with the families that
14 I've met, and continue to meet, in our local court
15 down the street who are having to fight so
16 unbelievably hard to preserve something so integral
17 to life as is stable housing.

18 In my capacity as a member of Housing for
19 All, I'm further asking that you not only make that
20 decision, but act upon it this session, because
21 before us we have legislation that can very simply
22 give the majority of people, folks who are trying to
23 live dignified lives in the neighborhoods that you
24 all are here representing, the basic rights that are
25 necessary to enable us to maintain safe and decent

1 places to call "home."

2 This legislation would allow community
3 members the stability that would then enable them to
4 invest in their neighborhoods.

5 We need for you to agree with us that no
6 human being should ever face or experience the
7 traumatization that is homelessness for no reason
8 at all.

9 And to do that, the basic tenant protection
10 of passing the good-cause eviction bill this session
11 is necessary.

12 SENATOR KAVANAGH: Thank you.

13 Questions from senators?

14 Senator Breslin?

15 SENATOR BRESLIN: (Inaudible.)

16 SENATOR KAVANAGH: Okay, any other questions
17 or comments?

18 Okay.

19 Thank you very much for your testimony.

20 Next up we're going to have from
21 Oksana Mironova of the Community Service Society,
22 and Ellen Davidson of the Legal Aid Society of
23 New York.

24 All the witnesses are drawing straws to see
25 who goes first.

1 ELLEN DAVIDSON: Good afternoon. It is
2 afternoon.

3 My name is Ellen Davidson. I'm a staff
4 attorney at the Legal Aid Society.

5 The Legal Aid Society, which is not part of
6 any task force with the chamber of commerce in
7 Albany, is actually based in New York City, just
8 responding to Mr. O'Connor's accusation that we
9 were not bringing this up to his attention.

10 I'm not based in Albany.

11 But, we are the oldest and largest law firm
12 representing low-income individuals in the country.

13 And, I'm a housing attorney, and I come
14 before you in that capacity.

15 I want to -- obviously, like so many other
16 people here, I want to start out by thanking this
17 Committee and the Senate for not only holding this
18 hearing --

19 I think this is the first time I've testified
20 before this Committee.

21 I've testified in the Assembly, but the first
22 time I've testified before this Committee in my
23 career.

24 -- but, also, taking this show on the road,
25 and speaking to tenants in Syracuse, and in Albany,

1 and in Newburgh, and in Westchester, and in Brooklyn
2 where I'm from, because I think, and I'm hoping, by
3 the end of this tour, what will become clear to you
4 is that tenant issues are not New York City issues,
5 but they are a crisis throughout our state.

6 I mean, part of the problem, as we see it, is
7 that, while real estate is a business, it is not a
8 market that works.

9 That, certainly, what we see in New York
10 City, and the stories that we've heard today, make
11 it clear it's not just in New York City.

12 But if a tenant walks into an apartment and
13 takes a look at it, and says, you know, "This
14 apartment looks fine, but you're charging too much
15 money. And, frankly, before I move in, I'd like you
16 to fix the leak in the bathroom," in a normal
17 market, the landlord would say -- would start
18 negotiating, Here's what I'll do, this is what I'll
19 take off the rent.

20 But in places with low vacancy rates, in
21 places with lots of abandoned buildings and
22 delapidated buildings with delapidated conditions,
23 tenants are so grateful to have a roof over their
24 head, that they don't have an opportunity to
25 actually negotiate themselves into an apartment that

1 is both affordable and safe and decent.

2 If they can get one out of the three, I think
3 they consider themselves lucky.

4 And sometimes they get apartments that are
5 neither affordable, safe, or decent.

6 And so we come to you with tenants, where we
7 have, you know, median rent burdens of over
8 30 percent, a number that, you know, has been
9 defined by the federal government, as being
10 unaffordable, who are struggling to pay rents and
11 struggling to be -- to keep their families from
12 being homeless.

13 And, as part of the Housing Justice for All
14 Coalition, we have put forth what we see as
15 solutions to this problem, the first being, fix the
16 rent laws;

17 And the second being, please extend tenant
18 protections to currently unregulated tenants
19 throughout our state through good-cause eviction.

20 And so I -- I -- the one number that's in my
21 testimony -- and my testimony is long, and contains
22 data and footnotes, so I'm not going to read it.

23 But the one number that I think I found
24 incredibly frightening, that came from a report that
25 the Coalition for the Homeless did last year, which

1 looked at the historical context of the current
2 mismatch between low-income New Yorkers needing
3 affordable housing and the number of affordable
4 units:

5 In 1999 there were over a million households
6 that needed affordable apartments renting for \$800.

7 At the same time, there were 1.3 million
8 apartments that rented for under \$800.

9 And, today, there are 867 households needing
10 apartments renting for under \$800 in order for them
11 to be paying an affordable rent.

12 And according to the HVS, there are now
13 349,000 apartments available to these low-income
14 New Yorkers.

15 No wonder median rent burdens are -- are
16 rising.

17 I had a colleague in Brooklyn testify about
18 our increasing difficulty in representing clients
19 who are unregulated who come through our doors
20 through the wonderful expansion of right to counsel.

21 And where we -- you know, people who have
22 lived in their neighborhoods for decades, and who
23 new landlords come in and clear out the building,
24 and we find elderly and disabled low-income
25 New Yorkers on the streets, which to me is a moral

1 issue that we must address.

2 As for individual apartment improvements,
3 I think we heard a lot about how much both the
4 vacancy bonus, longevity bonus, and IAIs are
5 driving the affordability crisis in New York City.

6 I will add an additional thing that we -- we
7 have observed, which is, that what landlords tend to
8 do is defer maintenance, for two reasons:

9 One is, it's -- well, I guess three reasons.

10 One, it's cheaper if they don't have to
11 maintain an apartment;

12 And, two, if they can make the apartment
13 uncomfortable enough for the tenant, the tenant will
14 leave.

15 And if the tenant leaves, they hit the
16 jackpot, because of what you learned from HPD's
17 testimony, about where you get a vacancy with
18 increases.

19 It's also a completely unenforceable system.
20 Right?

21 It -- DHCR isn't asked to enforce it.

22 And at the hearing a couple of weeks ago that
23 they had in front of the Assembly, HCR was asked:
24 Could you inspect every single IAI to ensure that
25 the work was done?

1 And they said, "No."

2 And I know this wasn't a question that you
3 asked HPD, but I was in a meeting with them, and the
4 Legal Aid Society asked them: Does HPD have the
5 resources to inspect every single purported IAI to
6 make sure it's happening?

7 And they laughed, and said, "No."

8 So, to the extent we're going to do a system
9 that keeps IAIs and keeps them being unenforceable,
10 to the extent we're going have a system that makes
11 IAIs temporary, when no one actually enforces the
12 system, means that you're going to have permanent
13 increases that never leave because no agency is
14 capable of enforcing the system.

15 And I think what we have learned over the
16 years is that, if you leave a loophole large enough
17 for a truck to drive through it, the landlords will
18 drive the trucks through that loophole.

19 And so when we ask -- and, certainly, that's
20 been the system that our court of appeals has had,
21 with the very straight four-year rule with no
22 exceptions, except that, we saw case after case
23 after case of landlords committing fraud, and our
24 courts being unwilling to be the vehicle for that
25 fraud to continue.

1 So, I want to put in a plug, we support the
2 entire platform, but Senator Myrie's bill that would
3 reform the four-year rule is a necessary tool to
4 make sure that people live in housing with rents
5 that actually have some -- have some -- bear some
6 resemblance to legality.

7 And so I probably have gone on for way too
8 long, and so I will end here.

9 As I said, I have a testimony, it's about
10 nine pages. It's got tons of footnotes, and I hope
11 you read it.

12 Thank you.

13 SENATOR KAVANAGH: Thank you.

14 OKSANA MIRONOVA: Good afternoon, and thank
15 you so much for hearing my testimony today.

16 My name is Oksana Mironova, and I'm a housing
17 policy analyst with the Community Service Society.

18 CSS is a non-profit that's based in
19 New York City, that it deals with anti-poverty
20 issues.

21 New York City is rapidly losing its low-rent
22 apartments, creating a housing market where
23 low-income tenants are squeezed between a rock and
24 hard place; severe rent burdens at home and no
25 easily accessible or affordable alternatives on the

1 market.

2 Other high-renter cities, like Rochester,
3 Syracuse, Albany, and Troy, are seeing the emergence
4 of a similar dynamic, leading to evictions doubling
5 up and homelessness.

6 To address this statewide crisis, the
7 Community Service Society endorses the universal
8 rent-control platform of the Upstate/Downstate
9 Housing Alliance, which will both close the
10 destructive loopholes within the rent-stabilization
11 laws, and enable communities across New York State
12 to opt in to a system that moderates rent increases
13 and protects tenants from unjust evictions.

14 We also strongly support the home stability
15 support -- home stability support proposal for
16 expanded rental-assistance subsidies and the rest of
17 the Alliance's and homelessness platform.

18 The current shelter allowance and rental
19 supplements are insufficient to address the growing
20 homelessness crisis in New York State.

21 HSS would introduce a new statewide rental
22 supplement for families facing eviction and
23 homelessness.

24 The Senate should pass this legislation,
25 which is now on the Senate floor calendar, as soon

1 as possible.

2 In our research, we have found that tenants
3 are losing ground in New York City while landlords
4 are continuing to profit.

5 The typical rent-stabilized household was
6 earning the same inflation-adjusted amount in 2016
7 as in 2001, while typical rents climbed by
8 30 percent above inflation.

9 Among low-income stabilized tenants, the
10 median rent-to-income ratio increased from
11 40 percent in 2002, to 52 percent in 2017.

12 With high rent burdens and limited choices
13 within the market, many low-income New Yorkers find
14 themselves in extremely difficult housing
15 situations.

16 Among low-income stabilized renters, nearly
17 half reported being unable to afford a \$25 increase
18 in rent in 2018.

19 At the same time, according to latest RGB
20 data, landlords of stabilized buildings spend about
21 59 cents of every revenue dollar on operations,
22 thus, generating 41 cents in income.

23 Outcomes for stabilized tenants, particularly
24 those who are low-income, are getting worse.

25 The major culprits for this are the vacancy

1 bonus, MCIs, IAIs, preferential rents, and vacancy
2 decontrol.

3 While they may seem like reasonable
4 provisions for ensuring the maintenance of the
5 city's housing stock, these loopholes all work in
6 tandem to push out low-income tenants and undermine
7 neighborhood-level stability because they erode the
8 effectiveness of the rent-stabilization system.

9 Low-rent apartments are disappearing, both
10 because of the destructive impact of rent-law
11 loopholes on rental submarkets in The Bronx,
12 Upper Manhattan, Central Brooklyn, as well as the
13 loss of unregulated low-rent units in low-density
14 neighborhoods in Queens, Staten Island, and in outer
15 Brooklyn.

16 Citywide, the share of unassisted low-rent
17 apartments fell, from 21 percent, to 14 percent,
18 between 2011 to 2017.

19 While there was a net increase in the
20 rent-stabilized housing stock in 2018, the vast
21 majority of the newly stabilized units were in,
22 primarily, high-rent or 21-A buildings.

23 The ETPA is a powerful tool that protects
24 about a million renter households in New York State;
25 however, over the past 25 years, legislative

1 decisions by both the City and the State have
2 weakened rent regulation, encouraging tenant
3 harassments, and allowing for sudden and permanent
4 rent hikes.

5 The same loopholes create an environment for
6 fraud is rampant.

7 The vacancy bonus, MCIs, IAIs, preferential
8 rents, and vacancy decontrol all work in tandem to
9 push out low-income tenants and undermine
10 neighborhood-level stability.

11 New York City has lost 291,000 stabilized
12 units since 1994.

13 The housing crisis has an even greater
14 impact on the state's unregulated tenants, both
15 in New York City and the rest of the state.

16 Areas not covered by the ETPA, including
17 the Hudson Valley, the capital district, and
18 Central New York, have all seen rapid loss of
19 low-rent units.

20 Local governments in all parts of the state
21 should be eligible to opt in to rent stabilization,
22 and tenants throughout the state should be protected
23 from arbitrary evictions even when rents are not
24 regulated.

25 The tenants should -- the tenants who would

1 benefit from good-cause evictions -- eviction
2 protections are mostly concentrated in high-renter
3 cities that are not subject to rent stabilizations.

4 But the current proposal would also help
5 almost 600,000 households in New York City that live
6 either in deregulated apartments or in small
7 buildings, as well as almost 180,000 households in
8 Westchester, Rockland, and Nassau counties, which
9 are also covered by the ETPA.

10 To close the rent-law loopholes and expand
11 renter protections, the Community Service Society
12 endorses the universal rent-control platform of the
13 Upstate/Downstate Housing Alliance.

14 To address the growing homelessness crisis in
15 the state, we also urge you to pass
16 Senator Krueger's bill, S2375, which would enact the
17 home stability support supplement.

18 Thank you.

19 SENATOR KAVANAGH: Thank you.

20 Questions from senators?

21 I have a couple.

22 Okay.

23 I guess, why don't we start with
24 Senator Krueger.

25 SENATOR KRUEGER: Thank you both for your

1 testimony.

2 From CSS, so the final page of your testimony
3 is some data about -- well, the second-to-last page,
4 excuse me, showing the operating costs versus rents
5 in stabilized buildings.

6 And there seems to be a continuing discussion
7 among senators that, does this skew differently for
8 different-sized landlords?

9 So, a position that has been taken by some,
10 but I think mostly because no one really knows
11 facts, is that smaller landlords owning small
12 buildings or a small number of units in total,
13 who -- which are affordable rent-regulated units,
14 would be hurt more by ending IAI, MCI, vacancy
15 bonuses.

16 And somehow the belief that they've got a
17 harder time meeting their expenses in their
18 buildings via just rent rolls.

19 And I'm wondering if any of your data helps
20 us better understand, is there a unique set of
21 sub-problems for some universe, or is there not?

22 OKSANA MIRONOVA: Unfortunately, we don't
23 have data that splits up the rent-stabilized housing
24 stock to be able to make a statement either way.

25 But, anecdotally, I don't believe that there

1 is anything specific about low -- about smaller
2 landlords that would make IAIs or MCIs more helpful
3 to them.

4 And the majority of the rent-stabilized
5 housing stock is owned by larger landlords, and is
6 in larger buildings.

7 SENATOR KRUEGER: So I know, I guess, I think
8 Ellen was at the Brooklyn hearing.

9 And if you were, I'm sorry, I don't remember.

10 But I saw Ellen there.

11 So, there, there was an argument made by an
12 industry representative, that the housing vacancy
13 data is completely flawed because it doesn't look at
14 the buildings with smaller units, smaller buildings.

15 And I think that we learned then, that that
16 is not true. That housing vacancy data is across
17 the board.

18 ELLEN DAVIDSON: Yeah, there was some, to my
19 mind, a bait-and-switch going on.

20 As I understood some of the argument, it was
21 about the rent guidelines board.

22 There was a -- I've actually now sat, this is
23 my fourth hearing through the two bodies.

24 SENATOR KRUEGER: You might as well come up
25 here with us.

1 [Laughter.]

2 ELLEN DAVIDSON: And so there was -- I sat
3 through the testimony of the commissioner, who
4 talked about building size, and talking about 15 and
5 under, which, in the representative from the
6 Real Estate Board of New York, suddenly became an
7 "under 10" issue in a slay of hand.

8 And, so, I don't -- you know, I think --
9 I think the data we see is that most landlords own
10 quite significant portfolios of buildings.

11 And the other thing that I found somewhat
12 interesting was that, the Real Estate Board of
13 New York and their proxy, Affordable Taxpayers, and
14 the -- what do they call themselves? -- the
15 reasonable reform -- Real Rent Reasonable Reforms.

16 SENATOR KAVANAGH: The Alliteration Academy.
17 Sorry.

18 ELLEN DAVIDSON: Yeah, I had to remember.

19 But they put a -- they put commercial -- if
20 you live in New York City, they put out commercials
21 in which they highlight two of their members, and
22 the work they do, and they both report, and do, own
23 small buildings.

24 And each one in those small buildings has
25 managed to deregulate somewhere close to one-fourth,

1 one-third, one-half of the buildings.

2 And I think -- I think that's true of all the
3 landlords, I mean, at this point, have pretty --
4 pretty significant deregulated units.

5 And so, you know, I think it's been --
6 I think that it's been a really good time to be a
7 landlord, for decades.

8 I think that it continues to be a good time
9 to be a landlord because the federal tax gift
10 that -- you know, in the tax reform that was given
11 to the landlords, in terms of how they own and
12 operate their buildings, in terms of pass-through
13 tax breaks, you know, it continues to be a great
14 time, I think, for us to do these reforms, because
15 landlords are in a pretty good position, and
16 continually will be for years to come.

17 SENATOR KRUEGER: May I ask one more
18 question, Mr. Chair?

19 SENATOR KAVANAGH: Please.

20 SENATOR KRUEGER: Thank you.

21 Because I have not gotten to all the
22 hearings. I feel you have been.

23 Has anybody so far submitted testimony about
24 the tax advantages from the most recent federal
25 Trump tax changes that have improved opportunities

1 for saving on taxes if you're in real estate?

2 ELLEN DAVIDSON: Not as of yet.

3 I understand a report is being worked on, and
4 should be released soon, that lists all the
5 different tax reforms that were passed on to
6 landlords in the most recent reforms.

7 SENATOR KRUEGER: Thank you, Mr. Chair.

8 SENATOR KAVANAGH: Thank you.

9 Senator Myrie.

10 SENATOR MYRIE: Thank you both for your
11 testimony, and for the work that you do to serving
12 our communities.

13 There have been calls for us to be
14 even-handed in this reform, for us to consider both
15 sides, for us to not be rash on either side.

16 And I'm wondering if, within the confines of
17 our newly-imposed five-minute exchange, if you could
18 give a brief history, over the past couple of
19 decades, on the wins on the property owner side, and
20 the wins on the tenant side?

21 Because, to my mind, if we are trying to
22 course-correct, and one side has been much more
23 successful over the past couple of decades, that
24 would imply that that side is going to have a
25 disproportionate loss if we are reforming against

1 it.

2 So if you could, just, brief.

3 ELLEN DAVIDSON: So, in 1971, the landlords
4 managed to get vacancy decontrol and Urstadt passed.

5 And so I guess, on the other side, after that
6 was a disaster, the Albany, three years later, came
7 back with the Emergency Tenant Protection Act,
8 bringing many of the apartments that were
9 decontrolled back into regulation. So that was a
10 win for tenants.

11 And then decades passed.

12 And during those decades, in the '90s, we saw
13 the introduction of, first by DHCR, and later by the
14 Legislature, of introducing the idea of individual
15 apartment improvements.

16 The New York City Council, and then, later,
17 the State Legislature, introduced the vacancy
18 decontrol.

19 In '93, and left the decontrol threshold at
20 2,000, until 2011.

21 In 1997:

22 We saw the statutory vacancy bonus come into
23 effect.

24 The change to four-year rule, making it so
25 that, when landlords committed fraud, if they

1 tricked tenants for more than four years, that they
2 would be home-free.

3 And a host of other anti-tenant provisions.

4 In the year 2000, the agency spent hundreds
5 of pages rewriting the rent-stabilization code,
6 which, among other things, meant registrations were
7 meaningless -- well, there were law changes and
8 regulatory changes, meaning, that if landlords
9 didn't register the rents, they no longer saw any
10 consequences to it.

11 In 2003, the understanding of how
12 preferential rents changed. And, unlike changes
13 that are favorable for tenants, this change was a
14 change -- it used to be that, if the landlord and
15 tenant had an understanding about preferential rent,
16 it was for the life of the tenancy, unless there was
17 an explicit thing in the contract.

18 When the -- in 2003, when the change was made
19 to make it, that each and every lease term, the
20 landlord could take away the preferential rent, that
21 was not prospective.

22 In fact, we wrote all of the preferential
23 rent leases, retroactively, which changed any
24 understanding, unlike what you would think would
25 happen in contract law.

1 In 2011, the threshold was raised from -- the
2 decontrol threshold was raised, from 2000, to 2500.
3 And then it was raised 200 more, four years later.

4 And, in addition, for some buildings, IAI
5 formula went, from 1/40th, to 1/60th.

6 Although most buildings are -- most people
7 live in buildings of under 35 units, the change was
8 only made for those above 35 units.

9 And, in 2015, the amortization period for MCI
10 reimbursement moved, from seven years, to eight or
11 nine years, but landlords were compensated by tax
12 credits for the loss of that little bit of money in
13 a little bit of time.

14 And so I would say, from my perspective -- from
15 my very neutral perspective, that the landlords
16 completely rewrote the laws to be more favorable to
17 them, and the Legislature gave tenants a small
18 little bit, that also protected landlords.

19 But that's -- that's just me being neutral.

20 SENATOR KAVANAGH: I think Senator Rivera has
21 a question.

22 SENATOR RIVERA: Yeah, because, actually,
23 I really appreciated that you gave us that
24 blow-by-blow and -- of the history of it.

25 So, actually, let's go back to the beginning

1 of -- not the beginning of the story, right, but,
2 there was obviously a place that changed, like a
3 timeline.

4 On the timeline of rent stabilization and
5 rent -- and the rent laws that we're trying to
6 negotiate right now, there was a change in 1994,
7 I believe you said, when there was a -- before --
8 beforehand, and after that, we're talking about two
9 different situations, as far as available units, as
10 far as how -- what the landlords -- where they could
11 get money, how they could get money, to actually
12 renovate them, et cetera, et cetera, et cetera.

13 It is -- and so I wanted you to go over that
14 a little bit in this particular -- looking at it
15 from this particular perspective:

16 My concern, and I want you to tell me if I'm
17 wrong or right on this, is that, for the last -- in
18 this case, since 1994, so the last 25 years, there
19 has been -- the housing market in the state -- in
20 the city of New York -- in the state of New York,
21 but basic -- more than anything else, in the city,
22 has become a speculative market, and -- as opposed
23 to a stable return that existed beforehand, instead,
24 it was turned into a -- just a -- you know, kind of
25 a high-end chip, that you're kind of, like, you

1 know, rolling the dice to see if you can get a big
2 return off of.

3 And in the middle, instead of having some
4 stocks, or having some, you know, financial
5 instruments, we actually have people's lives, and
6 whether people have -- you know, can afford to live
7 in the city.

8 So, could you tell me a little bit more about
9 that -- whether you think that that's a -- the
10 correct way to -- to envision it.

11 And to the -- and to finish, and then I'll
12 give you the rest of the time, whether the effort
13 that we're making right now, it's not just a tighten
14 the law, and not just to kind of give equal thrift;
15 but, instead, to normalize the marketplace so that,
16 yes, if you're an owner of a -- if you're a private
17 owner, and you are looking to make some sort of a
18 profit, that certainly that could happen, but that
19 it not be out -- but that it does not outweigh the
20 reality that people need places to live, and that,
21 you know, for some crazy lefties like myself, that
22 housing should be a human right that is protected.

23 So, if you could --

24 ELLEN DAVIDSON: I mean, I would direct your
25 attention to the very good testimony that was given

1 by Benjamin Dulchin of ANHD, who talked about how
2 ownership of real estate has changed.

3 That is certainly my on-the-ground experience
4 as a housing attorney in New York.

5 You know, before the housing crisis in 2008,
6 it was not unusual for land -- for people to come
7 in, buy buildings, and put in their -- in their real
8 estate documents that they expected to, basically,
9 turn over buildings by getting rid of all of the
10 rent-stabilized tenants, and raising rents. And
11 they were pretty explicit that that was the plan.

12 I think landlords have learned to be more --
13 not to say that out loud as much.

14 But, I think what we learned from the
15 housing -- from the housing crisis, is that people
16 were buying buildings that, you know, many, many
17 times the rent rolls, because they thought they were
18 going to flip the building and make their money
19 doing that.

20 And, even when the housing crisis came and
21 lots of buildings went into bankruptcy, foreclosure,
22 and all those things, landlords walked away with
23 their fortunes intact, and the people who suffered
24 were the tenants, and the taxpayers who had to bail
25 out all the landlords for all their bad behaviors.

1 And, I think we've learned no lessons from
2 what happened in 2008-2009, because we are -- we've
3 still created a system where it's in the landlord's
4 interest to harass their tenants out, and -- and
5 then sell the property to the highest bidder, who
6 may not be someone who cares about being -- like
7 owning real estate, but wants to extract as much
8 value out of the building as possible with whomever
9 lives there, and then sell it to the next highest
10 bidder.

11 And so, you know, part of what we hope to see
12 happen from these -- from these changes is to take
13 some of the heat out of the market and normalize it.

14 I would be remiss not to mention the city
15 for -- New York City Neighborhoods' report that came
16 out last year, that started talking about how we're
17 seeing the same thing replicated in the one- to
18 three-family home market, where, instead of people
19 who are, like, climbing their way into home
20 ownership being able to compete, or, those one- to
21 three-family homes, now we're seeing more of an
22 investor class, you know, coming in and scooping up
23 swabs of small buildings.

24 And, again, we think -- we're -- we're
25 hopeful that the good-cause eviction, and all of

1 these rent laws will take some of the heat out of
2 the market, so that people who want to be owners of
3 buildings and do right by their tenants will
4 actually be able to compete with the
5 foreign-investor funds that are coming in and -- and
6 buying thousands of units.

7 SENATOR RIVERA: Thank you, Mr. Chairman.

8 Thank you.

9 SENATOR KAVANAGH: Great.

10 OKSANA MIRONOVA: Can I just add, one quick
11 thing?

12 In addition to everything that Ellen said,
13 I think that the last 25 -- the financialization of
14 the housing market over the last 25 years, that you
15 referred to, is the reason that --

16 SENATOR RIVERA: Could you be a little more
17 loudly?

18 OKSANA MIRONOVA: -- the financialization of
19 the housing market, that you referred to, over the
20 last 25 years, is precisely the reason why we're
21 seeing the complete loss of low-rent units. So
22 that's units that are affordable to low-income
23 people, let's say, something, like, 900 to
24 1,000 dollars.

25 And the creep of -- of -- of the -- of that

1 market into, kind of, like, the furthest reaches of
2 New York City. So, maybe, in 2011, or 2008, you
3 were you're able find an apartment that was about
4 \$1,000 in Coney Island or in Kings Bridge.

5 And that's becoming less and less of the case
6 right now.

7 SENATOR KAVANAGH: Thank you.

8 I'll just have one quick question, and I'll
9 just mention that we -- the next panel will be
10 Vocal-NY: Jerome Hayes, Sandra Isaac, and
11 Joe Loonam.

12 So if you could be ready to come up.

13 Just, with respect to good-cause, you know,
14 Ellen Davidson, as somebody who has seen a fair
15 amount of litigation between tenants and landlords
16 and those interests, what do you say to people who
17 say that this -- you know, this new restriction on
18 the ability to -- of landlords to evict will make
19 it, fundamentally, more difficult to be a landlord?

20 Some of the testimony before about how, you
21 know, landlords need to be able to move people out
22 for various reasons.

23 The elements of the bill you would point to
24 suggest that, you know, this is not going to be the
25 sort of end of landlordism in New York?

1 ELLEN DAVIDSON: Yeah, absolutely, I do want
2 to point out, that New Jersey has had a very similar
3 law for decades.

4 And as far as I know, there are still
5 landlords in New Jersey, and there are still
6 development in New Jersey, and New Jersey is a state
7 that has cities and suburbs and rural areas.

8 And in terms of who is covered by the
9 good-cause law in New Jersey, it is exactly the same
10 people that are covered under our proposed law.

11 But, you know, I want to be really honest
12 here.

13 If I were to write a good-cause bill, it
14 would be rent control.

15 I wish our bill were rent control.

16 It is not.

17 Right?

18 I wish our bill did not allow landlords to
19 evict for all the reasons our bill allows landlords
20 to evict.

21 We have a pretty simple and mild form of
22 regulation which would allow landlords to evict for
23 all sorts of reasons.

24 Having represented rent-stabilized tenants
25 for years, rent-stabilized landlords are able to

1 evict their tenants, and they would be able to evict
2 them for the same reasons the good-cause eviction
3 bill would do.

4 You breach your lease.

5 You cause a nuisance.

6 You don't pay your rent.

7 You -- your landlord wants to move into the
8 apartment for themselves.

9 All of these things would be pretty simple
10 and easy under the bill.

11 The -- the -- the trick -- the idea that --
12 that there is a rebuttable presumption that some
13 rent increase is unconscionable, I mean, I feel like
14 I do too much lawyer-talk, but the point of a
15 rebuttable presumption, is it says that we are
16 asking you to rebut this presumption. Come forth
17 with evidence and show that it's -- that it's not.

18 There's going to be no enforcement agency of
19 this bill. It will, sadly, be on the tenants to
20 enforce it through the courts.

21 And since tenants currently have -- who are
22 being sued in what we call "no-defense holdovers"
23 already have to go to court to -- you know, for them
24 to be evicted, because we are a state where, if
25 you're going evict your tenant, you actually have to

1 go through a judicial process.

2 All we're doing is adding on for some tenants
3 the ability to come forth with evidence, that I'm
4 actually not a bad tenant.

5 And, as I said, you know, I know the package
6 of bills is branded as "universal rent control," and
7 I don't think I'm telling any secrets for anyone who
8 has read one line in these bills, but the good-cause
9 eviction bill is, unfortunately, not rent control.

10 I wish it were.

11 And, in fact, if I could urge this Committee
12 to write a universal rent-control bill, I would do
13 that. I think that's what should happen for tenants
14 in New York.

15 And so if you want to go ahead and do that
16 and pass that, I will stand with you, and thank you
17 probably for years to come.

18 SENATOR KAVANAGH: Thank you.

19 And on that I will forgive you for being a
20 lawyer.

21 But thank you for your testimony.

22 ELLEN DAVIDSON: Sorry.

23 SENATOR KAVANAGH: I'm told that the folks
24 from VOCAL are not actually going to testify.

25

1 So next up, if we could have
2 Reverend Emily McNeill of the Labor-Religion
3 Coalition of New York State, and Michael McKee of
4 the Tenants Political Action Committee.

5 It looks like Reverend McNeill may have
6 stepped out, so...

7 OFF-CAMERA SPEAKER: (Inaudible.)

8 SENATOR KAVANAGH: Yeah, I think, just, in
9 deference to people who are still here, if she --

10 OFF-CAMERA SPEAKER: (Inaudible.)

11 SENATOR KAVANAGH: -- yeah, well, we will
12 take and duly consider it as part of the record.

13 Thank you.

14 MICHAEL MCKEE: Good afternoon, and, my name
15 is Michael McKee. I'm the treasurer of the
16 Tenants Political Action Committee, and I am an
17 honorary member of the New York City Loft Tenants.

18 This button that you see me wearing, I will
19 continue to wear until no more loft tenants are
20 threatened with eviction.

21 I want to thank the Senate Democratic
22 Conference as a whole.

23 I want to thank Majority Leader
24 Stewart-Cousins and Chair Brian Kavanagh for taking
25 a strong -- excuse me -- for taking a very strong

1 forthright stand in favor of stronger and expanded
2 rent protections, including expanding them to the
3 rest of the state.

4 You know, this is a national phenomenon
5 that's happening right now. It's not just limited
6 to New York State.

7 You've heard witnesses testify that no one is
8 talking about rent control, no one's talked about
9 rent control in Upstate New York for 45 years.

10 Well, I've been doing this work for 49 years,
11 and it's only the last two years that I have been in
12 touch with and met with and worked with tenant
13 groups from all over this state who are pushing for
14 rent control and for tenant protections.

15 And the reason people are doing this is not
16 because it's trendy, or fun, or sophisticated, to
17 organize. It's because people are hurting, and they
18 need protections.

19 And I think that one thing you must be very
20 aware of as Democrats, and I notice that the
21 minority are no longer here, that we have to -- we
22 have to get something for upstate tenants this year.

23 It has to happen.

24 I'm not going read my testimony, we'd be here
25 all night if I did, but I would urge you to read it.

1 I touch on a number of issues that are,
2 I think, very important to reforming the rent laws.

3 And I hope I will be able to talk about some
4 of them briefly.

5 But I first have two overarching messages and
6 suggestions for you.

7 Number one: The Senate and the Assembly must
8 work together to get us stronger rent laws.

9 The two Houses must do this.

10 We are aware that there are inherent
11 institutional tensions between the two Houses. The
12 mere fact that we now have a change in the majority
13 doesn't totally eliminate that.

14 But, there's a bigger issue here, which is
15 that, if you don't work together, tenants are going
16 to be harmed.

17 And I think it is essential that you do that.

18 I'm not going to comment on who might or
19 might not be at fault.

20 I think we all could wish things had played
21 out differently.

22 We could have wished that the Senate would
23 be -- had gotten its positions together a little
24 faster.

25 But, we also recognize that you are a new

1 majority. That you have a whole bunch of new
2 members, some of whom ran on this issue, some of
3 whom did not.

4 We could have wished that the Assembly had
5 not gone out on its own, and without consulting you.

6 I mean, for one thing, we've had to mobilize
7 for two sets of hearings here.

8 You're name tag keeps dropping off. It
9 happened the last hearing.

10 [Laughter.]

11 MICHAEL McKEE: But, this is where we are,
12 and you have to work together.

13 And we are delivering the same message to our
14 friends in the Assembly.

15 I am not worried, really, about our ability
16 to win a very significant, meaningful advancement,
17 in terms of stronger rent protections and tenant
18 protections, and to stop the erosion of our
19 affordable housing all over the state.

20 We have so many strong allies in both Houses,
21 that I am confident that we can do this.

22 And I want to compliment
23 Andrea Stewart-Cousins for her action in
24 setting up a working group co-chaired by
25 Mr. Kavanagh and Mr. Myrie.

1 I think this is a great mechanism, and
2 I think it is a good model.

3 And I -- we have urged the Assembly to do the
4 same thing.

5 My second message to you is perhaps going to
6 be a little bit, uhm, nasty, and that is that you
7 should not negotiate with Governor Andrew Cuomo. He
8 should be excluded from the negotiations on rent.

9 We have made the same suggestion to the
10 Assembly.

11 If Andrew Cuomo is allowed into three-way
12 negotiations, we will end with a big ugly, with all
13 sorts of crap in it, including lifting the cap on
14 charter schools, and God knows what else is, and we
15 will end up with a weakened, watered-down rent
16 package that Andrew will call a "great tenant
17 victory" and we will call "a sellout."

18 And I submit to you, that if you do engage in
19 three-way negotiations, and I understand you have to
20 get cooperation from the other House, that's the way
21 this is going to play out, and I think it will be a
22 disaster.

23 Everything we know about Andrew Cuomo, his
24 entire history as Governor, he has worked actively
25 against us, he has worked to help his landlord

1 buddies, and the people who fund his campaigns.

2 And we urge you not to engage him in
3 negotiations.

4 Send him an omnibus bill that will have
5 things in it that he won't like, but he will have to
6 sign it because it will be the bill that renews the
7 rent laws.

8 Is he going to veto the bill that renews the
9 rent laws?

10 I don't think so, not unless he is really not
11 planning to run for a fourth term.

12 The other thing is, that legislators could
13 use the Governor as an excuse, I can hear it now:

14 "Well, we tried, but the Governor wouldn't
15 agree to it."

16 That's not going play well with the tenant
17 movement, I can promise you that.

18 I also promise you that, if you do work with
19 the Assembly and get us a big win, there's going to
20 be plenty of praise and thanks to go around for all
21 of you.

22 We will be very, very grateful, and we will
23 say it.

24 I want to mention, before I get into the
25 question of the nine-bill platform, which is --

1 I want to address some of the issues here.

2 I have to make a pitch for loft tenants.

3 It has now been three months since this bill
4 first attracted opposition. This Friday will be the
5 three-month mark when we first had an indication
6 that there was trouble getting this bill enacted.

7 We had one of the founding members of
8 New York City Loft Tenants evicted last month from
9 his home of 26 years, who not only lost his home,
10 but his -- he and his family lost their home, but he
11 lost his business, because, he was a woodworker --
12 he is a woodworker and a furniture designer. It's a
13 live-work space.

14 When he knew he was going be evicted, he
15 rented a garage and put his woodworking equipment in
16 the garage.

17 And now he's taken a temporary job, just to
18 try to earn some money, while turning away his
19 furniture-design clients because he has no place to
20 operate.

21 Yesterday, Kristine Malden, whom some of you
22 heard testify last Thursday in Brooklyn, although
23 many of you had left by the time she was finally
24 called up to testify, she was here all day, lobbying
25 on the loft tenant bill.

1 And just as she and Aruno (ph.) were getting
2 ready to go back to New York City last night, she
3 got a call from her lawyer, telling them that,
4 finally, the housing court judge had ruled -- issued
5 a ruling, awarding the landlord possession of their
6 lofts. There were two -- there are two lofts left
7 in this 60-unit building. They're the last four
8 people left.

9 And the next step is, they will be served
10 with a marshal's notice, and after five days, they
11 will be subject to eviction.

12 If this bill becomes law, they can be saved,
13 because their lawyer can go into court and make a
14 motion to reopen the case.

15 I have attached Kristine Malden's testimony
16 from Thursday to my testimony, at the end of my
17 testimony, and I urge you to read it.

18 I know some of you weren't there when she
19 testified.

20 I think this is a perfect illustration, told
21 in her own words, and speaking from the heart, as to
22 what tenants go through when they have no
23 protections.

24 And that's exactly where these people are.

25 I want to thank Senator Salazar for

1 sponsoring this bill; Senator Hoylman,
2 Senator Jackson, Senator Montgomery, Senator Ramos,
3 Senator Rivera, and Senator Serrano for their
4 co-sponsorship.

5 It would be immoral to delay this bill any
6 further.

7 It must pass, not the last day of the
8 session.

9 It needs to pass now.

10 On the nine-bill platform:

11 We are a member of the Upstate/Downstate
12 Housing Alliance. We support all nine bills. They
13 are all very important.

14 I want to make a couple of comments about a
15 couple of them.

16 On the major capital improvement
17 rent-increase program, I know that many of you think
18 that our position is probably an extreme one, and it
19 is.

20 But you have to understand how landlords have
21 weaponized this program to use it to displace
22 tenants.

23 Here's a very typical scenario.

24 Tenants live in a B-plus building or a
25 B-minus building for 30 years. They put up with

1 terrible conditions.

2 Landlords, if they do anything, they patch.
3 They don't do any kind of improvements.

4 A speculator buys the building and
5 immediately starts putting in new systems, slapping
6 people with multiple MCIs.

7 There are no limit on how many MCIs the
8 landlord can apply for at a time or how often.

9 And we have people in Brooklyn and Queens and
10 The Bronx who are facing rent increases of \$500 a
11 month.

12 Now, you have to understand, there's a cap on
13 collectability, so that is phased in over a period
14 of time.

15 But you can understand why people in the
16 No MCI Coalition are up in arms. They are
17 threatened with eviction. It's economic eviction.

18 And you've got to do something about it.

19 Individual apartment improvements is a
20 program that cannot be run without fraud. It cannot
21 be enforced.

22 I urge you to eliminate IAIs entirely.

23 I mean, the MCI, Senator Krueger raised the
24 issue of the Trump scandals.

25 I mean, this is a perfect example of what the

1 state division of housing does. They pretty much
2 take it at face value when the owner submits an
3 application for a major capital improvement.

4 And, we saw in the series from "The New York
5 Times," what Fred Trump and his children, I won't
6 say "the President," I will not call him that, but,
7 he who shall not be named and his siblings engaged
8 in massive fraud to jack up rents in their
9 buildings.

10 That's the MCI loophole.

11 That's the "Trump loophole."

12 Oh, I said the name, I'm sorry.

13 On the statewide ETPA, we are so grateful to
14 our friend, Neil Breslin, a man I admire enormously,
15 and to Senator May, Senator Metzger,
16 Senator Harckham, Senator Kennedy, and
17 Senator Skoufis, as well as those of you from
18 downstate who have put your name on this bill.

19 There have been talks about just adding a few
20 extra counties.

21 I think that is a non-starter.

22 This is a national trend that we're dealing
23 with here, folks.

24 I think the Senate should be at the forefront
25 of pushing this envelope.

1 Not every municipality in the state will opt
2 in, even if they have a vacancy rate of 5 percent or
3 less, just as not every municipality in Westchester,
4 Nassau, and Rockland has opted in.

5 It's local option.

6 But, it gives tenants an ability to organize.

7 I would think you would want to support that.

8 And it gives municipalities an option of
9 doing this if they choose to do so.

10 Warren Anderson used to say, "I will never
11 allow the cancer of rent control to spread north of
12 Westchester County."

13 And I think it's time we got away from that.

14 I want to commend Ellen Davidson on her
15 description of the good-cause eviction bill.

16 I mean, this is so poorly understood by so
17 many legislators.

18 It is not rent control.

19 It is, in fact, a fairly weak defense.

20 You're basically giving tenants a defense to
21 challenge an unfair eviction.

22 You're giving them a defense to challenge an
23 excessive rent increase if they choose to do so.

24 Most tenants are not going to challenge a
25 reasonable increase.

1 Why would they?

2 You have to withhold rent. You have to let
3 the landlord take you to court. You end up on the
4 blacklist.

5 People in parts of the state, or in
6 neighborhood -- low-rise neighborhoods in the city,
7 often don't have -- you know, usually don't have
8 access to lawyers.

9 In some parts of state, landlord-tenant court
10 cases are heard by justices of the peace who have no
11 knowledge at all of landlord-tenant law.

12 And it's -- so it's a fairly moderate
13 defense, but it's an important one.

14 And I think that, you know, we're having --
15 it's no secret, we're having trouble with this issue
16 in the other House.

17 And we're looking to you to push this
18 through.

19 Finally, I just want to mention a little bit
20 about the vacancy decontrol bill that --

21 Oh, am I being (indiscernible)?

22 OFF-CAMERA SPEAKER: You're over by
23 four minutes.

24 MICHAEL McKEE: -- that's being sponsored by
25 senator Stewart-Cousins and many of you. She's been

1 the lead sponsor of this bill since 2007.

2 The bill not only -- let's remember, the bill
3 not only repeals vacancy decontrol going forward, it
4 re-regulates most of the units that have been
5 deregulated.

6 If the tenant is currently paying 5,000 --
7 less than \$5,000 in the city, or less than 3500 in
8 the suburbs, they would be put back under rent
9 stabilization.

10 If it's being paid \$20,000 a month, it
11 doesn't.

12 Those numbers were set in 2007.

13 I think that you might want to think of
14 adjusting them upwards, at least for inflation.

15 The original bill also had a modest rent
16 rollback.

17 And I think, you know, that Shelley Silver
18 forced the bill -- that out of the bill of several
19 years ago.

20 And, you might want to think of a modest rent
21 rollback.

22 We've had a huge hit on affordability in the
23 last 25 years on the downstate region.

24 We're not going be able to undo all of that
25 hit on affordability.

1 A very modest rent rollback would be a start.

2 Thank you very much.

3 SENATOR KAVANAGH: Thank you.

4 Any questions or comments?

5 Senator Rivera.

6 SENATOR RIVERA: (Motions to

7 Senator Krueger.)

8 SENATOR KRUEGER: (Microphone turned off.)

9 Well, I was just going to thank Michael for
10 (inaudible).

11 MICHAEL McKEE: And I want to thank you for
12 everything you do.

13 SENATOR RIVERA: I have a couple.

14 Certainly, thank you for your testimony, and
15 thank you for your work over the years.

16 You made it -- you made a comment, it was a
17 very strong comment, in which you said, and I just
18 want to make sure that I'm clear, you either refer
19 to AIs (sic) or MCIs, either of them, or maybe
20 both of them, as "inherently fraudulent."

21 And you said that, one or the other could not
22 be -- a system could not be run without fraud.

23 You did make that statement; correct?

24 MICHAEL McKEE: I don't think --

25 SENATOR RIVERA: Could you clarify, please?

1 MICHAEL McKEE: I -- I -- I believe that the
2 individual apartment improvement program cannot be
3 run without massive fraud.

4 SENATOR RIVERA: Okay?

5 MICHAEL McKEE: Because the landlord doesn't
6 have to apply for the rent increase. DHCR doesn't
7 review it. No one does anything.

8 If the tenant files a challenge, and a
9 minuscule number of tenants do that --

10 Most tenants don't even know they have a
11 right to challenge the initial rent.

12 -- if they file -- you know, I get calls from
13 tenants who say, I think maybe my apartment is
14 illegally deregulated, or, I think maybe my rent is
15 too high.

16 I'll ask them a series of questions:

17 How many apartments are in your building?

18 When was it built?

19 When did you move in?

20 Do you know what the last tenant was paying?

21 Do you look like -- does your apartment look
22 like it had a lot of work done?

23 Do you have new kitchen cabinets?

24 Do you have granite countertop?

25 Unfortunately, cosmetics like that are

1 eligible for these increases.

2 And people will say, No. Well, it looks like
3 the kitchen cabinets are 50 years old, and the stove
4 is, you know, 30 years old, or stuff like that.

5 And I say, Go to DHCR, get your complete
6 rental history. Call me back.

7 And then people call back, and I say, It's
8 probable that you -- if somebody says, "No, no, they
9 did a lot of work here, and everything is spiffy,
10 and it's all new appliances," I say, Well, then,
11 you're probably out of luck. That was probably a
12 legal deregulation, nothing you can do about it.

13 If they call back and say, you know, "The
14 former tenant was paying \$800 a month. I'm paying
15 \$3500. None of this work was done," I say, You
16 might want to consider filing an overcharge
17 complaint.

18 Many tenants then say, But if I do, and
19 I lose, the landlord won't renew my lease.

20 That's what market-rate tenants say. That's
21 what they think about.

22 And if the tenant does file a challenge, then
23 here's what happens:

24 That's when DHCR has to look at it.

25 So the landlord calls up a contractor and

1 says, You remember that work you did for me in
2 Apartment 5-A last year? Can you reissue that
3 invoice for Apartment 6-D?

4 Stuff like that.

5 And it's just massive, massive fraud.

6 SENATOR RIVERA: Since we don't have that
7 much time --

8 MICHAEL McKEE: On the MCI, it's a -- it's --
9 there's fraud, but, you know, it's not as extensive.

10 SENATOR RIVERA: Okay, but I did --
11 considering, as was mentioned by Senator Krueger,
12 that this is your life's work. That you're
13 incredibly, you know, knowledgeable about all these
14 things.

15 Is there anything that you want to add
16 related to the history, as we were talking about
17 earlier?

18 MICHAEL McKEE: Oh, you mean, '93.

19 I was there, actually.

20 SENATOR RIVERA: So could you tell us a bit
21 about that?

22 MICHAEL McKEE: Sure.

23 In fact, I've written a history of this, a
24 narrative history, that I've sent to many people.

25 Some of you too.

1 Was there was one year when Mario Cuomo
2 signed the bill, renewing the rent laws, on the back
3 of a state trooper as he arrived at the airport at,
4 like, five minutes of midnight.

5 And, finally, in 1992, the RSA --

6 And I was told this by Guy Velella.

7 -- and other landlord members went to
8 Guy Velella, who was the head of the Republican
9 Senate Campaign Committee, and said, If you do
10 not -- if you just renew the rent laws again, as is,
11 next year, without any deregulation amendments,
12 we're not going to give you any more money next year
13 for your election.

14 And that's when the Senate Republicans
15 insisted on this, and we ended up with the first
16 chink in the armor:

17 The first enactment of high-rent vacancy
18 decontrol;

19 The first enactment of high-income
20 deregulation;

21 Gutting of the rent-registration system,
22 which I talk about in my testimony.

23 And that's something that you need to
24 address, it needs to be restored.

25 And, the ETPA in the suburbs was amended to

1 take rent protections against -- away from tenants
2 living in co-ops and condos.

3 And that was beginning of the downhill slide.

4 The next year, the city council, under the
5 Democrats, enacted permanent vacancy decontrol.

6 It's been all downhill since then.

7 SENATOR RIVERA: And just -- just the last
8 one, this is a very quick, yes or no:

9 So it is obvious, then, that what we have
10 now -- that the system that we have now, that many
11 defenders of, that are saying that the world is
12 going to end if we change the system, what we have
13 right now is not natural. It was something that
14 was -- it seems to me, by what you're telling me,
15 that it was a creation that we can turn back. And
16 that the market before that maybe wasn't perfect.

17 But, certainly, it was not as predatory, or
18 it lent itself as being to being as predatory, as it
19 is right now.

20 MICHAEL MCKEE: It was never a perfect
21 system.

22 We should remember that the
23 rent-stabilization law was written by the
24 real estate industry itself.

25 And for the first 15 years of the

1 rent-stabilization system in New York City, it was
2 actually administered by the landlords through the
3 rent-stabilization association.

4 That's how the RSA got its name.

5 Landlords were required to join the RSA, they
6 were required to pay dues to the RSA, which were to
7 be used solely for purpose of administration and
8 enforcement.

9 And there were so many outrages,
10 Robert Abrams, the attorney general, sued them to
11 suspend their registration. Put them out of
12 business.

13 The State Legislature beat Abrams to the
14 punch by severing the RSA from its administrative
15 and enforcement role in the 1983 Omnibus Housing
16 Act.

17 And since then, the RSA has been a private
18 landlord trade association, albeit one with a
19 counterintuitive name.

20 SENATOR RIVERA: Thank you so much for the
21 history lesson.

22 MICHAEL McKEE: Thank you.

23 SENATOR KAVANAGH: Further senators?

24 Thank you.

25 MICHAEL McKEE: Thank you.

1 Thank you too, Mr. Chairman.

2 SENATOR KAVANAGH: Thank you.

3 Next up we will have Christopher Widelo and
4 Debra Robles (ph.), and some applause, from
5 AARP New York.

6 Thank you for being -- and thank you to
7 everyone for -- from AARP for joining us today.

8 And after that, we will have Joe Fattorusso
9 of the New York City Loft Tenants and Housing
10 Justice For All.

11 CHRISTOPHER WIDELO: Good afternoon,
12 Chairman Kavanagh, and members of the Committee.

13 I really appreciate the opportunity to be
14 here to testify on behalf of AARP.

15 My name is Chris Widelo. I'm the associate
16 state director, and I'm based in New York City.

17 And I'm joined by Debra Robles, who is one of
18 our volunteers and will speak in a little bit.

19 You know, AARP is a social-mission
20 organization. We represent 38,000,000 members
21 nationwide, and about 2.7 million members across the
22 state of New York, and nearly three-quarters of a
23 million in the five boroughs of New York City.

24 I wanted to just talk to you a little bit
25 about the impact of affordable housing and the need

1 for it in New York City as it pertains to the
2 50-plus population.

3 We worked with the Center for an Urban Future
4 earlier this year to release a report, looking at
5 the demographics of an aging New York City. In
6 particular, we -- it was actually a statewide
7 report, but it was really startling in New York
8 City.

9 Residents age 65 and over increased 12 times
10 faster in the last decade than the under-65
11 population. There are now a record 1.24 million
12 adults, aged 65 and older, living in the five
13 boroughs, and of that population, about 50 percent
14 of it is an immigrant population.

15 You know, when we survey our members, and we
16 talk to them about, what are their top concerns,
17 I don't think it's any surprise that affordable
18 housing comes at the top of the list.

19 It's the affordability of New York City.

20 And when you say, why is it so unaffordable?
21 they say because of affordable housing.

22 About 500,000 people, 65 and older, live in
23 some type of rental-housing unit.

24 And so making sure that our rental housing is
25 affordable, and appropriate, is of utmost concern to

1 AARP.

2 We know the challenges of building new
3 housing.

4 We can always say, we can always put up more
5 senior housing, we can put up more affordable
6 housing, but we know that that doesn't happen
7 easily.

8 And for many of you that live in the five
9 boroughs, you know the challenges in neighborhoods
10 to define: What is affordability? And where do we
11 put? And what does it look like? And how does it
12 blend in with the existing neighborhood?

13 So the chance to preserve those
14 one million-plus affordable-housing units is
15 absolutely necessary.

16 We are really concerned with a few different
17 areas as you consider your legislative package.

18 Obviously, and you've heard from others on
19 all of these, is:

20 Ending the high-rent vacancy decontrol;
21 Restoring preferential rent protections, and
22 rolling it back to where it was before before 2003;
23 And, reforming the MCIs and IAIs.

24 You know, we're -- you know, we understand
25 that there are some folks that are a

1 mom-and-pop-type landlords that may need to look at
2 these.

3 So I think we need serious reform and
4 criteria for what -- what -- what is allowable to
5 apply for these MCIs and IAIs, and then the term
6 they should last. Right? They should not go on
7 forever. They shouldn't -- certainly, shouldn't
8 factor into rent increases.

9 And -- you know, and, also, who qualifies and
10 who does not qualify for them.

11 So, I'm happy to answer any questions that
12 you may have, but I would like to yield the rest of
13 my time to Debra.

14 SENATOR KAVANAGH: Great.

15 DEBRA ROBLES (ph.): Good afternoon, ladies
16 and gentlemen.

17 Gustavo, I know him from my daughter
18 Lailani (ph.)

19 How are you?

20 God bless.

21 I'm here because I reached out to
22 Mr. Widelo.

23 I live in East Harlem, the ZIP code is 10029,
24 where, currently, landlords in my building
25 specifically are, it's rent-stabilized.

1 And I was unaware about the 20-year
2 incentive, and I am at that 20 years.

3 My landlord is consistently, lately, sending
4 me notices that I have not paid my rent, when I do
5 have receipts. Constantly challenging me about
6 repairs. Harassing me.

7 And, because of some of the new laws with the
8 task force for 10029, because of the rezoning, I was
9 able to acquire an attorney, which I do go back in
10 June.

11 But, it is happening in my building.

12 This week alone, or a week ago, a young man
13 was burned because the landlord had not fixed the
14 stove.

15 I never knew about this 20-year thing, and
16 I am at that place.

17 Where, my next-door neighbor the other day
18 received the same letter I did, with something nice,
19 saying, Oh, you're in arrears. Can we come and help
20 you?

21 And for me, they put me in court.

22 I am 61 years old. I work as a temp.

23 I did qualify, good thing, for Section 8, and
24 they're helping me, but they still went up.

25 And now with rent guideline is going up.

1 In the midst of this, we've researched, and
2 the building, there have been switching. They did
3 not register it with DHCR.

4 Several of the tenants are consistently
5 getting letters, saying that they have not paid
6 their rent. They have receipts showing thus.

7 So we're considering taking the landlord,
8 I have motivated them to try.

9 Most of them are seniors, three or four of
10 them are. Some of them are young.

11 But I am concerned.

12 East Harlem -- I'm third generation.

13 East Harlem has been totally sold out to,
14 I don't know who.

15 And, also Amsterdam Avenue, everything is
16 new.

17 People are not renewing leases for some of
18 our small businesses.

19 And it's really appalling to me that my mom,
20 and my grandmother, lived in East Harlem all these
21 years, and now, me, third generation, and my
22 daughter, is having an issue.

23 And, you know, I'm concerned about seniors.
24 The texture is changing.

25 Where are the seniors going to go?

1 They cannot even afford what rent guideline
2 is saying, to put them into a senior-citizen
3 building that sometimes you can't even have your
4 grandchildren come to visit.

5 And this same landlord suggested to me that
6 she wanted me to move to a senior housing, and she
7 would talk to them, and is part of theirs.

8 I said, I don't want to move. It's a smaller
9 unit. I cannot have my grandchildren to visit.

10 So, I would implore the Senate, or whatever
11 is going on, that we need to address this housing
12 issue.

13 We have tons of seniors being affected.

14 Not only this, food, everything that's going
15 on.

16 And we vote consistently, and we are active.
17 We do what we have to do to make things right.

18 And I implore you that you consider some of
19 these things.

20 These MCI, INRs (sic), I understand.

21 But when they start pushing people out
22 because their age, or because there are a certain
23 amount of time, I think it's deplorable.

24 Thank you for listening.

25 SENATOR KAVANAGH: Thank you.

1 [Applause.]

2 SENATOR KAVANAGH: Questions or comments for
3 this panel?

4 Senator Mayer.

5 SENATOR MAYER: So first place --

6 Ms. Robles, right?

7 DEBRA ROBLES (ph.): Yes.

8 SENATOR MAYER: -- thank you very much for
9 coming, and waiting, and telling your personal
10 story, because, really, the personal stories of what
11 happens in these buildings is what ensures that we
12 have the stories to tell, to confront those that
13 oppose us.

14 So thank you for making the time and doing
15 that. We very much appreciate it.

16 And you have many -- many people here who are
17 very much on your side about this.

18 So, thank you for that.

19 I do have a question for you, Mr. Widelo.

20 So, thank you for AARP being an voice in
21 this.

22 They're an important stakeholder for seniors
23 throughout the state.

24 And I know you focused on the New York City
25 part today.

1 But I wonder whether AARP, in a statewide
2 capacity, has made this a priority statewide,
3 particularly for myself and
4 Leader Andrea Stewart-Cousins that have the most
5 rent-stabilized tenants outside of New York City?

6 And whether you've had response from AARP
7 members who live in rent-stabilized housing?

8 And if so, how important it is that we hear
9 their voices, because in the suburbs we are hearing
10 significantly from owners, and not enough from
11 tenants, although we know that we have thousands of
12 rent-stabilized tenants who are seniors.

13 So I wonder if you could just educate me on
14 their response.

15 CHRISTOPHER WIDELO: Absolutely.

16 So, I did want to point out that many of the
17 red shirts that are behind me do live in
18 rent-stabilized units, which is why they are here
19 today in addition to Debra.

20 I can honestly say that we've heard mostly
21 from our New York City members about this issue.

22 It's a hot-button issue that comes up every
23 year. Even when it's the rent guidelines board, we
24 constantly hear the pressure that they feel if our
25 rents go up.

1 I do know that this can be a concern in other
2 larger cities.

3 You know, I know there is also some, you
4 know, back-and-forth as to how that should roll out.
5 Should it be mandated, should it be an option, for
6 communities?

7 And so we are still looking at that piece
8 outside of New York City, to figure out if this
9 is -- what is the right fit.

10 I will say that, you know, in communities
11 where there is a low vacancy rate, I think that this
12 is something that we have to consider, you know,
13 where -- because there is nowhere else for people to
14 go.

15 Once they leave an affordable unit, it is
16 largely unaffordable anywhere else in the city, and
17 where would you even start?

18 And even if you could get on a wait list, how
19 long would that be to find an affordable unit?

20 So, you know, rental housing is an important
21 part of any livable community, making it a desirable
22 place for people to grow older, or, you know, to
23 live and work and play.

24 And so, you know, I'm -- certainly I would
25 like to hear more -- reach out to some of my

1 regional colleagues to see if they're hearing it.

2 I don't believe to the same extent, so that's
3 why our comments were mostly focused on the five
4 boroughs.

5 SENATOR MAYER: No, I appreciate it.

6 And thank you to all of the tenants who are
7 here from AARP; thank you for coming and waiting so
8 long.

9 I would say that, for example, the cities of
10 Yonkers, White Plains, and New Rochelle, that
11 Leader Stewart-Cousins and I both represent, this is
12 a critical issue for seniors, particularly members
13 who do belong to AARP.

14 And I would urge AARP to make sure their
15 voices are heard.

16 We have a hearing in Westchester, in Yonk --
17 in Greenburgh, and we're going to have a hearing in
18 Newburgh.

19 And, truly, AARP is a very important voice
20 when we're up against some strong interests against
21 us.

22 So just I would encourage to do so.

23 CHRISTOPHER WIDELO: Thank you.

24 SENATOR MAYER: Thank you.

25 SENATOR KAVANAGH: Great.

1 Any other questions or comments?

2 Okay, again, we tremendously appreciate your
3 testimony, and all the work you do on so many
4 important issues, and (indiscernible) for
5 representing so many New Yorkers.

6 So thank you both for being here.

7 CHRISTOPHER WIDELo: Thank you, Chairman.

8 DEBRA ROBLES (ph.): Thank you.

9 SENATOR KAVANAGH: Okay, we're getting to --
10 toward the end here.

11 I mentioned we have, Joe Fattorusso.

12 Is there any other person here who signed up
13 to testify who has not been called?

14 Okay, hearing none, this is our final witness
15 for today.

16 SENATOR RIVERA: And the best beard of the
17 day.

18 JOSEPH FATTORUSSO: Thank you very much.

19 I got a trim today, here; so, thank you.

20 Thank you, Senators, for hearing my
21 testimony, and thank you for all the work and hours
22 you put in.

23 When I do something, I need to know why I'm
24 doing it, and, what my personal connection is to
25 that action, and I ask myself, Does it honor my

1 family and the fabric of values that brought me to
2 where I am?

3 And what I am is a New York State resident,
4 and I'm very proud of that fact, because I know what
5 it's taken to have me exist and remain here.

6 So the reason that, although in the short
7 term it's hardly affordable for me to come up to
8 Albany or spend 30 hours a week to support the full
9 nine-bill tenant platform, good-cause eviction, and
10 S3655B, the loft tenant bill that would give me
11 protection, and would give my family protection, and
12 full tenant rights, in the long run, I know the
13 right thing to do is to fight for my home and the
14 protections of my neighbors, because whatever small
15 contribution I can make really pales in comparison
16 to what my family has done for me so I can live and
17 remain in the state, such as New York, and have all
18 of the opportunities that New York has provided me.

19 My mother, she's an immigrant. She moved
20 here in the 1970s from Lahti, Finland. In a lot
21 of respects, a very beautiful country, except for
22 the fact that my mother, Aya (ph.), is dark in
23 complexion, and my grandmother raised her as a
24 single child, whose father left to India for an
25 arranged marriage.

1 And growing up fatherless in a homogenous
2 country in the 1950s, she experienced a great
3 amount of racism. And when it came time for her to
4 make a decision about where to go to, she knew she
5 wasn't going to stay where she was, and there was
6 never a doubt in her mind that she would move to the
7 United States.

8 And for her that didn't mean another state.
9 It didn't mean, Arizona, California. It didn't mean
10 anywhere but New York, because she knew she could
11 come here on her own, like, very low income.

12 She moved to Canarsi, and she was able to
13 raise herself up without those confines that she
14 experienced for so many years.

15 I mean, she was very grateful to get a
16 different name coming here.

17 So she didn't have the confines of her
18 previous class, and if she wanted to, she could
19 belong. And most importantly, out of all of that,
20 is that she knew at that time it was affordable to
21 come to New York and to do that.

22 That's where she met my father,
23 Joe Fattorusso, he's a third, which makes me the
24 fourth. The son of a master plumber. For years had
25 a plumbing business on Stewart Street in

1 District 18, Bushwick, where I live, which is
2 completely coincidence, and it's way before the
3 years of myself living there.

4 Over the years I've watched my extended
5 family, especially the Italian side, be forced
6 upstate because of the pressures of rising costs of
7 living, up to Sullivan County, up to Newburgh as
8 well, and up to Orange County, and above.

9 And, you know, speaking to my cousins over
10 the years, as they start to have children and
11 families of their own, the rising cost of rent and
12 living upstate beyond a level they ever expected,
13 are forcing them to start to consider the issue of
14 leaving the state altogether.

15 You know, so that's what's echoed strongly to
16 me over this legislative session, of hearing and
17 working with the different groups that have worked
18 so hard for years to get these nine bills passed.

19 And three things have stuck out to me.

20 One, is that the pain of displacement from
21 your home is universal, it's absolutely universe.
22 It doesn't matter where you live, or what you do for
23 a living, or where you come from.

24 I know personally, I'll never be as tough as
25 some of my family.

1 My great-aunt was forced from Karelia, on a
2 forced march in winter, where Russia annexed
3 Karelia, and the wells were poisoned. And they
4 ended up in Finland, and they had all the benefits,
5 and they received all the benefits of arriving
6 there, and it was good for them.

7 My great-uncle was killed, speaking out
8 against that effort.

9 And that's something in New York State
10 I don't have to worry about.

11 I've been personally homeless before, and the
12 community itself helped me out.

13 And to get really personal, you know, next
14 month I'll be -- I've also had problems with
15 addiction in my life, and my community helped me
16 out. And next month it's four years sober for me,
17 just to open up to you, like, who I am. And I love
18 my life at the moment.

19 But I'll never be as tough or feel the pain
20 as some of the things -- some of the numbers I've
21 heard over this legislative session, like the
22 114,659 homeless school children in the city that
23 attend school every day, and the challenges those
24 kids face in these vulnerable communities, which
25 brings the second point that's been driven home to

1 me, that housing is a moral issue.

2 And that behind each of those numbers is a
3 really -- a full story, such as mine. I'm just one
4 of many.

5 But there's a full story in universe of
6 displacement behind each person.

7 But with universal rent control and
8 good-cause eviction, the Legislature really needs to
9 keep that in mind as they work with the Assembly,
10 that that's the issue: It's a moral issue.

11 And it's a divine question of whether or not
12 all these bills will pass, and, will they pass to
13 the utmost degree of the support of vulnerable
14 tenants, which is the third point that's been driven
15 home to me.

16 As Senator Zellnor Myrie mentioned at a
17 previous rally weeks ago, that you either stand with
18 tenants, or you don't.

19 And whatever simple math needs to be done to
20 get these bills passed, I hope it gets passed in
21 full support of tenants.

22 I've worked two decades in restaurants in
23 New York City.

24 I know arithmetic, really quickly, and I know
25 that there's 12,706,050 registered voters in

1 New York State.

2 That last year there was an increase of
3 309,000 registered voters.

4 And those numbers came, and will increase.

5 And that, as of May 14th, as a legislator --
6 legislative body, received a 30-day notice. I know
7 that, after that, comes an eviction notice.

8 You know, and I've heard that point driven
9 home many times, and it's a real point.

10 I've seen everybody doing the organizing on
11 the ground, and I just hope it continues.

12 But I just wanted to get on record:

13 I love you mom.

14 And, thank you to the Senate for all the work
15 that you do, and for the opportunity to put my
16 gratitude down for living in New York State, for my
17 New York State family.

18 And I'm very grateful to live in District 18.

19 What I've learned about, Senator Salazar's
20 social democratic values, which is something that
21 I carried with me my whole life, through my mother.

22 And I'm happy to see it come full circle.

23 So, thanks for all the nine bills, I hope
24 they all pass, including good-cause eviction, and,
25 of course, the loft bill, S3655B.

1 So, thank you.

2 SENATOR KAVANAGH: Great.

3 So just a correction of something I said
4 previously.

5 Apparently, we do have some tenants who are
6 on their way and very close, from Rochester.

7 So, if we get done with this witness, we will
8 adjourn briefly rather than concluding the hearing.

9 But, do we have any questions or comments for
10 this witness?

11 Okay.

12 Thank you very much.

13 Again, so we'll take a pause now.

14 And, again, we were told -- I was told about
15 5 minutes ago that this group is 10 minutes away.

16 So, hopefully, they're now 5 minutes away,
17 and they are coming all the way from Rochester.

18 (The hearing stands in recess.)

19 (The hearing reconvenes.)

20 SENATOR KAVANAGH: Okay, thank you.

21 We are reconvening this hearing of the
22 Standing Committee on Housing, Construction, and
23 Community Development on rent regulation and tenant
24 protection.

25

1 We're very happy to be joined by some
2 tenants from Rochester.

3 So, just the way this work, each person
4 testifying has up to 10 minutes to speak.

5 There's a clock that will run.

6 And then we'll have questions and comments
7 from the senators, and additional dialogue.

8 So if you -- if each of you, as you testify,
9 if you can begin by stating your name and any
10 affiliation you want us to know about in your
11 remarks, and then proceed to your testimony.

12 MARY BROWN: My name is Mary Brown, and I'm a
13 member of the Citywide Tenant Union of Rochester,
14 and the president of 447 Thurston Road Tenant
15 Association.

16 I'm here today to speak about some of the
17 poor living conditions that myself and others who
18 lived at 447 Thurston Road experienced by living
19 there.

20 My building was owned by an investor-landlord
21 who lived in Staten Island.

22 We live in some very poor conditions on
23 Thurston Road.

24 The conditions was, our homes was infested
25 with roaches, bed bugs, mice, rats, squirrels.

1 The squirrels ate their way through the
2 walls.

3 We were without heat in the middle of winter.

4 We had no ventilation system.

5 We had large holes in the ceiling, and the
6 ceiling cracked and fell down.

7 When I would run my water to do my dishes,
8 black gushy slime, I'm sorry, backed up in my
9 bathtub.

10 There was lead paint in the building.

11 One tenant with a 1-year-old child had an
12 elevated level -- had an elevated lead level, and
13 she was told by the property manager and the
14 landlord that the child was all right.

15 Black mold was on the wall, which caused me
16 to have health problems with my breathing.

17 The garbage was filled up to the first-floor
18 windows on the side of the building because the
19 landlord refused to pay to have the garbage removed.

20 As a result of these issues, a tenant
21 association was formed.

22 The City had filed a lawsuit against the
23 landlord -- the City and the tenants, I'm sorry, had
24 filed a lawsuit against the tenant -- against the
25 landlord.

1 We had security issues with front door --
2 front doors, back doors. Two emergency exits with
3 no locks. And anyone could gain access to the
4 building, including drug dealers.

5 Drug dealers came into our apartment building
6 to set up their business.

7 The tenants had to deal with the drug sales,
8 all night parties.

9 And the landlord knew about all of this and
10 did nothing about it.

11 The tenants had to deal with gunshots outside
12 the buildings.

13 They was retaliating against the drug
14 dealers, and the drug dealers was running backwards
15 and forward into the building for cover.

16 The tenants did not know what to expect
17 because there was so much going on within the
18 building.

19 As a result, the landlord was notified about
20 the issues and did not respond to tenants' concerns
21 at all.

22 When the tenants began to speak up against
23 the landlord and the property manager, they began
24 by -- they started retaliating against the tenants
25 by doing a mass eviction of 25 tenants.

1 Some of the tenants were given a 30-day
2 eviction to have the tenants removed from the
3 property.

4 Where was people going to go to live?

5 Some of the people had lived there for
6 30 years, 20 years, 15 years, 10 years.

7 They had nowhere to go, which would have left
8 the tenants homeless and with no place to go.

9 That is not right.

10 And I'm going to repeat that again: That is
11 not right.

12 I think it is very important that we have a
13 state law that supported the tenants, and held the
14 landlord responsible, like good-cause eviction, and
15 the ability to sue the landlord, so that the
16 landlord can't do anything to violate the contract,
17 like retaliation.

18 We need your help.

19 It is very important that we get your help.

20 I have given you some of the issues that we
21 was dealing with at 447 Thurston Road.

22 All I can say at this point is, please, help
23 us.

24 SENATOR KAVANAGH: Thank you.

25 MARY BROWN: You're welcome.

1 EMMA YOUNG: My name is Emma Young, and I am
2 78 years old, and I have lived in the Rochester,
3 New York, area for over 60 years.

4 For many years I've worked as registered
5 nurse, working 16 hours a day, serving my community.

6 I now suffer from a spinal injury after being
7 hit by a drunk driver with no license and no car
8 insurance.

9 I now live on a fixed income.

10 I am here to share my story today, and tell
11 you why we need better tenant protection in all of
12 New York State, because I am a victim of no-fault
13 eviction.

14 I used to live at 65-B Onondaga Road in
15 Irondequoit, New York, a suburb of Rochester, an
16 apartment complex be called Northside Manor.

17 I moved there in 1997, and lived there for over
18 20 years.

19 This was a place I like to live very much,
20 until the original owner who built the complex, he
21 died three or four years ago, and new investors,
22 Frontier Community, bought my apartment complex.

23 They seem to cut down and cut back on
24 repairs. It seems they just wanted the money.

25 My apartment started to be infested by

1 cockroaches and rodents.

2 In addition, my apartment was located across
3 from Rochester General Hospital.

4 And the new investors wanted to start moving
5 in medical students, and changed more rent increase.

6 They got more money in grants from the State.

7 I called the Monroe County Department of
8 Health about the rodents and cockroaches, and the
9 Rochester Housing Authority about it, Section 8.

10 All right?

11 Well, horrible cockroaches infestation,
12 still, the landlord did nothing.

13 I got -- it got so bad, until Section 8, when
14 they came in and inspected the place, they began to
15 tell them, if they did not exterminate the
16 infestation, they would begin withholding their
17 portion of the rent.

18 Instead of fixing the problem, on
19 June the 2nd, 2017, the landlord gave me a letter,
20 saying that they would not renew my lease.

21 After living there for over 20 years, on the
22 notice, they did not give a reason of why they were
23 not renewing my lease.

24 When I asked them for a reason, they said
25 they did not have to give me a reason. They did not

1 care if I was disabled, or not.

2 I told them I had nowhere else to go, but
3 they stopped accepting my rent.

4 In fact, the property manager called
5 Section 8 and asked them not to pay any of my rent
6 for the December.

7 But I took the responsibility and paid it for
8 December.

9 What they did, is sent it back to me, the
10 money, in the name of Jesus, and had it certified so
11 they made sure that I got it back.

12 One of courts, they took me to court to evict
13 me by a no-fault eviction, even though I had a
14 lawyer, Law New York.

15 I was told it was completely legal for a
16 landlord to give me a no-fault eviction.

17 I was evicted January of 2018, and had
18 nowhere to go. And I had to put all of my things in
19 storage, the ones that I did not -- that I gave
20 away.

21 Because I had no place to go, I was homeless.
22 And one of the movers that was helping move me took
23 mercy on me, and had me stay with one of his wife's
24 friends, and I slept on her sofa.

25 Since then, I have been forced to be in a

1 place I don't want to be.

2 No one, young or old, should have to go
3 through what I went through.

4 I am asking you, please, it is desperate.

5 Please, pass good-cause eviction protection,
6 and rent stabilization, so we can -- God's people
7 can begin to live in peace.

8 In the name of Jesus.

9 And I would like to read you a letter that
10 even the lawyer did not even read it to the judge,
11 that my doctor wrote for them.

12 And, she said:

13 "Emma report constant complaints of pest
14 infestation, like cockroaches, constantly, that
15 affects her health.

16 "Already, she is requesting a three-bedroom
17 apartment so she can use the spare room as an
18 physical-equipment room so that she can take care of
19 her medical equipment and medical health and weight
20 loss.

21 "Patient has prominent medical stability of
22 her spine and back, and has the need to use large
23 medical equipment, like walkers and wheelchairs.

24 "She is also unable to leave the apartment
25 much due to her chronic disability.

1 "She is in a lot of pain and in her back and
2 legs, and has a hard time packing, and is unable to
3 lift more than 25 pounds at a time.

4 "Please, call my office with any concern.

5 "In name of Jesus.

6 My doctor, "Josephine Ellis, M.D."

7 And I thank you, thank God for you, for
8 listening at my testimony.

9 People, God's people, out there are
10 suffering.

11 Even me, and now, me, 78 years, I still get
12 calls for being a nurse, to helping people in my
13 community all over Monroe County.

14 And I am willing to go.

15 I do not compare, or either dwell on my
16 disability, because, even for Mother's Day, I had a
17 call, because I accidentally called a mother, and
18 she said, We've been looking for you. We want you
19 to come back again.

20 I took care of her baby when the baby was
21 preemie.

22 Preemie.

23 And she said, I don't want nobody else that
24 can take care of her like you did.

25 Now the child is 17 years old, and they are

1 still calling me out there in the community.

2 I still would go, because I do not dwell on
3 my disability.

4 And I thank God for it.

5 I thank God that you were here to hear,
6 because they desperately need people, the help that
7 they need.

8 People are suffering out there in the
9 community.

10 I am willing to go as I am now for the help
11 they need.

12 SENATOR KAVANAGH: Thank you.

13 GAIL: Okay.

14 Sorry.

15 I'm Gail, and I represent the
16 City-Wide Tenant Union of Rochester, New York.

17 I'm also here to represent the poor,
18 disabled, disadvantaged, seniors, single parents,
19 victim of domestic violence, the fatherless, the
20 widows, the homeless, displaced children and adults,
21 and as well as any other groups who cannot advocate
22 for themselves.

23 I'm here to, hopefully, appear to the human
24 side of all of you.

25 My family consists of two people with

1 disabilities, and we live in Rochester, New York,
2 for five years.

3 We lived in a multi-family unit that consists
4 of 400-plus residents.

5 The building was infested with black mold,
6 asbestos, poor air quality, and no ventilation.

7 The building failed Section 8 inspection.

8 The health department documented their
9 findings, and the owners refused to remediate the
10 black mold or address any of the conditions.

11 They found a way to evict my family without
12 just cause.

13 As a result, we lost major opportunities, and
14 endured financial hardship.

15 I'm sure you must be asking yourself, why,
16 why, why are you here?

17 You have been chosen by the creed of the
18 universe to be here.

19 You're in the right place at the right time,
20 because the prayers of the many has created this day
21 for positive results concerning the issues that are
22 placed before you.

23 You can go back to your Assembly or your
24 Senate members and challenge them to make history by
25 passing these two bills which would benefit the

1 people that you all have been called to represent.

2 Also, you would go down in history for
3 changing the laws that are oppressing many, and in
4 the process, making a statement that housing is a
5 necessity and a human right.

6 Here is just a few stats.

7 Rochester consists of 63 percent of renters.

8 Emergency shelters consist of 70 percent of
9 people who have been evicted.

10 Emergency shelters are just overflowing
11 there.

12 In the course each year, there have been
13 upwards of 8,600 eviction cases.

14 20,000 or more people a year have been in
15 court facing eviction because landlords have been
16 given power by law to victimize the poor.

17 These numbers do not include the ones that
18 never make it to court.

19 50,000 people have been compelled to move
20 each year in Rochester.

21 This has resulted in increased homelessness,
22 instability, mental-health issues, educational
23 problems in the school system, and genocide.

24 It's also largely been responsible for an
25 increase in crime rate, dysfunctional families, and

1 communities which, in turn, place a strain on our
2 economy.

3 What is good-cause eviction?

4 What is rent stabilization?

5 How can everyone benefit?

6 Also, I paid my rent on time. I never caused
7 problems.

8 As soon as I became the PR representative for
9 the building tenant union I received an eviction
10 note to move out.

11 Just a little history here so that we won't
12 repeat it.

13 In the 1970s and the '80s, the
14 United States economy underwent a series of
15 changes that led to a sharp rise in homelessness.

16 Homelessness was no larger characterized by
17 down-and-out individuals, the little skid living on
18 skids' road.

19 For the first time in the United States
20 history, family was increasingly becoming homeless,
21 and the shelter system was created to house them.

22 Moving over, then here come affordable
23 housing in the U.S. It was hit particularly hard
24 during this period.

25 Gentrification put families out of city

1 neighborhoods as the government decimated funding
2 for public housing from 1981 to 1988.

3 The department of housing, the
4 urban-development budget was cut, from 32.3 billion,
5 to 7.5 billion.

6 Rising commodity prices, dwindling jobs
7 opportunities, with severe cutback in social
8 services, saw the beginning of the breakdown of the
9 so-called "middle class" into the newly
10 impoverished.

11 Now, we're -- we're now only one paycheck
12 from being homeless.

13 That was then, and that was now.

14 So I'm appealing to every one of you, please
15 ask yourself, which side of history would you choose
16 be on?

17 You choose.

18 Thank you.

19 SENATOR KAVANAGH: Thank you.

20 RYAN ACUFF: My name is Ryan Acuff. I'm also
21 part of the City-Wide Tenant Union.

22 I just want to thank you guys for giving us
23 the time to be here.

24 We had another court hearing, which allowed
25 us to get here later than we wanted to, but thanks

1 for staying after a very long day.

2 I also wanted to speak about the conditions
3 in Rochester.

4 In Rochester, the scale of the housing
5 crisis, which is, basically, replicated in every
6 upstate city, is very dramatic, as the numbers that
7 Gail had mentioned.

8 One out of every four residents in Rochester
9 are forced to move every year, the thousands of
10 evictions, and the high rates of unaffordability.

11 In Rochester we have, basically, the two
12 Rochesters.

13 So, one part of the city is, about
14 three-quarters of the city is completely
15 disinvested.

16 People are living in abject slum conditions.

17 We have Mary's building, which has over
18 170 documented code violations.

19 And many other buildings that, basically,
20 whenever a tenant raises the basic issues, and
21 reports their legal rights to enforce the warranty
22 of habitability, tenants are given an impossible
23 choice every day, where the landlord says, If you
24 report this issue, we will give you a 30-day notice
25 and you will be forced to move.

1 So, many people suffer in silence and stay
2 living in these horrible conditions which many
3 people have spoken about.

4 The people who speak up, many of them are
5 forced to move or are retaliated; people that are
6 courageous, people that organize, and people just
7 who speak up to their basic rights.

8 There is a conception that we need
9 development. We need investment and development.

10 So this is something that we strongly,
11 strongly believe in.

12 We need massive development in Rochester.

13 And we need development, but we need positive
14 development that benefits the residents of the city.

15 So in our disinvested neighborhoods, we want
16 the type of development that would allow for
17 development without displacement.

18 And we think that having these basic tenant
19 protections actually promote development.

20 If tenants can speak up, and bring all their
21 buildings up to code, that's what we call "positive
22 development," because we have situations where
23 tenants are living in these disinvested
24 neighborhoods in horrible situations.

25 An example would be, a conversation I had

1 last week with the leading landlord attorney in town
2 who does the most evictions.

3 According to his own account, in the
4 suburbs the landlords make, on average, a
5 return-of-investment on 8 percent. And in the city,
6 they make an average return-of-investment of
7 20 percent.

8 All right?

9 Because what happens is, in lower-cost cities
10 relative to other cities, landlords can buy cheap,
11 not make repairs, and this is a business model of
12 mass eviction, the people speak up. And they will
13 make the repairs when the next person moves in.

14 Shift to the other part of the "other
15 Rochester," where there is massive investment coming
16 in.

17 Downtown, by the university, down other
18 different corridors, by the public market, where we
19 are seeing investment.

20 Landlords are coming in and buying out whole
21 buildings, what they call these "buyout,
22 clear-outs."

23 They'll come in, buy a building, give
24 everybody a 30-day notice.

25 There was a building that was well-known in

1 the middle of downtown Rochester called the
2 Cadillac Hotel.

3 They came in, 90 units, bought the building,
4 and, evicted everybody.

5 Example would have been, an elderly gentleman
6 named Harvey, he lived there for 25 years. Kept to
7 himself. Never -- wasn't accused of not paying his
8 rent. He wasn't accused of causing damage. He
9 wasn't accused of bothering anybody else.

10 But, he -- but the landlord knew that, since
11 there was no ability to regulate rents, there's no
12 rent stabilization, there's no eviction protections,
13 that they could buy, kick everybody out, and turn it
14 into what they -- right now the building is still
15 vacant after a year.

16 But the plan is, they say, to turn it into a
17 wealthy, luxury hotel.

18 The building behind it, which he purchased,
19 88 Elm Street, they're charging \$2600 a month for
20 rent, which is very, very high for Rochester, these
21 luxury apartments.

22 So, in these neighborhoods, we know what it's
23 like to have strong development come in, but the
24 development we're seeing is development with
25 displacement, in downtown, by the university, in

1 these gentrifying neighborhoods.

2 If we had these basic tenant protections, we
3 would not have investors coming in to just buy,
4 raise the rent, and kick everybody out, like is
5 happening in this, and many other buildings.

6 Just last week, tenants came to us, another
7 building, 2017 East Main Street.

8 The landlord came in, 17 units, bought the
9 whole building. Gave everybody 30-day notices. And
10 now there's -- by the time they got to us, there was
11 4 people left of the 17 units.

12 This is the model that's being used in these
13 neighborhoods, and Rochester. We have the same
14 thing in Buffalo, where it's, they come -- they
15 smile, they come, and repeat, replay, and over and
16 over, the buyout, clear-outs.

17 And they bring in a whole new -- what they
18 consider a whole new class of people, wealthier,
19 whiter, to create the neighborhoods that the wealthy
20 want to create.

21 We think that these basic tenant protections,
22 the good-cause eviction protections, the rent
23 stabilization, the ability to opt in, are the very,
24 very basic, basic protections which we need.

25 We don't think these should be considered

1 radical. We don't think these should be considered
2 extreme.

3 Landlords would have all the basic rights,
4 landlords will still hold most of the cards.

5 But this gives the ability for tenants to not
6 live in fear, and to be terrified by their
7 landlords, to enforce the code, to speak up.

8 And we feel like, this year is the year.

9 We really feel like, when the negotiations
10 are happening and we're coming together, we do not
11 want Upstate New York to be sacrificed.

12 And this has been -- this is for many years,
13 I know for many years, it's because of the different
14 politics in the Senate.

15 But we feel like this is the year where we
16 feel like we should all come together, and we don't
17 want any tenant in the state to be left behind.

18 And, I think you can hear the stories, and
19 there's hundreds and thousands of more stories of
20 the people that have testified today.

21 And we just really, really think, when the
22 rubber hits the road, the people in the rooms, when
23 the negotiations are happening, to think about the
24 people here today, and to say, that nobody gets
25 sacrificed.

1 Is that we strongly, strongly support closing
2 all of the loopholes in the laws, in the eight
3 downstate counties that are affected by the ETPA,
4 because of the drastic, drastic situation in
5 New York City.

6 Even though the average rents are lower, in
7 other upstate cities the situation is dire.

8 And we just think that, please, please, think
9 about creating one uniform law for all tenants in
10 the state, that would allow nobody to be left behind
11 and nobody to be sacrificed, and we can all, next
12 year and the years continued, to advocate all
13 together, under one law, under one system, to bring
14 us closer to housing as a human right.

15 Thank you.

16 SENATOR KAVANAGH: Thank you.

17 I have a few questions, but maybe I'll see if
18 other senators on the panel want to begin.

19 SENATOR BRESLIN: I'm just --

20 SENATOR KAVANAGH: (Indiscernible),
21 Senator Breslin.

22 SENATOR BRESLIN: I'm just so happy we did
23 stay, because, as you suggest, we should remember.

24 I will remember your testimony, all four of
25 you, for the rest of my life.

1 And it gives us a new incentive to make sure
2 that we fulfill our obligations to satisfy the
3 slights that have been given to you.

4 And, it's an imperative, and we open the
5 doors for you.

6 OFF-CAMERA SPEAKER: Thank you.

7 SENATOR BRESLIN: And, as you said, you can
8 thank God, and we're so happy we stayed.

9 SENATOR KAVANAGH: Thank you,
10 Senator Breslin.

11 Senator Krueger.

12 SENATOR KRUEGER: Thank you.

13 But I also thank you so much for coming here,
14 knowing that you had a very long day, and had
15 trouble getting in the building.

16 So I don't know a lot about Rochester.

17 I come from New York City.

18 But I was just fascinated with the horror --
19 I wouldn't say fascinated with horror -- of how
20 things are operating.

21 So, one, if 50,000 people are being evicted
22 every year, is it like moving deck chairs on the
23 Titanic?

24 I mean, who's coming into the units?

25 The landlord doesn't do any of the repairs.

1 Some of the conditions you're describing hardly make
2 it attractive for somebody else to come in.

3 So, people get evicted, and they end up in an
4 equivalent or worse apartment situation?

5 And then it's, just, everybody being pushed
6 around, on the theory that the landlord will figure
7 out, what, to find some richer people who want to
8 take his building?

9 Are there speculators?

10 We know about speculators in New York, who
11 try to push everyone out, because they figured out
12 how to renovate the buildings and make a fortune.

13 But I keep hearing there's not necessarily a
14 big population growth in Rochester.

15 So I'm, like, why are they doing this?

16 RYAN ACUFF: I mean, the shortest answer
17 I could say is, is for profit.

18 So there's slumlord economics, which operate
19 in three-quarters of the city, where, keeping
20 people -- you know, we have -- just in the last two
21 years we've had a 19 percent increase in
22 homelessness.

23 So there's this rotation between the
24 shelters; the rooming houses; the regular,
25 one-bedroom, two-bedroom, apartments; and keeping

1 this rotation.

2 And there's the whole model where -- where
3 the people are making the 20 percent
4 return-on-investment, which a lot of people, when
5 they think, well, big return-on-investment means
6 luxury.

7 But, just as documented in excruciating
8 detail in Matthew Desmond's book "Evicted", in
9 Milwaukee, which Rochester is very similar to
10 Milwaukee, he talks about the model of slumlord
11 economics, and just how profitable it is even in
12 low-cost areas.

13 Low-cost.

14 It's high rent burden for us --

15 SENATOR KRUEGER: Sure.

16 RYAN ACUFF: -- but the lower cost, compared
17 to a place like New York City.

18 So in those areas, just buying cheap, making
19 minimal repairs, part of the operating process is,
20 moving people out who speak up, and they just keep
21 the lawyer fees, and they just keep it going, and
22 they make enormous profits.

23 And people, as far as population growth, on
24 average, population is continuing to decline in the
25 city of Rochester.

1 It's about 209,000 now.

2 And the past, it was up to two hundred fifty,
3 two hundred sixty.

4 So, it's not that new people are coming in.

5 Now, there are some neighborhoods, it's about
6 25 percent of the city, 20 percent, where they are
7 trying to attract people from the suburbs which are
8 relatively wealthy, into the city, and pushing
9 people out of neighborhoods and downtown and other
10 parts.

11 So, in those places, they are attracting some
12 new people in.

13 But for the most part, the population is
14 stable or slightly declining.

15 But -- so there's the luxury-housing model
16 which is buyout, clear out, and, raise the rent by
17 20, 30 percent.

18 And then there's just the regular slumlord
19 economic model.

20 Both of which are turning major profits.

21 SENATOR KRUEGER: So we get told sometimes,
22 and even earlier today in this hearing, that if --
23 we're not even from upstate, so we don't understand.
24 There really aren't any problems upstate, and thank
25 you very much, keep our systems to ourselves.

1 And yet, clearly, you're from upstate, and
2 you were describing a horrendous situation.

3 Would your city council or your mayor come
4 forward and say, We need this?

5 RYAN ACUFF: So the city council did write a
6 letter, and -- in support of the tenant protections,
7 home stability supports. And so they did.

8 And when they -- it was drafted, at the time
9 all eight city council members signed on to that.

10 SENATOR KRUEGER: Great.

11 RYAN ACUFF: So they are in support of these
12 protections.

13 SENATOR KRUEGER: And while the package of
14 bills we're working on right now don't specifically
15 expand code-enforcement requirements -- bless you --
16 we're actually think having a hearing on code
17 enforcement a little farther south tomorrow.

18 And when I hear the descriptions, actually,
19 really, the first two people who spoke, it sort of
20 just cries out for a system of code enforcement
21 where, if they have failed to provide a habitable
22 situation, they cannot take you to court, demand you
23 pay them more, or throw you out, because they've
24 flunked the test of what they were supposed to do.

25 It's hard in New York City also. We have

1 housing courts that are filled to the brim with
2 people fighting for their rights.

3 But, I know you talked about the numbers.

4 I'm sorry, Madam, I forgot each person's
5 name. You were giving the statistics on the number
6 of people who go into court each year.

7 Is there a model of code enforcement at all
8 in Buffalo and -- not Buffalo -- Rochester, and is
9 it working at all?

10 GAIL: Excuse me.

11 When I joined the tenant association, I,
12 literally, went down to the code enforcement.

13 The building that I'm in --

14 I won't call a name, because I don't know who
15 knows who, and that's okay. I'm not here for that.

16 -- shocking.

17 I pulled, where they have to come in, say
18 they divide, north, south, east and west, so in my
19 building, I was, like, you've got to be kidding me.
20 The ventilation hadn't worked in 10-plus years?

21 My family is been really, like, in and out of
22 the hospital for black mold, and asbestos, and all
23 of this.

24 So I go down there and I'm, like, please,
25 give me the information.

1 Do you know, not one -- from 19 -- I would
2 say -- let's just say, nine years back, nothing was
3 coded.

4 Absolutely nothing was coded.

5 I recently went in again, before I came here,
6 and I wish -- I know this is not about that, but,
7 I recently came in again, and I pulled again.

8 Nothing was coded, but the same building is
9 getting funding from the City, said, all of these
10 people in poor conditions, removing asbestos, but
11 then nothing is coded.

12 So I am thinking, really, what is really
13 going on?

14 We have been meeting with the code enforcers,
15 they go tell us what to do.

16 And I'm, like, Do your job.

17 Not being mean, I'm not there.

18 I'm just talking to you guys.

19 I would never say that.

20 But, anyway --

21 SENATOR KAVANAGH: It sounds like maybe you
22 could get away with saying that.

23 GAIL: But, you know, I'm kind of, like, is
24 this all a game?

25 Because, who cares if someone makes money.

1 Right?

2 Who cares if someone, literally, invests, and
3 gets something from the -- but how do you just,
4 literally, come in, in good conscience.

5 And, obviously, somebody is paid off.

6 And I don't want to make this criminal.

7 But I'm looking and I'm calling, Guys,
8 really? So what are we really about here?

9 I have two set of documents.

10 Four years ago, I pulled up to, like,
11 10 years.

12 Nothing.

13 But this building is rotten.

14 And then we come back now, present day,
15 you're getting money from the city council, and
16 said, Oh, we want to help these people.

17 But you have moved out, since you've taken
18 over, at least 40 to 50 people been thrown out of
19 that building.

20 And they've only been there one year.

21 And they getting money, and I'm looking at
22 this, I'm, like, Really?

23 So my point is that, sadly, the system is
24 just broke.

25 The reality, who cares if the investor makes

1 money.

2 That's great. We all want to invest.

3 But do you do it off the back of the poor?

4 Why would you commit genocide?

5 Everybody knows gentrification. I mean,
6 that's the white elephant in the room, we get it.

7 Okay, well, how much can you gentrify?

8 These people, Rochester, when I moved there,
9 did you know I moved there because they said, it's
10 such a stable city.

11 Well, it's almost like, what's in Vegas, stay
12 in Vegas.

13 (Indiscernible), I'm good.

14 Four-bedroom house, three bath, okay, we
15 good. Nobody's hating on that.

16 That's not a good word, but we know it's not
17 a bad one.

18 But long story short, my point is real
19 simple: Why can't you make money, and don't destroy
20 people?

21 So this good-cause eviction and the
22 protection, really, technically, all it does is,
23 really, it doesn't even do enough, to be honest with
24 you.

25 But at least give the buyers, you know, some

1 type of remorse, and say, okay, you want everybody
2 in court now, they got something to fight for.

3 They paying their rent.

4 How do you put out a 78-year-old?

5 In my building, someone became visually
6 challenged just for two -- she (indiscernible) for
7 two years because of diabetes.

8 I'm thinking she did something.

9 You didn't pay your rent. Maybe you did a
10 violation.

11 They said, out.

12 That building hadn't there but a year.

13 So all I'm stating is, that when we talk
14 about code enforcement, I know, in Rochester, I have
15 proof --

16 And I'm not -- I didn't know you were going
17 to mention that.

18 -- and I'm done.

19 How do we live in good conscience?

20 You know, I wish Rochester was a poor city in
21 the sense of just poor.

22 But, you do make the poor, poor.

23 How do you keep making money off of the poor?

24 63 percent-plus renters in Rochester, oh,
25 that's money.

1 Then you're moving money, you get a tax
2 credit.

3 One building, my building, was getting
4 1.8 million.

5 I said, you got to be kidding me.

6 Paying less than someone who owes probably a
7 million-dollar house in taxes.

8 So all I'm saying, you guys know the numbers.

9 Maybe, wherever you're from, I don't know,
10 I'm not even from New York, is shocking to me,
11 because I'm, like, if we don't fix this, then,
12 literally, the middle class, that we call "middle
13 class," we're going to repeat the history that
14 I just read, and people will be on skid row, people
15 that are college students sleeping on couches.

16 So homelessness is not the picture we've seen
17 before, you know, the guy saying, Give me some
18 money, please. I need to work. I can't work.

19 No. It's people can't afford to even live in
20 a decent neighborhood.

21 So, please, when you guys look at that code
22 enforcement, I have information if you need it.

23 Not telling on anybody.

24 But I'm just saying, let me know, but,
25 technically, it's broke.

1 Thank you.

2 RYAN ACUFF: Can I say something just briefly
3 about that as well?

4 SENATOR KRUEGER: (Inaudible.)

5 SENATOR KAVANAGH: Yeah, why don't -- if you
6 don't mind, why don't -- maybe move to
7 Senator Myrie's questions, but we can circle back as
8 well.

9 RYAN ACUFF: Sure, okay.

10 SENATOR MYRIE: So, actually, I don't have a
11 question.

12 I just wanted to thank you, and thank all of
13 you, for your testimony, for making the trip here.

14 We hear from a lot of people in this process.

15 We sit through a lot of meetings.

16 We have many, many, many conversations with
17 people.

18 Nothing more powerful to me than what I just
19 heard.

20 I represent Central Brooklyn, where we have
21 an affordability crisis, and I hear from my
22 constituents all the time.

23 I live in a rent-stabilized apartment, grew
24 up in one, and have had those protections.

25 But, to hear your stories, and, particularly,

1 the young woman to my left, if you could just tell
2 me your name again.

3 EMMA YOUNG: Emma Young.

4 SENATOR MYRIE: Emma Young.

5 Miss Young, I want to personally thank you,
6 Miss Young, for your strength; for your courage;
7 your bravery to come testify; your bravery to
8 continue to give to your community, even when people
9 have taken away a lot from you.

10 Every colleague of mine will know your name.

11 EMMA YOUNG: Thank you.

12 SENATOR MYRIE: Thank you, thank you.

13 EMMA YOUNG: Thank you.

14 SENATOR KAVANAGH: Thank you, Senator Myrie.

15 So, you know, I was at a press conference in
16 Brooklyn before our Brooklyn hearing, and the --
17 some of the people, talking about the folks up
18 there, talked about the handsome Senator Myrie.

19 And I stipulated that he's far more handsome
20 than I am.

21 And he's far more eloquent, as he has
22 demonstrated once again tonight.

23 But I do want to -- you know, I do want to
24 just join what my colleagues have already said.

25 You know, we had 14 senators here for this

1 hearing today, and this is our third hearing.

2 We were in Syracuse, and then we were
3 Brooklyn. And we will be in Newburgh, New York,
4 tomorrow, and we will be in Greenburgh, New York, on
5 Tuesday.

6 And this is very much -- as much as we are
7 spending a lot of time trying to get the details of
8 the bills right, and we're trying to hear from all
9 different perspectives, you know, and there's some
10 people doing analysis, and talking about, you know,
11 dollars and cents, of these -- you know, how these
12 laws work.

13 We're also very much in the process of making
14 sure we fully appreciate the impact of what is going
15 on in our communities.

16 And, I think for those of us from New York
17 City who have -- I mean, we've been fighting for our
18 tenants in our city for a long time.

19 So what we do, you know, we have our
20 constituencies.

21 But, I mean, in many respects, I think
22 there's a growing awareness that there are, you
23 know, cities and localities all over the state
24 that -- where there's just far fewer protections,
25 and, you know, very, very difficult circumstances.

1 And your ability to bring that here us today,
2 and share these stories, and, also, just your
3 commitment to doing something about it, by coming
4 here and pushing us to do the right thing.

5 You know, we -- after this Syracuse hearing,
6 we reported to many of our colleagues what we
7 learned in Syracuse.

8 We will certainly be reporting what we
9 learned from you, coming all the way across, halfway
10 across the state, to testify today.

11 I do want to ask, you know, on two -- the
12 just-cause eviction proposal is a statewide, it's a
13 state law, that would apply everywhere.

14 The Emergency Tenant Protection Act is a bill
15 that, you know, under current law, just New York
16 City and Rockland and Westchester and Nassau,
17 localities in those places, are allowed to opt in.

18 And so the proposal is to extend it to other
19 counties, including Monroe County and all across the
20 state.

21 Do you think that there's a -- there's sort
22 of a -- I mean, you all are a part of -- you know,
23 we've heard of your -- you know, of your tenant
24 union, all the way down in New York City.

25 We were looking -- several people said, Those

1 Rochester people are good. You gotta to hear from
2 them.

3 So we're very -- we're -- you've -- you know,
4 your word has spread.

5 But, to the extent that folks in Rochester
6 were given the opportunity, through the Emergency
7 Tenant Protect (sic) Act, to adopt, you know, just
8 causes, you know, a modest set of protections, the
9 rent stabilization is a much stronger set of
10 protections, do you -- how do you think that that
11 fight -- if the State Legislature were to grant that
12 power to Rochester, how do you think that fight
13 would play out?

14 Like, how -- how -- how ready are you to
15 organize and get that -- get that done if we -- if
16 we extend that power there?

17 RYAN ACUFF: I mean, for us, what's at stake,
18 you know, our -- we have the highest homelessness of
19 any school district in the state.

20 You know, 53 percent of our students graduate
21 on time.

22 I mean, what's at stake, the trauma that
23 people are enduring, and repeating, and passing on,
24 we would do everything in our power.

25 We're not trying to say it would be easy.

1 You know, that everybody -- you know, it's
2 one thing for a city council to say, we support
3 something, when, you know, it's on a state level.

4 But, we are ready to do whatever is possible
5 to stabilize our community, to stabilize our
6 schools, and to fight for everything and for every
7 person, until housing is a human right in Rochester
8 and the state.

9 But -- and we will take it all the way with
10 the rent stabilization, even if we have to go to a
11 referendum, or whatever it takes.

12 SENATOR KAVANAGH: Any comments?

13 Okay.

14 GAIL: I just want to say that, I'm a real
15 history person. I believe that, when you're doing
16 things over and over is insanity.

17 I actually believe that, I'm from Florida, in
18 some cases, and I see how they do things.

19 Not comparing the two.

20 But, when you come in as a builder, you're
21 going to give to a hospital. You're going to give
22 to a road. You're going to give to a school.

23 You know, Disney, you're going to give back.

24 So, they did that, and they continue to do
25 that.

1 I'm seeing ridiculous money, taxpayer money,
2 and I always wondered, do, really, the people who
3 live (indiscernible) know they are footing these
4 bills, in the sense of, these builders who can get
5 all of this tax-credit money, then get subsidies on
6 top of that?

7 I mean, just think about it.

8 And then turn around and just kind of reduce
9 the middle class, solidly, without them knowing that
10 they're one paycheck from being homeless.

11 So, I believe just what you said, I think the
12 fight is on.

13 You know, I mean, how frightened can you be,
14 how isolated can you be, when you see people dying
15 every day.

16 I've watched that, (indiscernible), where
17 this pressure hit Rochester.

18 The elderly can't take it.

19 When I see someone from manufactured housing,
20 even, because it would reach them as well, and help
21 to kind of stabilize them as well.

22 A 90-year-old, it doesn't matter whether
23 she's White, but as a White lady, she's 90 years.

24 Her son testified, said, "Give me a gun.
25 I'll just shoot myself," because she meant it.

1 She said, Oh, trailer parks, you keep saying
2 that it's trash. We paid \$120,000 for our trailer.

3 They're nurses.

4 They're people that are human too.

5 And I'm, like, it doesn't even matter.

6 I wish it was just a color thing.

7 It's almost, like, no, this is all about
8 money, and whatever we can get away with, and our
9 lawmakers allow us to get away with, we will do
10 that.

11 So I think, there is no other choice.

12 This is, like, I don't believe the word "rot
13 and die." I believe this is but live or die.

14 This is where people, where the rubber meet
15 the road.

16 Either we're going to come together in unity,
17 and we're going to say to these builders, we're
18 giving you this money, back up. You can invest, but
19 you can't kill the people.

20 It's that simple.

21 So my thing is that, it is a fight, and, yes,
22 we will use everything, with God's help, obviously.
23 This is bigger than all of us.

24 This is bigger than all of us.

25 You get a threat, and this one get a threat,

1 you go, oh, my God.

2 But it's bigger than all of us.

3 So I think we are definitely ready for that
4 fight, with God's help, and, of course, with your
5 assistance.

6 Thank you.

7 SENATOR KAVANAGH: Thank you.

8 Okay.

9 Any other questions or comments?

10 Okay.

11 Again, we tremendously appreciate you making
12 the trip.

13 EMMA YOUNG: Can I say something?

14 SENATOR KAVANAGH: Sure.

15 EMMA YOUNG: Well, in my experience, I have
16 found that a lot of the complexes don't even take
17 Section 8, because they are private-owned, and there
18 is two- and three-year waiting lists.

19 There's a shortage for housing, and
20 especially the ones that do not take a Section 8
21 subsidized program.

22 They said they are private-owned and they
23 don't have to.

24 SENATOR KAVANAGH: Well, if I may, there's
25 some good news on that front, because, just this

1 year, the State Legislature passed a law called --
2 it is banning, what is called the "source of income
3 discrimination."

4 It means landlords are no longer permitted to
5 say, We don't take Section 8, anywhere in the state.

6 EMMA YOUNG: [Applause.]

7 Very good.

8 SENATOR KAVANAGH: So, we're working on it.

9 EMMA YOUNG: Because I wish that I knew about
10 that before --

11 SENATOR KAVANAGH: I'm not sure -- we passed
12 it on April 1st. I'm not sure if it's gone into
13 effect yet, but it will be -- it will be coming to
14 your community.

15 EMMA YOUNG: Yes, because I would not have
16 been booted out for just somebody having to pay more
17 money, after being there for 20-some years.

18 And paying New York State taxes.

19 I just wonder how could, if it was
20 Governor Cuomo, allowing the ones to say, because we
21 are private-owned, we can do what we want to. We
22 don't have to give no reasons.

23 That's hurting.

24 SENATOR KAVANAGH: Okay.

25 With that, we tremendously appreciate, again,

1 your testimony, and you making the trip in.

2 We will do our best to make sure something
3 productive happens from this meeting.

4 But, for now, we are adjourning the Senate
5 Standing Committee on Housing, Construction, and
6 Community Development public hearing.

7 Thank you all.

8 SENATOR MYRIE: Thank you.

9 EMMA YOUNG: Appreciate that.

10 Thank you very much.

11 God bless you all.

12

13 (Whereupon, at approximately 5:48 p.m.,
14 the public hearing held before the New York State
15 Senate Standing Committee on Housing,
16 Construction, and Community Development concluded,
17 and adjourned.)

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