

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

7
8 Town of Greenburgh Town Hall
9 177 Hillside Avenue
Greenburgh, New York

10 Date: May 28, 2019
11 Time: 10:00 a.m.

12 PRESIDING:

13 Senator Brian Kavanagh
14 Chair

15 PRESENT:

16 Majority Leader Andrea Stewart-Cousins

17 Senator David Carlucci

18 Senator Peter B. Harckham

19 Senator Shelley B. Mayer

20 Senator Zellnor Myrie
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1 SENATOR KAVANAGH: Okay, ladies and
2 gentlemen, thank you for being here, and welcome to
3 this hearing of the Senate Standing Committee on
4 Housing, Construction, and Community Development.

5 I'm Brian Kavanagh, Chair of the Committee.

6 I am joined at the moment by
7 Senators Harckham and Mayer, and, Senator Carlucci
8 is also here and will be rejoining us in a moment.

9 We have a very long witness list, and we also
10 will have a number of senators joining us throughout
11 the proceedings.

12 It is a busy day, and there are several other
13 hearings going on simultaneously.

14 This is our fifth hearing on this topic,
15 which is rent regulation and tenant protection.

16 And, as many people know, the laws that
17 currently protect -- that govern and regulate rent
18 in New York City, and, in selected counties, in
19 Nassau and Westchester and Rockland, expire on
20 June 15th.

21 And, in addition to considering ways we might
22 strengthen those laws, we are also considering other
23 ways we might protect tenants.

24 We are joined, I note in the audience, by
25 Representative -- Senator Tom Abinanti, whose

1 district we sit in.

2 Sorry, did I say -- did I call -- I think
3 I demoted him to senator.

4 That would be Assemblymember Tom Abinanti.

5 And, also, Assemblymember Amy Paulin.

6 And we do have a representative of Senate
7 Majority Leader Andrea Stewart-Cousins, in whose
8 district we also sit, and she is expected to join us
9 in person shortly.

10 So, we're gonna -- actually, let me begin by
11 just asking if -- any of my colleagues, if they have
12 any opening comments or remarks before we begin with
13 the (indiscernible) witness?

14 SENATOR MAYER: Well, thank you,
15 Mr. Chairman.

16 I want to thank you and our leader for making
17 sure we had a hearing here in Westchester; the only
18 one of the ETPA counties in which the hearings have
19 taken place.

20 And, certainly, something that -- for myself
21 and Leader Andrea Stewart-Cousins, who have
22 27,000 rent-stabilized units in our district, is of
23 extreme importance to us, and has been throughout
24 our respective times in the Legislature.

25 So I look forward to hearing from all who are

1 stakeholders in this issue.

2 I think some of -- some of our positions have
3 been known by the bills that we've co-sponsored, but
4 I look forward to hearing from all today, and having
5 a productive conversation on behalf of this very
6 important issue.

7 This bill expires on June 15th, so it's
8 absolutely imperative that we move forward and reach
9 a resolution before that date.

10 SENATOR HARCKHAM: Thank you, Mr. Chair.

11 Just, very briefly, I want to echo what
12 Senator Mayer said.

13 Thank you very much for hosting and holding
14 this hearing in Westchester.

15 It's extremely important, and as someone
16 who's worked with a lot of these stakeholders for
17 years, I really look forward to the testimony today.

18 Thank you.

19 SENATOR KAVANAGH: And, Senator Carlucci.

20 SENATOR MAYER: Excuse me.

21 Someone in the audience indicated they could
22 not hear us well.

23 So if there's a way you could turn up the
24 volume, I'd appreciate it.

25 Thank you.

1 SENATOR KAVANAGH: Senator Carlucci.

2 SENATOR CARLUCCI: Well, yeah, I too want to
3 thank everyone for participating today in this very
4 important hearing.

5 I want to thank you Senator Kavanagh, the
6 Chair of the Housing Committee, for bringing the
7 hearing here to Westchester County, to hear the
8 concerns, particularly in the Hudson Valley.

9 And look forward to working with my
10 colleagues Senator Mayer and Senator Harckham, to
11 make sure that we deliver a plan that works for all
12 of our residents.

13 So look forward to hearing the testimony
14 today; thank you for being here.

15 Thank you.

16 SENATOR KAVANAGH: Thank you.

17 Okay, so without further ado, let's bring up
18 our first witnesses.

19 So we have Tina Jackson of the Rochester
20 Citywide Tenants Union, and Elizabeth McGriff,
21 also of Rochester Citywide Tenants Union, and
22 Gail Williams as well from the Rochester Citywide
23 Tenants Union.

24 OFF-CAMERA SPEAKER: (Inaudible.)

25 SENATOR KAVANAGH: Okay. Should we skip to

1 the next panel, perhaps?

2 Okay.

3 Is -- so are Sojourner Salinas and
4 Zeltzyn Sanchez Gomez here?

5 OFF-CAMERA SPEAKER: (Indiscernible.)

6 SENATOR KAVANAGH: They're also
7 (indiscernible).

8 Okay.

9 Let's see.

10 Do we want --

11 SENATOR MAYER: Yeah, that's okay.

12 SENATOR KAVANAGH: Okay.

13 So why don't we -- is Kenneth Finger and
14 Jerry Houlihan and Ted Sannella in the room?

15 KENNETH FINGER: I'm Kenneth Finger.

16 I don't think Jerry's here.

17 SENATOR KAVANAGH: Come on up.

18 Okay, so just -- while they're getting
19 settled, just ground rules.

20 Yes, if you have written testimony, we will
21 take that and distribute it, and include it as
22 part -- yeah, if you could bring it up to the panel.

23 JERRY HOULIHAN: We only have one copy.

24 SENATOR KAVANAGH: That's fine.

25 We will -- we will consider any written

1 testimony part of the record today.

2 Each witness -- we have a very long witness
3 list, so we're going to have your, sort, main
4 testimony, we're gonna have an 8-minute period.

5 There is a clock that witnesses should be
6 able to see.

7 We will kind of signal you if you're getting
8 to the end of that time.

9 And then there will an additional period for
10 questions from any senators that have questions.
11 That will be about a 5-minute period for each
12 senator, for each panel.

13 And I do ask -- this is our fifth hearing.

14 There are some very strong views on this
15 topic.

16 We do ask that people-- this is a public
17 hearing. We do ask that people refrain from
18 reacting.

19 If you hear something that you like, that's
20 great.

21 If you hear something that you don't like,
22 you know, we're here to hear different views.

23 But please do not applaud, you know, boo, any
24 of that sort of thing, during the course of this
25 hearing.

1 We appreciate that.

2 So -- and then, each witness, if you could
3 begin by stating your name and any affiliations you
4 want us to be aware of for the record, and then just
5 begin your testimony.

6 So, Mr. Finger.

7 KENNETH FINGER: Mr. Houlihan will go
8 first, if that's okay.

9 JERRY HOULIHAN: Okay. Good morning.

10 I am Jerry Houlihan. I'm a real estate
11 broker, commercial real estate broker, commercial
12 property manager, commercial mortgage broker, and,
13 the seated chairman of the Apartment Owners Advisory
14 Council of Westchester County for the past several
15 years.

16 I'm here to testify against any further
17 tightening or restrictions of the ETP -- ETPA law in
18 Westchester County.

19 As you probably know, one of the components
20 of the ETPA law is to allow the rent regulations to
21 eventually dissolve, and naturally bring the rental
22 market to a healthy free-market.

23 These proposals brought forth by the Senate
24 and the House is going against that component of the
25 law.

1 The programs that some of these
2 representatives want to eliminate or minimize;
3 namely, the MCIs, the IAIs, the vacancy bonus,
4 et cetera, are the very programs that were put into
5 place in the 1980s and the 1990s as a result of the
6 poor housing policies in the 1970s.

7 As some of you probably are old enough like
8 me to remember the 1970s, when owners were walking
9 away from their buildings 'cause they were burning,
10 not only because of crime, but also because the
11 expenses to run these apartment houses.

12 These apartment houses, on average, were
13 built in the late 1920s and 1930s, so they're
14 approaching 100 years old.

15 The expenses were too high, and a lot of
16 them, because they couldn't make a profit and they
17 were losing money, walked away from these buildings.

18 Addressing affordability through the
19 strengthening of these ETPA laws is going to produce
20 the bad re -- a bad result for the tenants, and the
21 economy as a whole.

22 The programs, the MCIs and the IAIs,
23 et cetera, have brought these buildings to the best
24 shape they've ever been in.

25 MCIs produce new windows; new building

1 components, such as boilers, roofs, plumbing,
2 electricity, et cetera.

3 When an apartment vacates, individual
4 apartment improvements allow the owners to go in and
5 completely gut renovate an apartment.

6 Removing these programs will do just the
7 opposite. It's not a way to address affordability.

8 And, in doing so, you're going to put these
9 apartment buildings that are nearly 100 years old
10 into, possibly, bad condition again.

11 And it's just, we believe, the wrong way to
12 address affordability.

13 Thank you.

14 SENATOR KAVANAGH: Thank you.

15 KENNETH FINGER: Thank you, Senator.

16 Thank you very much for the opportunity to
17 address you.

18 My name is Kenneth Finger. I'm a landlord
19 member of the Westchester County Rent Guidelines
20 Board for 19 years.

21 I'm also the chief counsel to the Building
22 and Realty Institute, and, the Apartment Owners
23 Advisory Council.

24 In addition, my law firm has a very active
25 landlord-tenant practice, so we are more than

1 familiar with the plight of the Westchester
2 landlords.

3 As Mr. Houlihan has pointed out, most of
4 the regulated housing in Westchester is in excess of
5 75, 80, and 100 years old.

6 This is housing that is the only real
7 affordable housing in Westchester.

8 And, this is not New York City.

9 There are about twenty-five to
10 twenty-seven thousand ETPA units here, as
11 distinguished from over a million in the city.

12 I have enclosed, as part of my submission
13 that you have before you, an executive summary of a
14 rather lengthy analysis that was done in Cambridge,
15 before -- when Cambridge went out of rent controls.

16 The sky did not fall, and housing in
17 Cambridge actually got better and more affordable
18 and more available.

19 The -- I've also -- I've enclosed for you, a
20 copy of the ETPA Guidelines.

21 And the last year was 2 and 3 percent, and
22 that was reasonable, and that was actually supported
23 by the tenants.

24 I've also attached a copy of the figures
25 given by DHCR, which show that the increases in

1 Westchester have been under the CPI increases for
2 this area.

3 While we don't know what the 2020 census will
4 show, the 2000 census showed that there were
5 approximately 390,000 housing units in Westchester,
6 of which 377,000 were occupied;

7 In 2010, there were 415,000 units, of which
8 390,000 were occupied;

9 Or, a vacancy rate of Westchester, of
10 6.1 percent.

11 In Greenburgh, at that time of the census,
12 the vacancy rate was 4.4 percent -- excuse me,
13 4.4 percent; Mount Vernon, 9.4; New Rochelle, 5.5;
14 Peekskill, 6.7; Rye, 7.3; White Plains, 6.0; and,
15 Yonkers, 7.3.

16 This is not New York City.

17 This is Westchester County, where we don't
18 have the kind of high rents that people are looking
19 forward to seeing when they get vacancies.

20 The rents here have pretty much hit a top,
21 and the market is what it is.

22 There are very few affordable housing units
23 here of over \$2700.

24 And it doesn't pay any landlord to eliminate
25 tenants or evict tenants just for getting an

1 increase that they can't get.

2 I'm also attaching a copy of the Rent
3 Guideline Board increases for the last 18 years,
4 which, if you look at, will show they've been very
5 modest.

6 Finally, the -- there are do-or-die issues
7 that we believe must not be promulgated, to avoid a
8 complete collapse of the affordable-housing market
9 in Westchester.

10 If you -- as Mr. Houlihan has said, we need
11 these MCIs and the IAIs in order to keep housing
12 not only affordable, but to keep it in the condition
13 that we want our tenants to have.

14 The areas that, in our judgment, will destroy
15 the housing market in Westchester are:

16 Reinstitution of ETPA to previously
17 decontrolled apartments;

18 Elimination or further restriction of
19 reimbursement for MCIs or IAIs, which will lead to
20 a deterioration of the regulated housing stock;

21 Elimination of the ability of restoring
22 preferential rents to legal regulated rents on
23 vacancies, which would not hurt existing tenants;

24 And the total elimination of the vacancy
25 allowance, it is already limited.

1 We think that, if you look at the housing
2 market in Westchester, and the ability of landlords
3 here to keep it in the condition we all want it to
4 be at, affordable housing will remain.

5 And we hope that there will be responsible
6 rent reform, not destructive rent reform.

7 Thank you very much.

8 SENATOR KAVANAGH: Thank you; thank you both
9 for your testimony.

10 KENNETH FINGER: Okay.

11 If there are any questions, we're here.

12 If not, we'll rest on our statements.

13 SENATOR KAVANAGH: I think we'll have a few
14 questions for you, and let me begin.

15 Just, you both spoke about affordable
16 housing.

17 Do you believe it's a legitimate goal of
18 state legislation to promote affordability in our
19 communities?

20 KENNETH FINGER: Do we think it's a
21 legitimate goal? Obviously, yes.

22 JERRY HOULIHAN: Absolutely.

23 SENATOR KAVANAGH: Okay.

24 KENNETH FINGER: And it's been in effect
25 since 1943 with the Rent Control Law, since 1974

1 with ETPA.

2 And we're supportive of that.

3 What we're not supportive of, is restricting
4 the ability of a landlord to get income to maintain
5 that housing.

6 SENATOR KAVANAGH: But do you think -- is
7 there some tension between -- I mean, you've said a
8 couple times, that certain reforms that are on the
9 table would destroy the housing market --

10 KENNETH FINGER: That's right.

11 SENATOR KAVANAGH: -- which is, you know,
12 quite a strong assertion.

13 Just -- so let's just talk about IAIs for a
14 moment.

15 KENNETH FINGER: Yes.

16 SENATOR KAVANAGH: (Indiscernible) the
17 purpose of IAIs are to encourage landlords to invest
18 in individual apartments, to improve the quality of
19 those units when -- typically, when they're vacant.
20 Right?

21 KENNETH FINGER: Yes.

22 SENATOR KAVANAGH: Okay.

23 And that the amount of the investing gets
24 rolled into the rent for the next tenant, typically,
25 at a rate of 140th of the total value of the

1 investment, per month, is added to the rent each
2 month, indefinitely.

3 KENNETH FINGER: That's correct.

4 SENATOR KAVANAGH: So, roughly speaking, if a
5 landlord spends \$40,000 on an apartment, the rent
6 will go up \$1,000 a month, indef -- the legal rent
7 will go up \$1,000 a month, indefinitely?

8 KENNETH FINGER: Yes, but the quirk on that,
9 is that -- which you just added, is that the legal
10 rent will go up.

11 You could raise the legal rent up to any
12 number, and possibly even get out of control.

13 The Westchester County market does not
14 support rents of 2700, 3,000, 3500, in 100-year-old
15 buildings.

16 And if you want to be able to maintain those
17 apartments, and maintain them -- and these are very,
18 frequently, apartments where tenants have been there
19 for 20, 30, or 40 years.

20 You have to renovate the apartment and bring
21 it up to condition, so that a new family can move in
22 and have the best possible housing.

23 Once you eliminate that ability of doing
24 that, you're eliminating the ability of a landlord
25 to maintain and perfect the housing.

1 SENATOR KAVANAGH: And why is not -- why is
2 it not sufficient to have -- you have a Rent
3 Guidelines Board, you sit on that Rent Guidelines
4 Board.

5 Each year you assess the cost of maintaining
6 housing in Westchester --

7 KENNETH FINGER: Yes.

8 SENATOR KAVANAGH: -- and then you set rents
9 that you think -- rent increases that you think are
10 reasonable to accommodate the need of landlords to
11 invest in their buildings, to maintain their
12 housing.

13 Why is that system not sufficient?

14 Why do we need these add-ons through IAIs or
15 MCIs?

16 KENNETH FINGER: The system is not sufficient
17 for a number of reasons.

18 Number one: If you look at the increases,
19 and I've given you the figures over the period of
20 years, it hasn't even kept up with the cost of
21 living.

22 The Rent Guidelines Board in Westchester
23 is -- is -- I won't be critical of it because one of
24 my members is sitting here, but it's been much more
25 tenant-oriented over the years.

1 And if you look at a comparison in the
2 increases between Westchester and New York City,
3 it's much less in Westchester over the years than it
4 has been in New York City, not even enough to keep
5 up with inflation.

6 SENATOR KAVANAGH: Do you believe that, when
7 the Rent Guidelines Board is making these decisions,
8 they are factoring in the fact that there are other
9 ways rents go up -- IAIs, vacancy bonuses, MCIs --
10 when they're considering how much to raise the base
11 rent?

12 Are they aware that there are other ways that
13 land -- other things that are being paid for in
14 other ways besides that increase?

15 KENNETH FINGER: Yes, I think that's so.

16 And I think they probably also consider that
17 there was a 20 percent vacancy, or 18 percent
18 vacancy, increase, that's available also.

19 So, yes, that's a mitigating circumstance,
20 which is exactly why you need the MCIs and the
21 IAIs, because it is factored in by the guidelines
22 board as one of the elements that enables a landlord
23 to maintain his or her building.

24 SENATOR KAVANAGH: Okay, but isn't it
25 possible that you and your colleagues on the Rent

1 Guidelines Board, if there were not routine
2 increases in rent upon vacancy, based on vacancy
3 bonus and other things, that this sort of necessary
4 cost of maintaining buildings would be -- would be
5 considered by the Rent Guidelines Board, and you
6 wouldn't need these very generous add-ons?

7 KENNETH FINGER: I don't think the
8 situation -- I've sat on that board for 19 years.
9 I don't think that would ever happen.

10 I think that the -- you need these increases
11 to maintain your buildings, and to -- to keep
12 them -- these are 100-year-old buildings, to keep
13 them up to condition that people want to live in,
14 and move into.

15 SENATOR KAVANAGH: Okay.

16 I think my time is just about up.

17 I'll see if any other senators have
18 questions?

19 JERRY HOULIHAN: Well, I just want to say,
20 too, is that, you know, when an apartment has been
21 in occupancy for a very long time, and the rent is,
22 let's say, 600 or 700 dollars a month, and you go in
23 and you spend thirty or forty thousand dollars to
24 renovate it, you're bringing that market -- that
25 apartment up to market.

1 If you don't have these programs, you're not
2 going to do that, and you're going have an old
3 apartment.

4 I mean, you got to have the incentive in
5 there for a landlord to go in and gut it, and then
6 bring the -- the rent up to market.

7 I mean, the average cost in
8 Westchester County to run an apartment is about
9 eleven or twelve hundred dollars a month.

10 So if somebody's paying six or
11 seven hundred dollars a month, then, okay, if
12 they're senior citizens and they have limited
13 income, we understand that. But you got to
14 remember, we're losing six or -- five or six hundred
15 dollars a month on keeping that apartment running.

16 So when they vacate, you have to keep that
17 program in place, so that you can improve the
18 apartment, improve the living condition, and allow
19 us to run a building without a loss.

20 SENATOR KAVANAGH: And, presumably, your --
21 presumably, landlords in Westchester, as landlords
22 in New York, mostly, have not been running for a
23 loss -- at a loss over the long term in recent
24 years.

25 JERRY HOULIHAN: Well, I don't --

1 SENATOR KAVANAGH: Just from our -- just --
2 I do want to yield my time to others on the panel.

3 But just -- I mean, there's -- I think
4 there's one -- it's one thing to say, you need to
5 get the apartment to be in a -- maintain the
6 apartment in a reasonable condition, and another to
7 say that it's necessary that it be gutted and, you
8 know, changed into an apartment that rents for a
9 much higher rent.

10 And I think, for some of us --

11 JERRY HOULIHAN: I said "market rent," not
12 much higher rent.

13 SENATOR KAVANAGH: -- okay.

14 Again, if you're gutting it -- if you're
15 gutting -- how much does it cost to gut an --
16 gut renovate an apartment?

17 JERRY HOULIHAN: Uhm, it -- the number you
18 quoted was pretty accurate.

19 KENNETH FINGER: About thirty to
20 forty thousand.

21 SENATOR KAVANAGH: So, again, just so we
22 understand, you're asserting that, if we change or
23 eliminate IAIs, we will, you know, in your words,
24 destroy the rental market and, you know, prevent
25 people from making a profit.

1 It's just hard -- I think it's hard for some
2 of us on the panel to understand why a legal -- you
3 take your \$700 apartment, why a -- while legally
4 increasing that rent to 1700 is necessary in order
5 to maintain decent quality, and maintain -- and
6 maintain landlords as a business, where people can
7 afford --

8 (Indiscernible cross-talking)

9 JERRY HOULIHAN: Well, again, I mean, you
10 have to put some flexibility in there.

11 If we spend twenty thousand dollars, as
12 opposed to forty, you know, then we're not raising
13 it to seventeen hundred. We're raising it to
14 thirteen or fourteen hundred, which is, maybe,
15 a hundred dollars over what it takes to run the
16 apartment.

17 SENATOR KAVANAGH: Right.

18 Okay, so --

19 KENNETH FINGER: And you have the cost of the
20 renovations, which is not factored into 140th, in
21 terms of the interest cost, in terms of borrowing
22 the money.

23 You're up-fronting -- you're up-fronting the
24 full dollar amount at the beginning.

25 By some calculations, we believe that, if an

1 IAI is made, and the landlord recoups the full
2 legal rent after that, that they -- the return on
3 the sort of -- unleveraged return on that investment
4 is 22 percent a year.

5 So, I mean, again, some of us are skeptical
6 that it's --

7 JERRY HOULIHAN: I'd like to see those
8 numbers, Senator.

9 SENATOR KAVANAGH: Okay, well, they come from
10 various sources (indiscernible) industry.

11 JERRY HOULIHAN: Well, I'd like to see them.

12 SENATOR KAVANAGH: But, we appreciate the --
13 again, because -- again, because you're getting 30
14 percent of the amount of your investment back each
15 year, indefinitely, if you're -- if you're able to
16 charge the legal rent.

17 JERRY HOULIHAN: I don't believe those
18 numbers, Senator.

19 SENATOR KAVANAGH: Okay, again, it is a fact
20 that --

21 JERRY HOULIHAN: I don't see it as a fact.

22 I'd like to --

23 SENATOR KAVANAGH: -- let me -- I'll speak,
24 and then you speak, if you would.

25 It is a fact that the legal rent goes up at

1 140th of the total value, which is, 12/40ths, is
2 30 percent.

3 So if you spend \$40,000, as we've
4 discussed --

5 JERRY HOULIHAN: Right.

6 SENATOR KAVANAGH: -- you get to a \$1,000
7 increase in the rent, which is \$12,000 a year, which
8 is, 12,000 is 30 percent of 40,000.

9 So if you are able to recoup the full legal
10 rent, the rent -- the cash flow from the apartment
11 goes up 30 percent of the amount you spent on IAIs.

12 That's just arithmetic.

13 JERRY HOULIHAN: Yeah, that is, and that's
14 fine. But the actual market rent may be less.

15 SENATOR KAVANAGH: That -- that's -- again --

16 JERRY HOULIHAN: And that's what we --

17 SENATOR KAVANAGH: -- what I -- what I --
18 again, in your example -- I mean, again, if -- if
19 landlords -- if land --

20 (Indiscernible cross-talking)

21 SENATOR KAVANAGH: -- and I do want to end
22 this, and a lot of my -- I'm sure my other
23 colleagues will continue this dialogue.

24 But, just, if -- if -- if you're not able to
25 collect the legal rent, in some circumstances, it's

1 hard for us to understand why you would insist the
2 legal rent needs to go up to that.

3 And if you can collect it, you know, it
4 raises serious concerns for us about affordability.

5 JERRY HOULIHAN: Well, that's something to
6 look at.

7 KENNETH FINGER: Well, because, at some
8 point, the market may increase.

9 So if the legal regulated rent does go up,
10 and you have a 2008 situation where it was -- it
11 tanked, maybe, by 2018, you then can get back up to
12 where it should be.

13 SENATOR KAVANAGH: So if you are getting the
14 legal rent, then you're getting this kind of return,
15 and, you know, changing the apartment to an
16 apartment that is fundamentally different from an
17 affordability perspective.

18 But, I will leave it at that, and see if my
19 colleagues -- Senator Mayer?

20 SENATOR MYRIE: Yeah, I have several
21 questions.

22 So, you know, one of the challenges is that,
23 through the vacancy allowance, so, the vacancy
24 decontrol, approximately, 3,000 units of
25 rent-stabilized housing have been lost in

1 Westchester, according to HCR, between 2015 and
2 2018.

3 And I wondered, since you are calling for,
4 basically, no changes in that provision, and yet you
5 support the policy of rent stabilization as a way to
6 preserve affordability, what is your response to
7 this, units leaving the program in significant
8 number, every year, as a result of this?

9 KENNETH FINGER: Well, I think the -- if you
10 look at the number of units, I think I gave you one
11 of my charts here, it is not (indiscernible) -- you
12 had -- in 2017, you had 25,789 rent-stabilized
13 units. You had 875 that were vacant.

14 That is not the kind of numbers that I think
15 I just heard from you.

16 On permanently exempt from a high-rent
17 vacancy, where 146, that's 146 units, out of 25,789,
18 due to high-rent vacancy.

19 That is nowhere near the kind of numbers that
20 you're proposing, Senator.

21 SENATOR MAYER: Well, I'm not proposing them.
22 I'm saying --

23 KENNETH FINGER: I mean, that you cited.

24 SENATOR MAYER: -- I cited the HCR's Office
25 of Rent Administration, by year, in 2015, 330 were

1 permanently exempt.

2 KENNETH FINGER: Right.

3 SENATOR MAYER: That's how I got to my
4 10,000. I mentioned it was over four years.

5 243 in 2016, 146 in 2017, and 187 in 2018,
6 which is a collective total of about 3,000, which is
7 about 10 percent of Westchester's rent-stabilized --

8 KENNETH FINGER: No, It's 1,000.

9 JERRY HOULIHAN: Yeah, that's 1,000.

10 KENNETH FINGER: It's a thousand -- I'm
11 sorry, Judge -- Senator.

12 It comes out to about 1,000.

13 And if you go back to 2013 --

14 SENATOR MAYER: Well --

15 (Indiscernible cross-talking.)

16 SENATOR MAYER: -- yeah, okay.

17 KENNETH FINGER: -- 2013 was 140, and 2014
18 was 293.

19 I have the same chart.

20 You, fortunately, have a year more than I do.

21 SENATOR MAYER: Well, it's not the same.

22 KENNETH FINGER: I'm only on the board.

23 SENATOR MAYER: We have different numbers.

24 The bottom line is, for those of us that
25 represent these communities, like myself

1 representing Yonkers particularly, the loss of
2 affordable housing by these units be -- coming out
3 of the system is a critical loss for our
4 constituents who are looking for affordable housing.

5 You are proposing no change in this program.

6 And I'm asking you: What is your answer,
7 while you support rent stabilization as being a
8 legitimate state policy, to the loss of these units?

9 KENNETH FINGER: Well, you're -- you're
10 saying that there's a loss of the units in terms of
11 affordability.

12 I don't think that's necessarily so.

13 There may be -- there may be loss from the
14 ETPA, but there are very few units that you can rent
15 in Westchester, in 100-year-old buildings, for \$2800
16 a year -- a month, which is what the number is of
17 these days.

18 So I think that the high-rent vacancy,
19 although it may take it out of ETPA, doesn't take it
20 out of affordability, because the market rents,
21 generally --

22 Again, I emphasize, this is not
23 New York City.

24 -- the market rents, generally, are less than
25 the actual ETPA rents that are exempt due to high

1 rent.

2 And that's a 1,000 over a period over
3 6 years -- 5 or 6 years.

4 SENATOR MAYER: Four years.

5 KENNETH FINGER: Well, all right --

6 SENATOR MAYER: In my -- in my --

7 KENNETH FINGER: -- four years. Okay.

8 1,000 over 4 years, of 25,000.

9 And we submit that a large number of those
10 are still being rented at affordable rents, because
11 that's what the market is.

12 SENATOR MAYER: Okay, two points.

13 My "3,000" number is the loss of
14 rent-stabilized units totally, not just vacancy
15 decontrol, over that period.

16 And the second point is, the issues of rent
17 stabilization deal not only with rent, but also the
18 opportunity to renew your rent; the right to renew
19 your lease.

20 And while you may say the apartment may still
21 be so-called "affordable," no -- the tenant has no
22 right to renewal, which is an absolutely essential
23 factor for our constituents.

24 So, I would quarrel with your description.

25 But let me just move on to another thing.

1 On the MCIs, one factor you have not
2 discussed, is the fact that the percentage increase
3 applied in Westchester, of 15 percent, is certainly
4 more than double the New York City percentage
5 allowed of 6 percent.

6 Would you -- in the modifications of the
7 program, if we leave an MCI in there, and -- would
8 you agree to lower your percentage to be consistent,
9 statewide, with the New York City percentage of
10 6 percent?

11 KENNETH FINGER: I don't think it's
12 equivalent because, in New York City, you're
13 starting off with a much higher base and a much
14 higher rent.

15 I think here we have older stock, smaller
16 rents, and we need it to maintain the buildings, and
17 to bring -- to do the capital improvements; the
18 roofs, the windows, the pointing.

19 Pointing an apartment house is hugely
20 expensive.

21 And those type of numbers, you to have the
22 full increase for an MCI.

23 SENATOR MAYER: Well, with all due respect,
24 that "6" and "15" did not come out of a policy
25 discussion like you're suggesting.

1 It came out of, basically, a mistake in
2 legislation, where they put it in for New York City,
3 and they left out.

4 The cost of pointing an apartment I'm sure,
5 in New York City, is equal, if not greater, to that
6 in Westchester.

7 So my question is: Will you, representing
8 the owners' community and the landlord community,
9 agree to have a consistent number that is in sync
10 with what New York City has?

11 KENNETH FINGER: Well, I would submit that
12 the number that should be -- for one thing, I think
13 you would do a great favor if you eliminated the
14 Rent Guidelines Board.

15 As far as I'm concerned, there are a lot of
16 other things I think many of us would like to do
17 with our evenings.

18 But putting that one aside, rent control in
19 New York City is done by HCR. They submit a
20 percentage increase each year, and that's what it
21 is.

22 You could easily do the same thing with the
23 ETPA.

24 SENATOR MAYER: With all due respect,
25 Mr. Finger, I'm asking you about the MCI rate

1 increase.

2 Would you accept 6 percent?

3 KENNETH FINGER: No. I think, 6 percent, you
4 couldn't do a building for 6 percent.

5 SENATOR MAYER: Okay.

6 And, now, I also want to ask you about the
7 permanence of the MCI, which is a great sore spot
8 among tenants, as you know, and I know, and you've
9 heard -- you and I have differed on this before.

10 What is the policy argument for continuing
11 the MCI to be permanent past the point of repayment,
12 to explain to a tenant?

13 Just, like, when they -- when they fix
14 something, and they borrow the money, when they pay
15 it off, they don't pay it anymore.

16 So can you explain why a tenant would have to
17 pay this MCI permanently?

18 KENNETH FINGER: Because, a number -- there
19 are a couple of reasons.

20 Number one: A number of the things that you
21 do have to be redone in a certain number of years,
22 whether it's a refrigerator, or something of that
23 nature.

24 So if it goes on for 40 months, or 84 months,
25 or 90 or 108 months, where some of the --

1 Is it MCIs --

2 JERRY HOULIHAN: That's right, yep.

3 KENNETH FINGER: -- have to go on --

4 Is it 90 -- for 108 months.

5 It's not only 40.

6 The 40 is only the IAIs.

7 The MCIs, I believe, are 90 and 108.

8 SENATOR MAYER: Yeah.

9 KENNETH FINGER: But -- so you're talking,
10 there, 9 or 10 years, and you have to do repairs,
11 you have to do a lot of things, that you can't get
12 MCIs for.

13 And what the DHCR makes you do, is they make
14 you do the 100 percent of everything.

15 If you have to do a sidewalk, for example,
16 and you only need half a sidewalk, you can't get an
17 MCI for half a sidewalk.

18 SENATOR MAYER: But with respect to my
19 question, to a tenant, who is paying permanently,
20 and the amount is added on to their base rent when
21 an MCI is granted, you -- I'm having trouble
22 understanding what you believe is the real reason
23 why it should be permanent.

24 Yes, of course, there may be subsequent
25 repairs, and that's why, so far, MCIs have been

1 authorized.

2 What is the reason while the repair, for
3 which the landlord has paid, is not terminated once
4 it is paid off?

5 KENNETH FINGER: Because they're getting the
6 benefit of the repair as long as they live there.

7 It's not a repair that ends, or the MCI
8 doesn't end in the 8 years, or 10 years, that DHCR
9 has allowed.

10 It goes on, as does the value of the benefit
11 to the tenant.

12 SENATOR MAYER: Well, they are getting
13 housing.

14 But I will -- I'll -- I'll yield my time to
15 someone else, and may come back.

16 SENATOR KAVANAGH: Senator Harckham.

17 SENATOR HARCKHAM: Thank you, Mr. Chair.

18 Just following up on Senator Mayer's line of
19 questioning, you had spoken in your testimony,
20 Mr. Finger, about, let's find responsible -- let's
21 do responsible rent reform.

22 So what would a responsible middle ground be,
23 to you?

24 You know, assuming we have tenants' advocates
25 saying one thing, and, obviously, your organization

1 and others on the other side, what do you think is
2 the responsible middle ground?

3 KENNETH FINGER: Well, one thing I think
4 might be responsible middle ground is, for example,
5 when we have preferential rents.

6 I understand there is an effort to eliminate
7 the ability to come back to legal regulated rents.

8 I think that might be okay while the tenant
9 still lives there.

10 But then, when it becomes vacant, to give the
11 landlord the opportunity to come back to a legal
12 regulated rent at that point in time, that has taken
13 many years to get up to.

14 I think that would be one area.

15 We can go on if you want.

16 SENATOR HARCKHAM: Yeah, please.

17 KENNETH FINGER: Other areas, I think there
18 are areas where you might eliminate the Rents
19 Guidelines Board, as I've suggested.

20 I think that it's a statistical.

21 We have surveys that HCR does, they send out,
22 in February or March, and it's supposed to be
23 computerized now.

24 And they just sent out a notice last week,
25 that they're not even going to -- they're giving

1 people till May 31st.

2 You know, you're wasting a huge amount of
3 administrative funds and effort in regulating a
4 system that doesn't need a guidelines board. It
5 just needs a statistical -- statistical methodology.

6 So that would be -- those would be two ways
7 where I think you could have responsible rent
8 reform.

9 SENATOR HARCKHAM: All right, one other
10 question.

11 We were talking about losing
12 1,000 private-sector apartments in
13 Westchester County.

14 During the federal housing settlement, we --
15 when I was on the county board, and you remember
16 those days, we made a full-court effort, and built
17 800 units of affordable housing.

18 And we've lost 1,000 in the private sector,
19 so we weren't even keeping up.

20 So how -- how -- how do we, in keeping with
21 the private sector, which is certainly more
22 cost-effective than spending the money we spent on
23 those 800 units, if -- if -- if you are advocating
24 the IAIs and the MCIs stay as is, and other
25 increases out of ETPA, how does the private sector

1 in Westchester help preserve affordable housing?

2 KENNETH FINGER: Because what you have to do
3 is, incentivize people to invest in real estate.

4 If you start eliminating every ability of a
5 landlord to either make a profit, which is not a
6 dirty word, and -- or to maintain and improve their
7 buildings, that's how you will get more housing, by
8 incentivizing it.

9 That puts aside the issue of having
10 government tax credits, and things of that nature,
11 that would also incentivize landlords being able to
12 (indiscernible) private landlords.

13 So you don't have new apartments coming on --
14 on board on 5,000-dollar-a-month rents. You have
15 them coming on board on 1100- and
16 1500-dollar-a-month rents.

17 So I would think, if you could incentivize
18 landlords to invest in real estate, you would have
19 much more private investment and much more
20 affordable housing in the county.

21 SENATOR HARCKHAM: Thank you, Mr. Chair.

22 SENATOR KAVANAGH: Other questions or
23 comments for this panel?

24 Okay.

25 Thank you very much for your testimony.

1 KENNETH FINGER: Thank you very much.

2 JERRY HOULIHAN: Thank you.

3 SENATOR KAVANAGH: Next up, do we now have
4 Tina Jackson and Elizabeth McGriff and
5 Gail Williams?

6 You guys ready?

7 Terrific.

8 SENATOR MAYER: (Inaudible) saw that
9 Paul Feiner, the supervisor of Greenburgh, was --
10 stuck his head in at the end.

11 And I just want to thank Paul, and the
12 Village of -- the Town of Greenburgh, for being such
13 gracious hosts, as always; and, thank you.

14 And Paul certainly may be back.

15 SENATOR KAVANAGH: And before we begin the
16 next panel, I just want to acknowledge that we've
17 been joined by Senator Zellnor Myrie of Brooklyn.

18 Again, so if you -- if each of you could
19 state your name and your affiliation, and then
20 proceed.

21 TINA JACKSON: Hi. My name is Tina Jackson.

22 Good evening -- well, good morning, everyone.

23 My name is Tina Jackson, and my statement
24 is -- my name is Tina Jackson, and I'm a member of
25 the Citywide Tenant Union of Rochester, and I've

1 lived in Rochester for over 43 years.

2 I'm here to speak about statewide tenant
3 protection, and can increase the quality of our
4 housing, reduce homelessness.

5 We have a massive (indiscernible) crisis in
6 Rochester, with over 8,600 evictions filed in
7 Rochester City Court each year.

8 I have personally been a victim of no-fault
9 evictions on three separate occasions.

10 I'm going to tell you about one of those
11 horrible ordeals.

12 When I was living on Garson Avenue in
13 Rochester, with my son and my daughter, when I --
14 when the landlord refused to make repairs.

15 The knob came off the stove. He wouldn't
16 make repairs on them.

17 The refrigerator stopped working and all my
18 stuff spoiled. He refused to repair it.

19 My apartment was infested with roaches.

20 The leaks started coming through the ceiling,
21 and mold and mildew was growing in the kitchen and
22 bathroom.

23 Things got worse.

24 There was no ventilation in the apartment.

25 First the time -- first time in my life

1 I started having breathing problems, and my son and
2 I got sick. Were diagnosed with asthma.

3 After four months of the land -- after
4 four months, the landlord refusing to make repairs,
5 I began to call Rochester City Code Enforcement.

6 The landlord stated I was going to be evicted
7 if I continued to call and complain.

8 But I had to call them in to enforce my legal
9 rights.

10 So that mean I didn't give up.

11 After their (indiscernible) -- after their
12 (indiscernible) -- after their (indiscernible) --
13 they cited the landlord, and had to make repairs;
14 however, despite being up on the rent, the landlord
15 said he wouldn't renew my lease.

16 Without giving a reason, known as a "no-fault
17 eviction," I became -- I was evicted and became
18 homeless, and had nowhere to go. In a shelter with
19 my son and daughter.

20 It was an awful experience.

21 This is why we need good-cause eviction
22 protection and rent stabilization.

23 No one should have to go through what I went
24 through.

25 I feel that no one should be homeless or in

1 the street.

2 Everyone should have a safe, quality place to
3 go.

4 No one should be sleeping under a bridge.

5 No one should have to be without, no matter
6 what their circumstance is.

7 I believe housing is a human right for every
8 woman, man, and child.

9 SENATOR KAVANAGH: Thanks.

10 ELIZABETH McGRIFF: Hi. My name is
11 Elizabeth McGriff, and I'm an organizer with the
12 Citywide Tenants Union.

13 And my job is, I go out to speak to tenants,
14 and, you know, learn about their conditions, and
15 what they're living in. And we try to help them, to
16 kind hear -- have -- have their voices heard.

17 And the reason why I came into this work is
18 because I went through foreclosure, and I went
19 through the trauma of that, in dealing with, you
20 know, where you're going to live, you know, where
21 you're going to lay your head at night.

22 And, to me, I've always lived in, you know, a
23 very good conditions.

24 I had parents that took -- that, you know,
25 made sufficient funds.

1 And so when that kind hit, it was a traumatic
2 experience for me, because I had two young sons,
3 that I had to find a place to live, and a place to
4 lay their head at night.

5 So when I think of "home," I think of the
6 comfort of being at home. I think of, you know,
7 it's the safety, it's a safe place for me, where my
8 kids can be themselves.

9 And, so, when a person kind of goes through
10 the traumatic experience of, they have an eviction,
11 it's like: Where do I go?

12 What do I do next?

13 You know, what happens to me?

14 What's going to happen to my family?

15 Is DSS going to be involved?

16 Is -- you know, you go through all these
17 traumatic things.

18 And, with having supports in place, like,
19 just-cause eviction and home stabilization, it gives
20 people that opportunity, okay, I have an opportunity
21 to figure out what's going to happen.

22 So, going back to my situation:

23 My home went through foreclosure.

24 And so then I got involved as a tenant
25 organizer.

1 I lived in the community for many years, and
2 I've seen the transition of people going from home
3 ownership to becoming renters.

4 One individual that I worked with, was
5 helping to save his home, and he didn't know his
6 home was sold to an investor.

7 He didn't know.

8 And he, you know, paid his mortgage, was
9 free. Got behind on the taxes. And now he -- he
10 was in a situation, now he's renting his home he's
11 lived in for 30 years, paid off.

12 So -- and the landlord wanted to evict him
13 from his home, and it was very devastating for him,
14 because he hadn't made plans to move anyplace else,
15 he hadn't made plans to live anyplace else.

16 This was his home, this was his -- his -- his
17 investment in -- for his self.

18 And I also met individuals on Monroe Avenue,
19 who had -- who have lived there, you know, 15, 18,
20 20 years in their apartments, and then they were
21 given a 30-day notice.

22 And the landlord put on his Facebook page,
23 you know, he's going to cure -- remove the cancer
24 from the area.

25 That was his thought of what he was doing; he

1 thought he was doing something good.

2 But he was evicting people out of their homes
3 for many years, and a lot of them were on
4 disability, they didn't have any other income, and
5 they had no place to go. They're traumatized by
6 this situation.

7 We were able to help them, but, still, there
8 was that trauma, that one person had anxiety. So
9 this was completely devastating to them.

10 So our system is supposed to be set up with a
11 system of checks and balances; a system that
12 protects those who are vulnerable, and not people
13 that are renters -- I mean, not people that are
14 investors, that are just in it for a profit.

15 The average investor in the city of
16 Rochester, in the city they get 20 percent on their
17 investment; a 20 percent return.

18 But it's to move out, you know, a lot of the
19 Black and Brown folks that have lived in that area
20 for many years.

21 So -- and just two weeks ago, at
22 275 East Main Street in the city of Rochester, the
23 tenants didn't do anything wrong.

24 The land -- the investor came in, he said,
25 I brought (sic) these buildings. It was new -- a

1 new investment for him. Gave everybody a 30-day
2 notice.

3 You know, same situation, people have lived
4 there for many years.

5 Because he could get a 35 percent increase in
6 rent, so he kicked everybody out. And I think
7 there's only four people that still remain in the
8 building.

9 But, we want families in our community to
10 stay safe.

11 We want a different alternative.

12 We want people -- if it's possible for
13 tenants to own their property when the landlord
14 doesn't keep it up; for the tenants to gather a
15 cooperative, and to purchase their building from the
16 landlord, and to run it themselves, and have a
17 community land trust.

18 Which is, my home was part of becoming a home
19 in the community land trust, which gives the
20 community the opportunity to build on, the community
21 to say -- have a say-so of who they want in their
22 community, who they want to live in their community.

23 And I just think that's one of the ways we
24 can stop the bleeding that's happening to a lot of
25 folks in our communities, to change the situation

1 around.

2 So, there has to be a stop for the investors.

3 If there isn't, then people are in the
4 streets.

5 People die young in the streets, because they
6 don't have the opportunity for housing, because they
7 can no longer afford the place that they lived for
8 20 years. They can no longer afford, because
9 investors want to make money.

10 You know, that's the bottom line.

11 And that's, pretty much.

12 GAIL WILLIAMS: Good morning to everyone.

13 I'm Gail, and I represent the city -- I'm
14 sorry.

15 I'm Gail, and I represent the Citywide
16 Tenants 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 as well as any other group who cannot advocate for
22 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. We lived in Rochester, New York, for
2 five years. We lived in a multifamily unit that
3 consisted of 400-plus residents.

4 The building was infested with black mold,
5 asbestos, poor air quality, and no ventilation.

6 The building failed Section 8 inspection.

7 The health department documented their
8 findings.

9 The owners refused to remediate the black
10 mold, or, address any of the condition.

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 may be asking yourself why you
16 are here?

17 My belief is that you have been chosen by the
18 creator of the universe to be here.

19 You are 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 other Assemblymembers
24 or senators, and challenge them to make history by
25 passing these two bills, which would benefit the

1 people you are all here -- have been called to
2 represent.

3 Also, you will go down in history for
4 changing the laws that are oppressing many, and, in
5 the process, make it a strong statement, that
6 housing is a necessity and a human right.

7 Here's some stats in Rochester, New York:

8 Rochester consists of 63 percent renters.

9 Emergency shelters consist of 70 percent of
10 people who have been evicted.

11 In the courts, each year, as you have heard,
12 there have been upwards of 8,600 eviction cases.

13 20,000 or more people a year have been in
14 court facing eviction, because landlords have been
15 given power, by law, to victimize the poor.

16 50,000 people have been compelled to move
17 each year in Rochester.

18 These numbers do not include the ones that
19 never make it to court.

20 This has resulted in increased homelessness,
21 instability, mental-health issues, educational
22 problems in the school system, and genocide.

23 It is also largely been (indiscernible) --
24 responsible, I'm sorry, for an increase in crime
25 rate, dysfunctional families and community, which,

1 in turn, places a strain on our economy.

2 Most written laws have the rich in power in
3 mind, and not people like us.

4 Prayerfully, today is a new day.

5 I'm here to represent a young lady who is
6 59 as well.

7 I'm the tenant president of my building.

8 She couldn't be here. She's, literally,
9 became -- she, literally, became visually challenged
10 within two years or so.

11 She said:

12 "I'm Bridget (ph.). I'm visually-challenged,
13 blind.

14 "I have been given 30 days to move out.

15 "Now that 30 days is 3 days from today.

16 "I have no violation or missed rent payments.

17 "I have nowhere to go, me and my daughter.

18 "I was discriminated against, and my
19 disability rights' special accommodation was
20 violated.

21 "I now live in a one-bedroom.

22 "When I remind management for my need for a
23 two-bedroom, I was told not to hold my breath, and
24 that she just rented out the two-bedroom.

25 "Then the manager looked me in my face and

1 stated, that my lease would not be renewed, even
2 after my doctor wrote this letter.

3 "The doctor stated, from Rochester Regional
4 Health:

5 'Bridget Houston currently has uncontrolled
6 Type 2 diabetes, with both eyes affected.

7 'Please consider the patient for a
8 two-bedroom, accommodated her disability needs for
9 her and her caregiver.'"

10 At this point, we're fighting for people like
11 Bridget, to have an extension.

12 When we pass these two bills, we are part of
13 the nine-bill package to create, expand, universal
14 rent control.

15 We can get Bridget, and thousands more
16 others, that are blind and disabled protection.

17 So my question to you guys:

18 What is good-cause eviction?

19 What is rent stabilization?

20 And how can everyone benefit?

21 Please ask yourself, which side of history
22 will I choose to be on?

23 You choose.

24 SENATOR KAVANAGH: Thank you.

25 I suggest, for context here, you know, we are

1 here in Westchester, where the Emergency Tenant
2 Protection Act permits localities to opt into the
3 rent-regulation system.

4 But, in Rochester, that's not the case.

5 Only in the counties of Rockland and
6 Westchester and Nassau and, of course, the city of
7 New York, is that available.

8 So just, can you give us a sense --

9 Thank you; thank you for your testimony, and
10 for all of your work in Rochester, and for making a
11 very long trip to be with us today.

12 -- can you just talk about, this phenomenon
13 of landlords -- of investors purchasing buildings,
14 and then seeking to push the people who live in
15 those buildings out, in order to increase their
16 profits, as you've described, is that a growing
17 phenomenon in Rochester?

18 Has something changed in recent years?

19 ELIZABETH McGRIFF: It has. It's changed in
20 the last couple of years.

21 There is an apartment complex, the city has
22 lost a number of its population.

23 So, in order to increase it, they've opened
24 themselves up to a lot of investors, and a lot of
25 developers. And it's kind of changed -- changed the

1 face of the city. A lot of Black folks are being
2 forced out of the area that they have lived in there
3 for many, many years.

4 And it's causing -- it's causing a lot of
5 homelessness.

6 You can see, I -- Linda has mentioned, a lot
7 of the homelessness in our communities have gone up,
8 because people can't afford to live in these
9 apartments anymore.

10 Rent -- the particular one that I was talking
11 about, the rent was five to six hundred dollars a
12 month, it was affordable. A lot of the recipients
13 were on fixed income, DSS, SSD benefits, disability
14 benefits.

15 And so, now, the investors are coming in and
16 they're saying, Well, we can get a higher price
17 because this is an up and coming city.

18 So they can get more money.

19 So the whole complex, you know, 30-day
20 notice, "get out."

21 You know, and some have lived there for many,
22 many years. Paid their rent on time. Didn't cause
23 any problems.

24 So it's definitely increasing in our
25 community.

1 SENATOR KAVANAGH: Do you want to answer?

2 GAIL WILLIAMS: I would just like to state
3 that these buyouts are horrible.

4 I'm not sure, technically, do Rochester,
5 New York, or any taxpayer, have an idea what's going
6 on.

7 This particular building that, literally,
8 caused me and my family to move out, just, had
9 nothing there.

10 No, anything. You just have to go.

11 These people received \$1.3 million in tax
12 breaks.

13 I thought about that, because I'm only
14 five years here in New York, and I was, like, well,
15 then why do we have such high property taxes,
16 because we're paying for this?

17 We're paying for developers to come in, and
18 it's a joke, because what they do, and what I really
19 found out after going to the code inspectors, or
20 office, or whatever, in my building, I had to go
21 pull the code, because I couldn't believe that I'm
22 here four, five years, and, surely, there's no
23 ventilation; surely, the black mold is everywhere.
24 People are really, literally, sick.

25 I went there and I looked, and I was, like,

1 nine -- within nine years, no code. None.

2 And then I looked and say, What is this game
3 that the investors are playing?

4 Playing, mainly, the corporate.

5 I can't speak for those who are just really
6 good landlords, so we're not talking about that.

7 I watched that building go down and down and
8 down, and the joke is, it's like a cycle.

9 Let the building go down, because we can come
10 to the mayor, the City, we can come to the senators,
11 and say, Oh, Rochester is great.

12 Rochester is great.

13 But at the same time, these buyouts, they
14 know they're going to get this money to so-called
15 repair, and go, oh, yeah, by the way, we helping
16 these poor people.

17 But where you let the building go down for
18 10 and 20 years, that's the game.

19 It's a cycle in Rochester, New York.

20 And my concern is, also, it's, like, how do
21 we keep giving them a pass?

22 How do even our senators, which we have
23 spoken to over and over again, who have, not, not
24 stood up for Rochester, New York.

25 And it's my understanding, they're saying,

1 oh, we're fine.

2 How are you fine, when you have
3 50,000 families a year being rotated and put on the
4 street?

5 And you know what?

6 I kind of -- you know, at one point, I was,
7 like, you know, this is just about Black people.

8 When I look, it's all faces.

9 You poor, you got to go, it's nothing
10 personal.

11 So when we talk about investment, I hope
12 everybody in this room completely understand,
13 there's nothing more devastating, to be somewhere
14 22 years, 20 years, and 10 years, and pay taxes in
15 this city, and work.

16 We're not talking about someone that's on the
17 street with a sign, saying, Okay, could you feed me?

18 I think people have a misconception of what
19 that's about.

20 We're talking about college students, who
21 possibly have to sleep on their mother's couch until
22 they get a job. Or we talking about, you know,
23 people who, they retired, and the disability is low.

24 So I'm stating here today, please, for all
25 investors, please understand something:

1 It's one thing to get an investment; it's
2 another thing to kill people.

3 SENATOR KAVANAGH: Thank you.

4 Any questions from the panel?

5 Senator Harckham.

6 SENATOR HARCKHAM: Yeah, thank you.

7 And thank the -- to the three of you for
8 coming down from Rochester, and thank you for your
9 testimony.

10 You said that the people who purchased that
11 building had 1.3 million in tax breaks.

12 Were those state tax breaks, do you know, or
13 were they local tax breaks?

14 GAIL WILLIAMS: State.

15 SENATOR HARCKHAM: Those were state tax
16 breaks?

17 GAIL WILLIAMS: State tax breaks.

18 SENATOR HARCKHAM: All right.

19 Thank you very much.

20 GAIL WILLIAMS: Okay.

21 SENATOR KAVANAGH: Any other questions?

22 Thank you very much again for your testimony.

23 GAIL WILLIAMS: Thank you.

24 SENATOR KAVANAGH: Yes, I would like to just
25 be -- first -- first of all, acknowledge that we

1 have been joined by our Majority Leader,
2 Andrea Stewart-Cousins, who -- in whose district we
3 sit today. And she will, perhaps, give some remarks
4 as we go forth, but has suggested that I proceed by
5 calling up the next panel of witnesses.

6 So we're going to have -- we're going
7 to have, next up, Sojourner Salinas and
8 Zeltzyn Sanchez Gomez, both of Yonkers, of
9 Community Voices Heard.

10 And, great, whichever of you wants to go
11 first, if you'd just state your name and your
12 affiliation, and proceed.

13 SOJOURNER SALINAS: Good morning -- can you
14 hear me clear?

15 SENATOR KAVANAGH: Yes.

16 SOJOURNER SALINAS: Thank you.

17 Good morning, Senators.

18 My name is Sojourner Salinas.

19 I'm a member leader from Community Voices
20 Heard, and I represent Westchester County Chapter.

21 Community Voices Heard is a member-led
22 organization, multi-racial organization, principally
23 comprised of women of color and of low-income
24 families across New York State.

25 We tackle tough issues, and we build power to

1 secure racial and social and economic justice.

2 Through grass organizing -- grassroots
3 organizing, leadership development, and policy
4 changes, and creating new models of direct
5 democracy, Community Voices Heard is creating a
6 truly equitable New York State.

7 We have chapters in New York City,
8 Westchester County, Orange County, Dutchess County,
9 and Rockland Counties (sic).

10 Together, with Housing Justice for All, we
11 are fighting for universal rent control, and we ask
12 you all to pass all nine bills.

13 I now live in a stabilized apartment in
14 New Rochelle for now, but I have personally faced
15 horrific housing obstacles since 1992.

16 If it were not for the grace of God, I would
17 still be facing housing insecurities.

18 I have dealt with NYCHA mold -- NYCHA's mold,
19 unjust rent increases, lease-renewal issues,
20 preferential rent and vacancy bonus, fraudulent
21 schemes, and burglary.

22 My income couldn't keep up with the unjust
23 rent increases, and I was evicted, became homeless.
24 I had to leave The Bronx where I was born and raised
25 to live with the family in Mount Vernon.

1 If they had not taken me in, I would have
2 been subjected to going from shelter to shelter.

3 I lived with them for two years, until they
4 themselves were evicted, along with other families
5 who lived in their home.

6 It was 2010, and the owner of that home lost
7 their home to predatory bank lending.

8 I found myself homeless once again, until
9 I was relocated again, to another city I knew
10 nothing about, White Plains.

11 While living in White Plains, I dealt with
12 harassment and intimidation from my landlord.

13 Moreover, she refused to provide me with a
14 lease renewal. And without any protection,
15 I constantly feared where I would be -- when I would
16 be evicted and become homeless once more.

17 As someone on a fixed income, unjust rent
18 increase might as well have been an eviction notice
19 for me.

20 For four years, between 2013 and 2017, the
21 stability of my entire life was at the discretion of
22 my landlord. This constant stress took a massive
23 toll on my health and my peace of mind.

24 My story of housing insecurities is not
25 unique. Millions of people across New York State

1 face similar obstacles.

2 Throughout Westchester, cities, towns, and
3 villages are being gentrified.

4 Rent-law loopholes are being systemically
5 exploited to drive up rents, leading to the
6 displacement of families and communities.

7 Landlords are discriminating against
8 low-income tenants because of our source of income.

9 We have a right to truly affordable housing.

10 Across Westchester County, and the rest of
11 the state, rents are skyrocketing, and the low-rent
12 housing stock is diminishing, leaving tenants few
13 choices if they are priced out of their current
14 rent-regulated apartments.

15 It's not okay that profit is being put before
16 the people.

17 As a member of the State Legislature, you are
18 empowered to pass all nine rent-protection bills.

19 This would be a step in the right direction
20 towards easing the burden far too many New Yorkers
21 face when grappling the housing crisis.

22 We need you all to sign on to and pass
23 universal rent control in the nine bills.

24 Housing justice is racial and an economic
25 justice.

1 We need you to protect and preserve our
2 communities.

3 If New York State Senate does not pass all
4 nine bills, and ensure universal rent control, then
5 you will be allowing low-income tenants and families
6 to face the same insecurities that I have, and other
7 New York State tenants have as well.

8 I urge you, and implore you, to be on the
9 right side of history, and stand with over 5 million
10 renters and tenants in seeking housing statewide.

11 We have your back.

12 Thank you very much, and may God bless you.

13 SENATOR KAVANAGH: Thank you.

14 ZELTZYN SANCHEZ GOMEZ: Good morning,
15 everyone.

16 My name is Zeltzyn Sanchez Gomez.

17 I am a 20-year-old Port Chester resident, a
18 youth coordinator with Westpac, and a board member
19 of Sustainable Port Chester Alliance, and new CVH
20 (Community Voices Heard) member.

21 I am here today to testify that
22 gentrification and displacement are not only
23 happening in New York City, but also in
24 Westchester County.

25 Real estate firms are building and acquiring

1 properties throughout the Hudson Valley and driving
2 up rents.

3 In Port Chester, Village government is
4 planning a village-wide rezoning that will pave the
5 way for major development downtown.

6 Construction of new luxury apartment
7 buildings made possible by this rezoning is likely
8 to both directly displace residents and cause rents
9 in the area to rise, leading to the indirect
10 displacement of many more residents.

11 I, and many of my peers across the county,
12 fear soon there will be no place for us in
13 Westchester.

14 We are unable to afford the rent, much less
15 become homeowners, in the towns and villages where
16 we've grown up.

17 My aunt and uncle have been living in
18 Port Chester for over 20 years; this is their home.

19 My aunt is a housekeeper, and my uncle, a new
20 U.S. citizen, is in the process of joining a union.

21 They have four kids together.

22 The youngest one is graduating from
23 Head-Start.

24 And the oldest one is going to the middle
25 school, which, in Port Chester, the middle school

1 is, literally, falling apart, and it's
2 super-overcrowded.

3 My family and cousins were being kicked out
4 of their home on Grace Church Street, unless they
5 paid a \$500 increase on top of their already high
6 rent.

7 They've been looking tirelessly for a place
8 to live, and have yet to find anything close to
9 affordable.

10 The owner now plans to sell the home, and my
11 aunt and uncle and cousins all have to move,
12 regardless.

13 All of the new housing in Port Chester is
14 unreasonably expensive, and so-called "affordable
15 housing" is not affordable.

16 We need good-cause eviction so that tenants
17 like my aunt and uncle don't face massive,
18 unconscionable rent increases.

19 My young cousins need you to step up and sign
20 on so that they are not displaced out of their home.

21 There are some who say the rent laws are just
22 a New York City issue, but I assure you that we know
23 better in Port Chester.

24 We need these laws in place now, and will
25 need them even more after the rezoning.

1 Around 400 apartments in Port Chester are
2 rent-stabilized through the Emergency Tenant
3 Protection Act.

4 This is not enough.

5 Units are rapidly being destabilized, and
6 400 more families are at risk of losing their
7 housing.

8 I have also personally experienced housing
9 insecurity and complex living situations.

10 Growing up, my mom, a single mother of two,
11 would struggle to find clean and decent housing for
12 the both of us.

13 We would live in apartments with two of my
14 aunts, their partners and babies at the time; three
15 families all shoved into a two-bedroom, one-bathroom
16 apartment.

17 I lived in an attic room while I was in
18 elementary school, with my brother and my mom.

19 During middle school I lived in a basement on
20 South Regent Street.

21 Every few months someone would come to
22 inspect the house, and the landlords would force us
23 to leave the house while they covered up any sign of
24 living.

25 This meant that the kitchen and the bathroom

1 were covered with giant pieces of wood so it would
2 seem as if no one was really living there.

3 Our belongings would be stacked up so it
4 looked like the basement was being used for storage.

5 Now I live with my mom, my brother, his
6 girlfriend, and a two-week old baby.

7 We have a decent space, but I worry about
8 where I will go when I decide it's time for me to
9 leave my mother's house.

10 I can't afford a \$3,000 luxury apartment, and
11 buying a house is not an option for me.

12 I should have the ability to stay and thrive
13 in the community where I grew up in, and I want to
14 continue to contribute to that community.

15 In the fall of 2018, Community Voices Heard
16 member leaders from across New York State gathered
17 as a member congress and determined that, although
18 wages have stagnated, rents continue to soar.

19 Working-class families across New York are
20 forced to pay more and more of our income towards
21 rent and mortgages.

22 Real estate developers prey on opportunities
23 to increase land and housing prices, driving our
24 displacement.

25 Currently, 88,000 New Yorkers across the

1 state are homeless. Many of us who pay a mortgage
2 or rent an apartment are just one paycheck away from
3 joining their ranks.

4 This contributes to an already pervasive
5 attack on working families and the working poor in
6 our neighborhoods, as well as toxic and unsafe
7 living conditions in public and private housing.

8 These conditions have resulted in making many
9 of our families sick.

10 Housing is cheaply made and codes are not
11 enforced.

12 On top of expensive rent and unhealthy
13 conditions, tenants face various forms of
14 harassment, neglect -- and neglect from landlords.

15 For our members, it is clear that the market,
16 where greedy landlords buy and sell homes for
17 profit, has failed to meet the housing needs of our
18 communities; therefore, we are committed to building
19 power to improve the unacceptable conditions of
20 housing and homelessness we face today.

21 I am fighting for my community, my family,
22 and myself.

23 I urge to you sponsor and pass all nine bills
24 in the Housing Justice For All platform.

25 We need you to stand up and protect tenants.

1 We need you all to defend and prove and
2 expand rent regulations, and join us in fighting for
3 truly affordable housing.

4 We are looking to you all, as our leaders in
5 Albany, to stand with tenants and pass all nine
6 bills.

7 Thank you.

8 [Applause.]

9 SENATOR KAVANAGH: Thank you, both.

10 Appreciate the (indiscernible).

11 We're going to try to ask people to sort of
12 refrain from reacting to testimony today, just so we
13 can move through and get everybody up here.

14 Just -- so, both of you are currently living
15 in communities that have the Emergency Tenant
16 Protection Act, and you have some rent regulation in
17 communities.

18 But it sounds from your testimony like you
19 have a broader problem in your housing market, where
20 evictions are still a big part of the difficulties
21 that tenants experience.

22 And, so, you're talking about -- you're
23 talking the benefit of adding good-cause eviction,
24 which is one of the bills that -- the nine bills
25 that we're talking about today.

1 Can you just talk about how, in your -- from
2 your personal experience, or from your experience as
3 organizers and -- and -- and -- and neighbors, how
4 landlords use evictions to increase their profits,
5 and how that affects -- how that affects people that
6 live in your communities?

7 SOJOURNER SALINAS: Yeah, well -- well, I can
8 say, I personally have been affected by a landlord,
9 where, like I said, I was evicted -- I was evicted.
10 And I couldn't keep up with -- my income couldn't
11 keep up with the rent.

12 And because -- like I -- I wasn't familiar
13 with the jargon, like I know now --

14 So, because I know now what the jargons are
15 and what they mean.

16 I had no clue what the landlord was doing,
17 and why I couldn't keep up with the rent.

18 -- and now I see why, because of these
19 vacancy bonuses, and the preferential rate, and the
20 major cap -- major capital improvement, that was
21 happening to me is not fair when you in a low-income
22 bracket.

23 And when you're -- when the market rate is
24 set at a certain rate, and you're low-income, that's
25 what you're -- you're faced with.

1 But when a landlord is already being given
2 incentives -- receiving incentives to use this money
3 to build -- to build on that, he's getting extra on
4 top of that by using the vacancy bonus, the IAIs,
5 and the MCIs.

6 And then, not only that, when you need lease
7 renewals, you sometimes are unprotected from that,
8 because if you can't meet the rent, there's no way
9 that you can even get good just cause because of
10 your -- you can't keep up with it.

11 So it's really -- it's really -- it puts a --
12 you're in between a rock and a hard place.

13 SENATOR KAVANAGH: In your view, the
14 rent-regulation laws are not doing their job of
15 ensuring that apartments that are affordable now
16 kind of remain affordable for the people that --

17 SOJOURNER SALINAS: They're not -- they're
18 not affordable for any low-income New Yorker in
19 New York State, nonetheless Westchester County,
20 being one of the wealthiest states (sic), first, and
21 then comes New York.

22 You understand?

23 So we are at disadvantage when it comes to
24 New Yorkers.

25 Like I heard the landlord say, we're -- wipe

1 out, wipe out, RGB.

2 You know, I know we're not in New York, but
3 that's what we typify. We usually base off
4 everything from New York.

5 So, how dare you say such a thing.

6 You literally saying, wipe out the low-income
7 bracket.

8 That's -- that's an insult.

9 I'm sitting right in the room, and you got
10 millions of people who are faced with that -- with
11 that notion.

12 To say something like that is preposterous.

13 It doesn't make sense.

14 And for him to babble that on record, it's
15 oblivious.

16 But, anyway, you know, that's -- that's just
17 what I believe should -- should take account,
18 because this is not just me. This is millions
19 of people across New York State, and
20 Westchester County.

21 ZELTZYN SANCHEZ GOMEZ: And also -- could
22 you -- can I just talk?

23 Also, in -- you know, Westchester County is
24 one of the richest counties in all of
25 New York State. Right?

1 And a lot of the housing that's being made is
2 at Westchester County area median income; not
3 Port Chester area median income, or New Rochelle
4 area median income.

5 Which means that, someone like
6 Hillary Clinton could definitely buy an apartment at
7 a Westchester area median income, but I won't be
8 able to because I don't make as much money as
9 Hillary Clinton.

10 So that's an issue that we've kind of been
11 dealing with.

12 And, back to your question about the
13 good-cause eviction (indiscernible), it gives
14 tenants the right to renew their lease, depending on
15 what the landlord has, and all of that.

16 But, something that we've been seeing in
17 Port Chester, is that a lot of business owners --
18 Shelley Mayer just had a Latino business-owner
19 roundtable.

20 And what I heard from them was that, they've
21 been having their businesses for many years. And
22 they have -- they want to improve, they want to
23 expand, they want to renew. And every time they go
24 to the landlords, the landlords are, like, we don't
25 want to renew with you, because we want to empty out

1 the building and sell it out to a bigger developer
2 that has money and that's going to do something with
3 the building.

4 So they're not renewing leases.

5 And they should have the ability to renew
6 since they've been here for so many years.

7 SENATOR KAVANAGH: Thank you.

8 Are the questions or comments from the panel?
9 Senator Mayer.

10 SENATOR MAYER: Well, I just want to thank
11 you both for coming, and making the story personal,
12 and explaining the differences in our communities.

13 And as Zeltzyn explained about Port Chester,
14 when you have a community that's really right in the
15 middle of transition, with a lot of, yes, we have
16 ETPA.

17 But I guess I would ask you specifically, in
18 your experience, in living in different rental
19 housing, was -- did you live in any rent-stabilized
20 housing during that time you described?

21 ZELTZYN SANCHEZ GOMEZ: No, because we were
22 undocumented, so you're unable to apply because you
23 don't have a Social Security number.

24 So that's also another issue, of how
25 undocumented people find housing is completely

1 different.

2 SENATOR MAYER: Okay, that's a good addition
3 to the conversation.

4 Thank you.

5 SENATOR KAVANAGH: Senator Harckham.

6 SENATOR HARCKHAM: Thank you, Mr. Chair.

7 Just following up on this notion of tax
8 breaks from last time, we see in New Rochelle and
9 White Plains and Port Chester, and Peekskill, which
10 I represent, IDAs, which give, essentially, public
11 money, or borrowing at public rates, to developers,
12 to develop, and, generally, they are exceedingly
13 high-rate apartments.

14 And you had mentioned that this puts pressure
15 on the other apartments in the area, because those
16 rents are so high.

17 Could you talk about that a little more?

18 SOJOURNER SALINAS: Yeah.

19 Uhm, as we see today, the rents are
20 skyrocketing. We see that everywhere.

21 We see that, in every neighborhood, there's
22 more gentrification, there's more luxury buildings
23 being put up everywhere, in every city, every
24 village.

25 There's less in -- there are less buildings

1 being developed that is -- actually strive for
2 incomes that fit the bracket for the neighborhood.

3 So in a community where you have, say, like,
4 in Port Chester, in certain areas where there's
5 other a Dominican or Hispanic neighborhood, where
6 the income bracket at a certain level, they're going
7 to put a luxury building in that area, where you
8 know the community is not fit to meet that need.

9 So they gonna build a luxury building in that
10 area, as opposed to meeting the need of the
11 community.

12 Right?

13 So instead of doing that, they rather -- they
14 rather put a luxury building, why? Because it's
15 more profitable to put it there.

16 So, now, then that pushes out the community,
17 so now you have no more of a community.

18 So that's why we're in fear -- where the
19 people are in fear, because now the communities are
20 being lost, you don't have a community anymore.

21 Now you have all these luxury and corporate
22 properties, where the rents for a studio is 3500,
23 4600, and going up and up and up.

24 And who can afford that in this time and age,
25 when you have low-income individuals not even making

1 \$15 an hour, not even making \$10 an hour.

2 Home health aides, nurses, you got people
3 working in delis; these are all low-income-bracket
4 individuals, and these are the people that we're
5 fighting for.

6 I'm a low-income individual, you understand.

7 People on fixed income, disabilities,
8 veterans, you've got the senior citizens.

9 So this is the problem.

10 The developers that -- there's no problem
11 with making a city thrive. Okay?

12 I was a part of the work -- the Westchester
13 (indiscernible) Thriving Family in Westchester.

14 We want to make Westchester thrive, but how
15 can you make it thrive when you only building
16 luxury?

17 That's not diverse.

18 You need to make a community diverse.

19 ZELTZYN SANCHEZ GOMEZ: So to also add on to
20 that, I believe that the IDAs have not been really
21 fulfilling what their mission is, which is to, you
22 know, grow our economy, create jobs, create housing,
23 for people.

24 And they're not really fulfilling that,
25 because they're just giving tax breaks to big

1 developers to come. And these are
2 multi-billion-dollar developers that are coming in,
3 that should be able to pay that money.

4 And, you know, what Sustainable Port Chester
5 Alliance has been doing in Port Chester, is
6 advocating for community-benefit agreements to be
7 implemented, and so that the IDA can come up and
8 say, this is the community-benefit agreement that we
9 have.

10 And developers should come to the table and
11 agree to come and build a certain percentage of
12 affordable housing, a certain percentage of space
13 that is used for community cultural, arts, programs,
14 or anything like that.

15 So, I believe that community-benefit
16 agreements should be included in IDA discussions,
17 and all of that, too.

18 SENATOR HARCKHAM: Thank you.

19 SENATOR KAVANAGH: Thank you.

20 Any other comments or questions from the
21 panel?

22 Okay.

23 Again, thank you very much for your
24 testimony.

25 SOJOURNER SALINAS: Thank you.

1 ZELTZYN SANCHEZ GOMEZ: Thank you.

2 SENATOR KAVANAGH: Next up we are going to
3 have Commissioner RuthAnne Visnauskas of
4 New York State Homes and Community Renewal.

5 Very happy to have the Commissioner with us
6 today. And I think, perhaps, some of her staff may
7 be joining.

8 COMM. RUTHANNE VISNAUSKAS: Good morning.

9 I was going to read some testimony, and then
10 I'm happy to take some questions?

11 Great, thanks.

12 Good morning, everyone -- or, good afternoon,
13 I don't know what time it is.

14 Senator Kavanagh and members of the
15 Committee, I'm pleased to be here with you today on
16 the last of five hearings that you and the Committee
17 are holding on this topic.

18 And I want to say I'm very grateful for your
19 dedication and your interest in offering as many
20 people as possible; tenants, advocates, building
21 owners, all like, the opportunity to testify about
22 this critical issue.

23 It obviously sends a strong message that
24 we're ready to work together to strengthen our rent
25 laws, which are already among the strongest in the

1 nation.

2 In communities across the state, rental
3 housing that is of good quality and affordable is in
4 very short supply, and depending on the region, the
5 factors that contribute to that shortage vary.

6 That is the reason, in part, that we launched
7 our \$20 billion, 5-year, 100,000-unit housing plan.

8 The plan is meant to spur the production of
9 new affordable rental and home-ownership housing
10 across the state, and to preserve the existing stock
11 that has served the state for decades, but which is
12 in -- oftentimes, in need of investment, upgrade,
13 and repair.

14 Our programs are tailored to serve renters
15 and homeowners and municipalities, both large and
16 small, rural and urban.

17 They finance new construction as well as
18 preservation.

19 They serve families and seniors and veterans
20 and those with special needs. Sometimes they serve
21 all of those populations in one building.

22 And they cover manufactured-home parks, and
23 municipalities that are struggling with zombie
24 properties, and small towns that want to revitalize
25 their downtowns.

1 It's an ambitious and comprehensive plan, and
2 as you can see from our reports to you each July, we
3 are proud to be on target after two full years of
4 production, deploying our resources in all corners
5 of the state.

6 We also know the production of affordable
7 housing is not the only need or the only tool.

8 We have consistently sought and fought for
9 more, including funding for foreclosure counseling,
10 the creation of land banks, and, passing
11 source-of-income legislation with the Legislature
12 this past March, a tool to allow those who are
13 seeking housing to be protected from discrimination.

14 And last, but not least, we are less than a
15 month away from the expiration of the rent laws that
16 govern New York City, Rockland, Nassau, and
17 Westchester counties.

18 I believe that, now, more than ever, we have
19 a better than ever opportunity to pass strengthened
20 rent laws that will ensure that tenants have the
21 right and a fair chance to stay in their homes, and
22 that the homes that they will rent are those that
23 they desire and that they can afford.

24 At HCR, we look forward to working with you
25 to arrive at a set of comprehensive and workable

1 reforms that will strengthen tenants' rights, and
2 allow for continued existence of good quality,
3 affordable housing across the state.

4 As you've heard me say in the past,
5 Governor Cuomo has spent his entire adult life
6 fighting to increase access to affordable housing
7 and homelessness, and protect New Yorkers' rights,
8 including creation of the state's first
9 tenant-protection unit.

10 On rent regulation, he has raised the
11 deregulation threshold twice, limited the frequency
12 and extent of the vacancy bonus, and increased civil
13 penalties for those who break or skirt the
14 anti-harassment law.

15 What is more, he spearheaded the creation of
16 the tenant-protection unit which has reregulated
17 over 75,000 units since its creation.

18 Each time that the laws have come up for
19 renewal under the Governor's leadership, they have
20 been strengthened in favor of tenants, and 2019 will
21 be no different.

22 In New York City, which is where the majority
23 of rent-registered apartments currently exist, there
24 are 912,045 apartments registered as subject to rent
25 stabilization at the end of 2016.

1 These apartments house almost 2 1/2 million
2 tenants.

3 Who lives in these apartments?

4 Rent-stabilized tenants are more likely to be
5 female, Hispanic or Black, or foreign-born.

6 More than 60 percent of households living in
7 rent-stabilized units are low or moderate income.

8 That translates to about 600,000 households
9 in New York, and their median household income was
10 about \$44,560 in 2016.

11 That's some \$22,000 less than renters in
12 private, non-regulated stock, and half the median
13 income of homeowners.

14 Why do we need this stock?

15 Because rents continue to outpace incomes.

16 According to the U.S. census data, since
17 2007, the median rent in New York City, adjusted for
18 inflation, has increased by 18 percent, while the
19 median inflation-adjusted income for renter
20 households has only increased by 6 percent, leaving
21 many New Yorkers struggling to afford
22 ever-increasing housing costs.

23 While we have successfully advocated for
24 legislation to protect tenants, it is clear that
25 there is more work to do.

1 We are fully committed to working with you
2 and the tenant and landlord communities to
3 strengthen protections to rent-burdened tenants,
4 while also balancing needs in upstate communities
5 and encouraging private investment in the housing
6 stock.

7 You've heard the Governor talk publicly about
8 rent reform many times, and he consistently commits
9 to eliminate vacancy decontrol, to limit rent
10 creases -- limit rent increases for building and
11 apartment improvements, to make the preferential
12 rent operate as the legal rent for the life of the
13 tenancy, and to ensure that landlords aren't
14 rewarded financially for schemes to force tenants
15 out.

16 Taking these steps as part of the broader
17 rent reform will stop the exit of units from this
18 system; reduce the speed at which rent-regulated
19 rents are rising; remove incentives that reward
20 tenant turnover, that may result in harassment; and
21 ensure that owners are still able to maintain the
22 quality of their properties through investment.

23 I've worked in this sector for a long time,
24 and I've traveled a lot in this very diverse state.

25 And no matter how many groundbreakings

1 I attend, or ribbons I cut, or tenants that I meet,
2 the shortage of quality, affordable rental housing
3 persists everywhere.

4 We know that the security and sense of
5 belonging that a home provides is invaluable and
6 irreplaceable.

7 But for those who are rent-burdened on a
8 limited income have fallen into homelessness, for
9 whichever of the reasons that exist, whose
10 neighborhoods have endured disinvestment or
11 displacement, "home" takes on a very different
12 meaning.

13 Rather than convey a sense of stability, it
14 becomes a source of stress, living in substantial
15 conditions, skipping meals or medication in order to
16 afford the rent, is no way to live, and yet we know
17 that many do.

18 It is these people, our fellow New Yorkers,
19 for whom we seek to provide a stronger set of
20 protections, and I believe that we can do this.

21 We remain committed to serving the people of
22 New York as we administer the state rent laws, and
23 hope to continue the track record set by this
24 administration to continue the fair expansion of
25 rent regulations to protect tenants and keep homes

1 affordable for New Yorkers.

2 Thank you, and I'm happy to take questions.

3 SENATOR KAVANAGH: Thank you very much.

4 And thank you for joining us today.

5 Just to begin, you said that New York has the
6 strongest -- some of the strongest rent laws and
7 tenant-protection laws in the country.

8 Do you -- is that -- do -- is that a
9 statement about the laws generally throughout the
10 state, or -- or do you think that's particular to
11 the rent -- the sort of rent-stabilization system?

12 COMM. RUTHANNE VISNAUSKAS: I think we are --
13 we benefit from having rent stabilization, which,
14 obviously, not all states do.

15 And I think we are now sort of on a precipice
16 to make those even stronger than they've been in the
17 past -- since their inception, perhaps.

18 And I think other things, like source of
19 income, which, granted, we're not first in nation on
20 source of income, but adding to our sort of stable
21 of laws, I think.

22 And there are other conversations, I think,
23 being had around manufactured-home parks, and sort
24 of other places where there are needs.

25 But I think that the consistency is that

1 there's sort of a goal around making sure that, as
2 New York, as the economy grows, that everyone has an
3 opportunity to benefit of that, and part of that is
4 making sure they have stable and affordable housing.

5 SENATOR KAVANAGH: Okay. So just -- and
6 focusing on the rent-stabilization system, you
7 talked about how actual, you know,
8 inflation-adjusted rents have gone up more rapidly
9 than inflation-adjusted income, by a quite
10 substantial margin.

11 That's -- that -- that is true for the
12 rent-regulated stock, as well as for the broader
13 stock; right?

14 COMM. RUTHANNE VISNAUSKAS: I believe so, but
15 my data on here is about the rent-regulated stock.

16 SENATOR KAVANAGH: It's the overall -- the
17 overall.

18 And in New York City, at least, roughly, half
19 of the stock is rent-regulated?

20 COMM. RUTHANNE VISNAUSKAS: Yes, almost
21 a million apartments.

22 SENATOR KAVANAGH: Right.

23 So -- and you mentioned a few areas where the
24 Governor has come out, and I'm not going to ask you
25 to, you know, get out ahead of the Governor here

1 today.

2 But, can you talk about -- you -- you --
3 you -- you talked about removing the deregulation
4 provisions, and setting the preferential rent for
5 the duration of the tenancy, and you talked more
6 vaguely about the restrict -- about limiting IAI and
7 MCIs.

8 Can you talk a little bit about why that --
9 why the current law needs to be changed in such a
10 way that it would be limited?

11 Why -- why are -- why are the current
12 restrictions on MCIs and IAIs not sufficient to
13 achieve the goals of the rent-regulated system?

14 COMM. RUTHANNE VISNAUSKAS: Uh, yes, I'm
15 happy to talk about that.

16 We certainly believe that all the aspects of
17 the law should be looked at sort of together, and
18 comprehensively as a package, because there's a fair
19 amount of interplay between the different parts.

20 But I think what you have -- I have watched
21 much of the testimony from your other hearings, and
22 so you have sort of heard this consistently, and
23 I certainly hear it when I meet with stakeholders,
24 as I'm sure you do too, and constituents, that the
25 MCIs and IAIs are causing a burden for many

1 renters in New York City.

2 And, so, I think you sort of have to take
3 them separately.

4 But I think, on IAIs, is you sort of are
5 all -- are familiar, IAIs happen in two ways:

6 They happen in place for tenants who -- who
7 approve the actual IAI. And it is not processed
8 unless the tenant agrees to it.

9 But then they also happen on turnover, and
10 those are not regulated by HCR. They are submitted
11 by the landlord. And unless it -- in the context of
12 an overcharge, we don't review those.

13 So I think that there is a strong feeling
14 that IAIs are causing a lot of the units to come
15 out of system, because they are, somewhat,
16 unchecked.

17 So I think you probably heard that a lot from
18 people who have come and testified.

19 So I think that's on the IAI side of that
20 question.

21 I think, for MCIs, the increases that many
22 tenants are -- feel -- or, that they receive as a
23 result of MCIs are too big for them to
24 accommodate.

25 And so I think there's sort of a discussion

1 that everyone is having right now about, sort of,
2 how to lessen the burden of MCIs on tenants.

3 So I think that's the -- that's sort of the
4 driver that you hear.

5 SENATOR KAVANAGH: And I think this hap -- we
6 had the conversation with some landlords, landlord
7 representatives, earlier. I think it was before you
8 arrived.

9 But, on the IAIs, the current rate at which
10 the dollars invested in an IAI are recouped is very
11 rapid, even compared to MCI.

12 So, 1/40th for buildings under 35 units, and
13 1/60th for larger buildings; meaning, that in a
14 smaller building, the landlord recoups the entire
15 value of the invested, assuming they can collect the
16 legal rent, in three and a third years.

17 We've done some math, and estimate that to
18 be, roughly, a 21 percent return on their
19 investment, assuming -- again, assuming they can
20 collect the full legal rent.

21 Do -- beyond the fact -- and you discussed
22 the very important question, of whether that could
23 be properly regulated and overseen, and you're not
24 currently really overseeing them, at least prior to
25 the work being done.

1 But is it -- does it -- does it appear to you
2 that the incentives to do IAIs are too -- are more
3 generous than are necessary to incentivize landlords
4 to invest in their buildings?

5 COMM. RUTHANNE VISNAUSKAS: I think that
6 there certainly is a lot of discussion about
7 extending out the amortization period, which is
8 the -- what you spoke about, the 1/40th, which seems
9 like a good part of the discussion.

10 As I said, they are -- we get about --
11 I didn't say this, but we receive about 14,000
12 IAIs in the system as registered each year, but
13 only review them in the context of an overcharge for
14 an incoming tenant.

15 So I think, to the extent which -- that the
16 structure of the IAI itself is lengthened, you might
17 see less of them, but I don't think we know until we
18 change the laws.

19 SENATOR KAVANAGH: And just going back to
20 the -- and I'll make this my final question -- but
21 going back to the question of the housing stock
22 beyond the rent-regulated stock, and, of course,
23 that includes units within the ETPA region, as well
24 as around the rest of the state, you know, there are
25 about -- I think about 6 million rental units in the

1 state, a little over a million of them currently
2 rent-regulated.

3 Do we -- and you -- you were -- as you note,
4 your agency does a lot of work to renovate, and to
5 invest in new housing, and rehabilitation, all over
6 the state, and perhaps a subject for another
7 hearing, but, you know, there's certainly been a
8 great deal of effort in that area.

9 Do we have a crisis in lower-income
10 neighborhoods, that is -- that extends to
11 communities across the state, as we heard?

12 Do you agree with that assessment?

13 And -- and -- do we need additional
14 protections beyond what the rent regulations offer?

15 COMM. RUTHANNE VISNAUSKAS: It's a very
16 complex question, and I think probably the answer
17 depends a little bit on where around the state you
18 are, and what's sort of the -- the particulars of
19 that neighborhood look like.

20 I can certainly say that, certainly, there
21 are many towns and cities upstate that have suffered
22 from a down economy. Right?

23 There's many cities that were built for twice
24 the number of people that live there. So there's
25 this sort of a fair amount of disinvestment that has

1 happened over time.

2 So, as you nicely say it, we have worked for
3 the last two years, and will continue through the
4 course of the housing plan, to make sure we are
5 investing in communities around the state, to make
6 sure that, as their economies grow, there is
7 affordable housing, both new construction and
8 preservation.

9 I think, oftentimes, upstate people talk a
10 lot, and what -- certainly what I hear from people,
11 is that they talk more about quality.

12 And so that there's sort of a real need to
13 make sure there is investment into the housing
14 stock, so that the, sort of, basic quality standards
15 can be brought up to a level.

16 It's not exactly an area that we sort of have
17 governance over, but it is certainly something that
18 I hear a lot as I travel around the state.

19 SENATOR KAVANAGH: Is eviction itself -- a
20 frequent eviction (indiscernible)?

21 We have cities that -- where the stats
22 suggest it's a very high rate of turnover, of
23 involuntarily moving from one place to another.

24 I mean, is that -- is that a -- obviously,
25 that's an effect of people's incomes not keeping up

1 with the rents, with at least the rents that
2 landlords are desiring to charge them, and maybe
3 effective landlords pushing people out for other
4 reasons.

5 Is that, in your view, a cause for concern,
6 as well a cause of poverty, a cause of people having
7 difficulty living the lives you were talking about
8 that come from a stable home?

9 COMM. RUTHANNE VISNAUSKAS: We are very
10 focused on ensuring that as many people can live
11 stably and affordably in the state of New York with
12 the tools that we have.

13 And, certainly, I think everyone would agree
14 that, whether it's getting evicted and moving
15 multiple times, whether it's getting evicted and
16 being in a homeless shelter, that's sort of cycling
17 in and out of housing, moving children in and out of
18 different school districts, you know, certainly, is
19 not the type of housing that we want people to be
20 able to have access to around the state.

21 Right?

22 We really want people to be able to live
23 stably in addition to being able to live affordably.

24 So that's very important to us.

25 SENATOR KAVANAGH: So I'm going to give

1 someone else on the panel an opportunity to jump in.

2 Questions for the Commissioner?

3 SENATOR HARCKHAM: Yeah, thank you.

4 And good to see you again.

5 Thank you.

6 Earlier we had a discussion about the loss of
7 ETPA apartments here in Westchester.

8 During the period of the federal housing
9 settlement, I was on the county board.

10 We spent well in excess of \$60 million to
11 build 800 units. There were millions of dollars of
12 State money contributed as well.

13 And at the same time, we lost 1,000 units of
14 ETPA housing.

15 So, we weren't even keeping pace.

16 So what are we collectively, as government
17 and as an economy and as a housing market, doing
18 wrong, that we're spending tens of millions of
19 dollars to subsidize affordable housing, and we're
20 losing ground?

21 COMM. RUTHANNE VISNAUSKAS: I mean, I think
22 that there's sort of two pieces to that. Right?

23 One is, from our perspective of our housing
24 plan, we are working as best we can around the state
25 to make sure that we are both building new housing

1 and preserving existing housing through our
2 financial tools.

3 But the other part of that is, you know, as
4 we are sort of here talking about today, is sort of
5 strengthening the laws, to try and retain units in
6 the stock, and so that they aren't exiting at a pace
7 that is so fast, if that pace is, in fact, a result
8 of, sort of, the system being too generous.

9 So, we have to be vigilant, I think, on both
10 of those sides.

11 SENATOR HARCKHAM: We -- we've heard some
12 testimony about finding a responsible middle ground
13 in this discussion, between the right to prevent
14 tenants from evictions and from unaffordable
15 increases that they have no say or control in,
16 versus a landlord saying that they need to be able
17 to reinvest in their buildings.

18 To your mind, and to the administration's
19 mind, what is that responsible middle ground?

20 COMM. RUTHANNE VISNAUSKAS: I think that much
21 of the discussion that you have sort of heard from
22 folks, and that is in the conversation already now,
23 is sort of taking all of the tools that are in the
24 existing law and reforming them all, or pulling them
25 all back, to sort of de-escalate the loss of units.

1 So I think that's sort of the primary focus
2 of the strengthening of the laws. And, obviously,
3 we all hope that that will then, you know,
4 reverberate, and that we'll see less units exiting,
5 and rents staying down.

6 SENATOR HARCKHAM: Thank you, Mr. Chair.

7 Thank you.

8 SENATOR KAVANAGH: Leader Stewart-Cousins.

9 MAJ. LDR. STEWART-COUSINS: Thank you so
10 much.

11 Thank you so much, Commissioner.

12 Thank you for being here in my wonderful
13 district.

14 I know that Senator Kavanagh said that he
15 didn't want to have you get in front of the
16 Governor.

17 I don't necessarily want you to do that, but,
18 you know, people are talking about all nine
19 components of a package that -- that, you know, many
20 tenants feel will change their lives for the better.

21 Is there any part of this package that you
22 feel, you know, in terms of a statewide perspective,
23 would be something, you know, must do, shouldn't do?

24 Is there any piece of it that you feel is,
25 say, unworkable?

1 COMM. RUTHANNE VISNAUSKAS: I mean, as
2 I said, we are very --

3 Thank you for the question.

4 -- we're very supportive of a comprehensive
5 look at sort of -- as it relates to sort of the rent
6 loss, specifically, at looking at all those -- the
7 various pieces.

8 We talk about the main ones; vacancy
9 decontrol, preferential rents.

10 There are also a lot of other, sort of,
11 smaller provisions that impact people.

12 So I think, you know, we are -- there's much
13 discussion going on about the entirety, sort of, of
14 the rent laws.

15 And so we are clearly very in support of
16 significant and real change and reform across that.

17 I think maybe the other two things you might
18 alluding to, which are the big, sort of, discussion
19 points --

20 MAJ. LDR. STEWART-COUSINS: Right.

21 COMM. RUTHANNE VISNAUSKAS: -- are, expansion
22 of the ETPA and --

23 MAJ. LDR. STEWART-COUSINS: And "good cause."

24 COMM. RUTHANNE VISNAUSKAS: The good-cause
25 eviction.

1 So, I think that we have spent a lot of time
2 thinking about those, and talking about those, and
3 they are important, and they certainly support,
4 notionally, of having stronger protection for
5 tenants, and allowing people to rent stably -- to
6 live stably in their communities that they call
7 "home."

8 I think for, good-cause eviction, I think
9 that -- I think for both of them, that I would say
10 that the communities upstate are diverse also, and
11 they are different from New York City.

12 And so I think, as we think about all those,
13 we always want to make sure that there aren't any
14 unintended consequences of a law, and also that the
15 law is actually getting at the thing that we're
16 trying to address.

17 So, I think that we are, you know, in
18 discussions with folks on those, and I think they
19 are very important. And we're trying to balance, to
20 make sure that there's sort of the right medicine
21 for the symptoms, so to speak, and that we're
22 getting at, really, sort of the underlying,
23 foundational issues, whether it be around eviction,
24 or -- you know, or whatever the issue, that they
25 address those.

1 But, you know, we are sort of thick in the
2 conversation, and happy to be there.

3 MAJ. LDR. STEWART-COUSINS: Good.

4 The other thing, and, again, this is just
5 something that I put out there, and I'm hoping we
6 could do, Mitchell-Lama were -- you know, we all
7 know Mitchell-Lama, and there were state legislators
8 back in the day.

9 And I am wondering if there will be some
10 point, I would certainly hope so, that we could
11 again, as a state, advance a conversation that
12 actually puts in place some mechanism, where
13 there -- you know, there are opportunities for low-,
14 poor, moderate-income people to have some kind
15 sustained understanding that -- that -- that we are
16 committed to housing everyone.

17 And so I'm just putting that out there.

18 I think that we're trying to play catch-up.

19 We're trying to, you know, stop bad things.

20 Obviously, all of us want to make sure that
21 the investment in housing stock of all levels
22 continue.

23 But we do seem to be losing ground, in terms
24 of creating, or, potentially creating, the
25 opportunity to make sure that we are housing all of

1 New York.

2 So I'm hoping that we can work together to
3 try and get to some -- some -- some modern-day
4 Mitchell-Lama.

5 COMM. RUTHANNE VISNAUSKAS: Yeah, we would
6 love that.

7 We -- people are very affectionate about
8 Mitchell-Lamas in a way that I think is wonderful as
9 a housing stock. People are very attached to it.

10 And we have been working very hard to
11 preserve every Mitchell-Lama that's in our
12 portfolio, to make sure that it doesn't just serve
13 the generations of the past, but that it also serves
14 the generations of the future.

15 And are happy to -- we have about
16 8500 Mitchell-Lama apartments that we've been
17 working our way through our pipeline, and we're just
18 about done with that, sort of, older stock.

19 I guess what I would say is, you know, we
20 were so thrilled with the Legislature, to be able to
21 get funding for our housing plan two years ago.

22 And it takes 18 months, 2 years, to build a
23 building.

24 And so I think many people can sort of see
25 the fruits on the new-construction side of a lot of

1 those efforts.

2 But it is certainly my -- fills in my hopes
3 and dreams that, sort of, going forward, as those
4 units continue --

5 MAJ. LDR. STEWART-COUSINS: And I don't want
6 it to be a Mitchell-Lama.

7 I want it to be whatever the --

8 COMM. RUTHANNE VISNAUSKAS: Yes --

9 MAJ. LDR. STEWART-COUSINS: -- current
10 configuration --

11 COMM. RUTHANNE VISNAUSKAS: -- version of
12 that is.

13 MAJ. LDR. STEWART-COUSINS: -- yes, yes, of
14 the Senate, the Assembly, and as well as the
15 Governor, creating some sort of new program that
16 meets the needs of today.

17 COMM. RUTHANNE VISNAUSKAS: Absolutely.

18 MAJ. LDR. STEWART-COUSINS: Because, I'm
19 sure, you know, when that was created all those many
20 years ago, their housing situation was no more dire
21 than ours are today.

22 COMM. RUTHANNE VISNAUSKAS: Agree, agree.

23 MAJ. LDR. STEWART-COUSINS: Thank you.

24 COMM. RUTHANNE VISNAUSKAS: Thank you.

25 SENATOR KAVANAGH: Thank you.

1 Senator Myrie.

2 SENATOR MYRIE: Thank you.

3 Thank you, Commissioner, for your testimony.

4 I just have a couple of questions, and one is
5 more of a comment.

6 We've heard a lot of testimony around MCIs
7 and IAIs, and particularly from property owners
8 that, as you know, there are a full range of
9 proposals that range from, eliminating them in their
10 entirety, to reforming them.

11 We've heard that, touching them at all, would
12 wreak havoc on the economics of investing and
13 maintaining property.

14 And I just -- I know that you have expressed
15 that you and the administration are in support of
16 some sort of reform here.

17 And I just wanted to -- I'm wondering if you
18 can just speak to whether or not reform of MCIs
19 and IAIs will, in fact, lead to this cataclysmic
20 disinvestment?

21 COMM. RUTHANNE VISNAUSKAS: Well, I can't see
22 into the future, but I would say that, what I think
23 is important, as it relates to MCIs, is that, you
24 know, of the 40,000 buildings and the million
25 apartments that are owned -- that are operated in

1 New York City under the rent-stabilization system,
2 they are operated by private landlords.

3 And so I think what we want to make sure is
4 that, landlords will still invest in boilers and
5 roofs and, you know, the major capital elements,
6 sort of, the buildings.

7 I think that, you know, as the Governor has
8 said, and I have echoed, I think we need to reform
9 the existing system.

10 But I think we do want to make sure that
11 people invest in buildings because, when they don't,
12 you know, obviously, that the tenants are the first
13 people who bear the brunt of a boiler that goes out
14 all the time.

15 So I think it's important to us, to make sure
16 that -- that those landlords are still allowed to
17 make investments in their building, but I think we
18 all agree that some of that -- that the system
19 itself could be reformed.

20 SENATOR MYRIE: Okay.

21 And my second question is related.

22 Part of the impetus for us to reform these,
23 or change them, has been the fraud and abuse that
24 we've seen.

25 Some of this has been made very public, and

1 some of it is, I think, more everyday, and a lot of
2 things that people don't see.

3 And in these discussions, we have brought up
4 the possibility of strengthening HCR's ability to
5 root out this fraud and to root out this abuse.

6 And I'm wondering if you could speak to
7 whether or not you think you currently have the
8 capacity to attack abuses?

9 And if you do not, what we could do to help
10 put HCR in the position to do so.

11 COMM. RUTHANNE VISNAUSKAS: I would say two
12 things.

13 The tenant-protection unit, which is a very
14 mean, lean machine of staff, has brought back
15 76,000 units into the system, units that should not
16 have left the system; that they investigate and
17 bring them back.

18 So I think, in 2018 alone, we brought back
19 about 11,000 units into the system.

20 So I do think we have a very strong system
21 for doing that.

22 But I would -- I would also say that we were
23 extremely thankful to get 95 new FTEs into ORA as
24 of the budget last year.

25 That is more new staff than we have had in

1 ORA since the early 1990s.

2 So, we were incredibly thankful to be able to
3 get that.

4 We will have, probably, half of those staff
5 on-site and on-boarded probably within the next
6 60 days.

7 We are actively recruiting now, but you have
8 to go, sort of, through the civil-service system.

9 But our -- you know, it would be amazing for
10 us to have over half of the 95 in place -- the
11 budget was April, so, April, May -- so, three-ish
12 months after the approval. And we are working very
13 hard to keep that pace going.

14 And so I think that will go a long way to
15 strengthening ORA's work, to actually be, not only
16 sort of backup to some historic levels, but to
17 really have an infusion of new staff into the --
18 into the office will go great lengths.

19 SENATOR KAVANAGH: Just one follow-up
20 question.

21 You -- so you've mentioned a couple of times
22 that the tenant-protection unit, by its -- and
23 that's a specialized unit that reviews, sort of,
24 systemically reviews large -- typically, larger
25 landlords for -- that appear to be misbehaving in

1 some way, and kind of -- and tries to address the
2 situation.

3 And the result of that work is 94,000 units
4 have been added back into the system that had been
5 previously improperly deregulated.

6 I mean, can we -- that's almost 10 percent of
7 the system.

8 I mean, can we -- would it be fair to
9 conclude from that, that there are at least -- there
10 are a substantial number of landlords, of a good
11 scale, that, when given the opportunity to -- for
12 lack of a better word, to cheat, to remove units
13 from the system contrary to the rules, that will --
14 we'll do that on a systemic basis?

15 Isn't that an indicator that there's
16 something really broken about the way landlords have
17 approached this system to date?

18 COMM. RUTHANNE VISNAUSKAS: I think that --
19 I'll say a couple of things.

20 Just to correct the -- it's about 75 -- a
21 little over 75,000 units, not 95,000 units, but,
22 just to be on the record.

23 SENATOR KAVANAGH: My short-term memory must
24 be --

25 COMM. RUTHANNE VISNAUSKAS: That's okay.

1 I think that the -- obviously, that the
2 tenant-protection unit does sort of an incredible
3 amount of very, very important work in bringing
4 those units back.

5 It can often be units that -- and I -- sorry.

6 And I guess I would address, I don't know the
7 statistics, as to whether or not those are largely
8 from larger landlords versus smaller landlords.

9 But I guess what I would say is that, there
10 are not enough -- there -- one could argue that,
11 perhaps, there are not enough penalties in the
12 system for not following the law, and that there
13 need to be some less opportunities for that to
14 happen.

15 And I think those are probably two of the
16 guiding principles people are looking at as we look
17 at the rent laws together, is how to, sort of,
18 reduce the number of opportunities for people to
19 take advantage of the system.

20 SENATOR KAVANAGH: But a substantial
21 willing -- putting aside whether it's larger
22 landlords or smaller landlords, (indiscernible) it's
23 a substantial willingness to -- to put it nicely,
24 decline to comply with the law, unless there's
25 somebody properly policing the system?

1 COMM. RUTHANNE VISNAUSKAS: Yes, so for
2 someone who does not, you know, register their unit
3 with us, there is not a penalty for not registering.

4 So, you know, there are not enough, sort of,
5 safeguards probably built in to make sure that
6 people do follow the rules.

7 SENATOR KAVANAGH: And those -- and those
8 penalties were -- there -- in a previous -- there
9 were previously penalties in place, and those were
10 repealed during the course of earlier renewal
11 efforts to the law, as I understand, I mean, some
12 years ago?

13 COMM. RUTHANNE VISNAUSKAS: I think it was --
14 I think it's been quite some time --

15 SENATOR KAVANAGH: In the '90s --

16 COMM. RUTHANNE VISNAUSKAS: -- since there
17 were --

18 SENATOR KAVANAGH: -- right.

19 COMM. RUTHANNE VISNAUSKAS: -- penalties in
20 place for not following the law.

21 SENATOR KAVANAGH: Okay.

22 I have no further questions.

23 Any other questions or comments?

24 SENATOR HARCKHAM: Just a quick follow-up.

25 SENATOR KAVANAGH: Senator Harckham.

1 SENATOR HARCKHAM: Thank you, Mr. Chair.

2 I'm -- getting back to the number of units
3 that have been recovered into the system --

4 COMM. RUTHANNE VISNAUSKAS: Uh-huh?

5 SENATOR HARCKHAM: -- do you know how many of
6 those were in Westchester?

7 COMM. RUTHANNE VISNAUSKAS: Of the 76,000,
8 I don't. But we could get back to you with that
9 number.

10 SENATOR HARCKHAM: That would be great.

11 Thank you.

12 Thank you.

13 COMM. RUTHANNE VISNAUSKAS: You're welcome.

14 SENATOR KAVANAGH: If there is nothing
15 further on the panel, thank you so much for joining
16 us on the panel here in Greenburgh today.

17 COMM. RUTHANNE VISNAUSKAS: Thank you.

18 SENATOR KAVANAGH: Next up we're going to
19 have Ava Farkas, the executive director of Met
20 Council on Housing, and, Reverend Joya Colon-Berezin
21 of Scarsdale Congressional Church, if she's here.

22 REV. JOYA COLON-BEREZIN: She just stepped
23 out.

24 SENATOR KAVANAGH: Reverend, why don't you
25 come up, and we'll see if somebody can find Ava.

1 So if you're -- yeah, if you're prepared, why
2 don't you go ahead, and we'll bring Ava Farkas up.

3 Somebody -- I think some of my staff is
4 looking for her now.

5 REV. JOYA COLON-BEREZIN: All right.

6 Thank you.

7 Good morning, Senator Kavanagh.

8 And thank you to the members of the
9 Committee.

10 My name is Reverend Joya Colon-Berezin, and
11 I'm a minister at the Scarsdale Congressional Church
12 in Scarsdale, New York.

13 I'm here today in support of universal rent
14 control for all New Yorkers.

15 I'm here today because my faith compels me to
16 be here. It calls me to stand with those who are
17 the most vulnerable and have the least protections.

18 I'm here today to fight for those whose backs
19 are against the wall, whose voices have been
20 silenced.

21 And, this may actually be shocking to some,
22 but one of these vulnerable populations today
23 are the low- and middle-income tenants of
24 Westchester County.

25 I myself am a tenant. I am a voter and a

1 taxpayer.

2 I moved to White Plains about two years ago
3 and went through the process myself of looking for
4 an affordable place to live.

5 Between my spouse and I, between the two of
6 us, we do have a high enough income, we have high
7 enough credit, we have light enough skin, to be able
8 to secure suitable housing; yet, I'm all too aware
9 that many in this same immediate area have not been
10 that fortunate, including a staff member of my
11 congregation.

12 In December of last year, one of our staff
13 members was displaced from his rent-stabilized
14 apartment in Yonkers due to a fire, no fault of his
15 own.

16 Nonetheless, he was placed by DSS (the
17 department of social services) in a shelter for
18 four months.

19 During that time he received a loud and clear
20 message that he could no longer afford to live in
21 Westchester.

22 He was able to pay as much as 1500 a month in
23 rent.

24 He searched for four months, and could not
25 find a two-bedroom apartment that was suitable for

1 himself and his disabled father.

2 "Being priced out" is not a figure of speech.
3 It is a growing and literal reality.

4 And to respectfully disagree with a comment
5 made earlier by a landlord advocate, indeed, the sky
6 is falling for tenants in Westchester.

7 After four months of searching, he was forced
8 to take an apartment in Bridgeport, Connecticut.

9 The worst part is that he was not alone.

10 Many of the others that he met in the shelter
11 system were in a very similar situation, and many
12 are continuing to live in the shelter, unable to
13 afford the rents here in Westchester.

14 To you all, and our other representatives,
15 now is the time to pass universal rent control for
16 all New Yorkers.

17 Now is the time to expand renters' rights and
18 protect tenants.

19 Now is the time to pass good-cause eviction
20 legislation to bring renters' rights to all
21 unregulated tenants, including those in smaller
22 buildings, with six units and under, who have, as of
23 yet, been not part of any kind of rent protections.

24 This crisis is not some distant future
25 reality; it's our present reality.

1 We've waited too long. These fights have
2 been going on for decades.

3 And it's now time for our elected officials
4 to act boldly.

5 And I will close with this:

6 In 2006, I was living and working in New York
7 City, and I came up to White Plains with a
8 delegation of community organizers on Election Day
9 to campaign for a promising, progressive candidate
10 that was challenging the Republican incumbent.

11 A group of us spent all day making sure that
12 Andrea Stewart-Cousins would win this Senate seat,
13 because we believed that, someday, she would be our
14 voice, not only a voice here locally in this
15 district, but a voice for the entire state; a voice
16 for working families and the most vulnerable among
17 us, to demand that all New Yorkers get to call this
18 place "home."

19 I pray that day has come.

20 Thank you.

21 SENATOR KAVANAGH: Ava.

22 AVA FARKAS: Good morning.

23 My name is Ava Farkas, and I'm the executive
24 director of the Met Council on Housing.

25 We represent 900 dues-paying members

1 throughout New York City, and we help 4,000 tenants
2 a year through our telephone hotline and walk-in
3 clinic.

4 Our members are taxi drivers, school aides,
5 social workers, and artists. They are college
6 students who are new to the city, and retirees who
7 have lived there their whole life.

8 They are all able to call New York City
9 "home" because they live in a rent-stabilized or
10 rent-controlled apartment.

11 For the past 60 years, our members have
12 fought to preserve, strengthen, and expand rent
13 regulation as the best means to keep rents
14 affordable and the private housing market in check.

15 This fight is so important to our members,
16 that they took time off work to travel to Albany
17 two weeks ago to rally with 2,000 tenants statewide.

18 And they have given their weekends to canvas
19 in strategic districts, going door to door, to sign
20 petitions and educate other tenants.

21 I began at Met Council four years ago during
22 the last rent-law renewal, and despite
23 Governor Cuomo's public statements in favor of many
24 of our reforms, in the end, he negotiated a deal
25 that continued the status quo.

1 So I totally disagree with the commissioner's
2 characterization that the Governor has consistently
3 passed the strongest and most pro-tenant
4 legislation.

5 Since that time, four years ago, dozens of
6 New York City neighborhoods have been rezoned,
7 including mine.

8 Inwood and Washington Heights is a
9 neighborhood that has the highest amount of
10 rent-regulated apartments, and it's also the home of
11 a vibrant working-class Dominican immigrant
12 community. It's one of the last affordable
13 neighborhoods of city.

14 Since the rezoning has passed, we already see
15 corporate landlords, like Barberry Rose, buying up
16 32 building portfolios, and systematically evicting
17 tenants through non-primary-residence cases, and
18 rehabbing buildings through individual apartment
19 improvements and major capital improvements; all of
20 this a part of the playbook to maximize profits by
21 exploiting the loopholes in the rent laws.

22 For my neighborhoods, strengthening rent
23 regulation will be the only lifeline for the
24 working-class community.

25 Senators of the Housing Committee, in the

1 next three weeks, you have the chance to make
2 history by righting the wrongs of 22 years of bad
3 neoliberal economic policy by passing the nine-bill
4 platform we call "universal rent control."

5 The dismantling of rent regulation, which
6 began in the 1990s, has wreaked havoc on our cities
7 and suburbs, and made our communities less secure
8 and stable.

9 Rents have risen, while wages have not.

10 I want to highlight a number of the bills of
11 the nine-point platform that we really need you to
12 go to the mat for, because we're concerned that they
13 will be heavy political lifts.

14 The first, S2591, the bill sponsored by
15 Senator Stewart-Cousins, will repeal vacancy
16 decontrol and re-regulate deregulated apartments.

17 While there appears to be consensus, even
18 from the RSA, that this will pass, we are concerned
19 about the re-regulation of the lost units.

20 We want to stress that, for our members, this
21 is a priority.

22 Rent regulation is a complaint- and
23 tenant-driven system. It only works when tenants
24 stand up for their rights, and they are more
25 effective when they fight as a group.

1 In many buildings where we organize, and in
2 gentrifying communities across the city, we find
3 that there is a group of regulated tenants and
4 unregulated tenants.

5 The power of collective action is weakened
6 when there's a segment of tenants that have
7 second-class rights, and everyone is harmed as a
8 result.

9 We've heard the argument made, Why do we need
10 to protect tenants who can afford to pay \$5,000
11 rent?

12 The real question is, Why do we need to
13 protect landlords who are charging \$5,000 rent?

14 As we hear on our hotline every day, often,
15 these deregulated units are being split by
16 roommates, three to four students or young people.
17 They can only afford such a high rent by splitting
18 it multiple ways.

19 Re-regulating lost units would be hugely
20 transformative to New York City and the suburbs.

21 We urge you to be uncompromising on this
22 issue.

23 A second bill I want to highlight is relief
24 for rent-controlled tenants.

25 A large percentage of our members are

1 seniors, and many of them are rent-controlled.

2 If they worked for the City, they have a
3 pension that is higher than the SCRIE cut-off, but
4 they are by no means well-off.

5 Burdening them with a 7.5 percent increase is
6 unconscionable, and means that, oftentimes, their
7 rents are way higher than their rent-regulated
8 neighbors.

9 Bringing relief and fairness to
10 40,000 households that are mainly seniors should
11 be a no-brainer for the New York State Senate.

12 In closing:

13 I urge the New York State Senate to work
14 directly with the Assembly to pass the nine-bill
15 package as-is, and put the bills on Governor Cuomo's
16 desk.

17 Allowing Cuomo to be part of negotiations
18 will be a big mistake and will result in a
19 watered-down package.

20 He was not a friend to tenants four years
21 ago, and he is not a friend to us now.

22 In November, tenants helped vote in a
23 democratic State Senate.

24 We are counting on you to vote with tenants
25 on June 15th.

1 Thank you both for your testimony.

2 Reverend Colon, is it?

3 REV. JOYA COLON-BEREZIN: Sure.

4 SENATOR KAVANAGH: I wasn't sure how to --
5 whether to use the --

6 REV. JOYA COLON-BEREZIN: Just call me Joya.

7 SENATOR KAVANAGH: I'll call you Joya.

8 Reverend Joya.

9 The -- can you just talk a little bit more
10 about how -- so you -- you -- repre -- you come from
11 a community that has rent regulation through ETPA.
12 And, as you note, come from a part of our state that
13 many people view as a wealthier part of the --
14 wealthier part of the state.

15 You know, to the extent that sometimes folks
16 tell us that, you know, everything is fine in some
17 communities.

18 I think some of the communities in this area
19 are often cited as -- as -- you know, not -- and
20 I think even the testimony from one of our landlord
21 representatives earlier, was to suggest this is
22 not -- this is not New York City, so we don't need
23 the kind of protections that we're here to talk
24 about today.

25 Can you just talk about, from your

1 experience, how widespread is housing instability
2 and security in -- in -- in the community -- in the
3 communities that -- that -- that you come from?

4 REV. JOYA COLON-BEREZIN: So I serve a
5 congregation that's in Scarsdale, New York, which is
6 the Beverly Hills of the East Coast. It's an
7 incredibly affluent community.

8 And most of my congregation are homeowners,
9 and they are not affected by any of this, any of
10 these legislative changes.

11 That is not representative of
12 Westchester County, where you have hundred -- like,
13 tens of thousands of tenants that are deeply
14 impacted by these kind of legislative protections.

15 And, you know, I think that, as -- as -- as
16 legislators, as elected officials, it's your job to
17 look to those populations, that are the ones that
18 need advocacy and the ones that need a voice.

19 I worked for many years as a organizer in
20 New York City, where most of the -- many -- many
21 more people were impacted by these rent-regulation
22 issues.

23 And so that's why, if you had this hearing in
24 New York City, there would be a lot more people,
25 I think, filling these -- these seats.

1 SENATOR KAVANAGH: Well, that's not
2 hypothetical, because we did, in fact, have a
3 hearing in Brooklyn, and it lasted for eight hours.
4 And we had to be kind of kicked out of the building
5 in order to get to us leave.

6 But we did hear from a great many people
7 there.

8 REV. JOYA COLON-BEREZIN: Yeah, so I think --
9 I mean, I'm here speaking on the moral issues, and
10 the moral issue is, that there is a definite right
11 and wrong when it comes to tenant protections.

12 And doing the right thing means protecting
13 tenants.

14 SENATOR KAVANAGH: And I just want to
15 observe, I really appreciate you bringing up the
16 rent-control issue, which is a very important issue,
17 because, numerically, not as -- you know, there are
18 about 22,000 or so rent-controlled units, and about
19 a million rent-stabilized units.

20 But it is -- it is one -- it is an agenda
21 item that we often don't -- haven't been, kind of,
22 in the foreground during these hearings. But it
23 is -- it's important to remember that that is also
24 something that we are looking into.

25 So I think I'll end there.

1 If my colleagues have questions or comments?

2 MAJ. LDR. STEWART-COUSINS: Well, I just
3 wanted to certainly say, thank you, for your efforts
4 on my behalf back in the day, and thank you for
5 representing my district now, because I have
6 Scarsdale as well, I'm sure you know.

7 And the one thing that I say, the reality is,
8 that -- well, the district is gerrymandered, but,
9 there is no place in my district that affordable
10 housing is not an issue.

11 And even in Scarsdale, where the homeowners'
12 children can't necessarily live there, or, the
13 seniors are trying to figure out, you know, once
14 they become empty-nesters, where do they go?

15 So the reality is, is that the
16 affordable-housing issue is happening everywhere,
17 it's just on different levels, obviously. You know,
18 it's not -- not the same intensity.

19 But, I think about -- I think about
20 everybody, and nobody, you know, wants to leave
21 their -- their community.

22 And so I just want to take the moment to
23 thank you, and to tell you that I think your efforts
24 were well-placed, obviously, because we are in a
25 position of having, not only as the majority been

1 able to do a lot of important things, we will
2 continue to do a lot of important things, and give
3 voice to those who count on government to do the
4 right thing.

5 So, thank you.

6 REV. JOYA COLON-BEREZIN: I guess
7 (inaudible) --

8 MAJ. LDR. STEWART-COUSINS: Go ahead.

9 REV. JOYA COLON-BEREZIN: -- I suppose my
10 point was, that, you know, it's not -- it's not a
11 false idea that Westchester -- that many affluent
12 homeowners reside in Westchester. That's a reality.

13 MAJ. LDR. STEWART-COUSINS: No, that's real.

14 REV. JOYA COLON-BEREZIN: Yeah.

15 And, yet --

16 MAJ. LDR. STEWART-COUSINS: But I like to
17 tell people that -- that, you know, everybody's --
18 everybody's thinking about this.

19 And so it's incumbent upon us to be clear
20 that it's an issue --

21 REV. JOYA COLON-BEREZIN: Exactly.

22 MAJ. LDR. STEWART-COUSINS: -- for everybody.

23 REV. JOYA COLON-BEREZIN: Even though that
24 exists, people have a tendency to let that reality
25 cloud many of the other realities that also exist

1 here --

2 MAJ. LDR. STEWART-COUSINS: Exactly.

3 REV. JOYA COLON-BEREZIN: -- which is that
4 there are a lot of poor and low-income people that
5 are being displaced.

6 MAJ. LDR. STEWART-COUSINS: I know.

7 REV. JOYA COLON-BEREZIN: And so I thank you
8 for being a voice for us.

9 And we believed in you back then, and we
10 still believe in you now.

11 MAJ. LDR. STEWART-COUSINS: Well, thank you.

12 REV. JOYA COLON-BEREZIN: And we'll be
13 praying for you.

14 MAJ. LDR. STEWART-COUSINS: You I believe in
15 you too.

16 We -- we -- I think -- I think we are
17 embarking on, you know, something.

18 Like you said, this has been going for over
19 two decades.

20 And, you know, we're at this -- this moment,
21 where we obviously understand that it is an
22 important space for us to occupy, and we want to do
23 it right.

24 So, thank you.

25 SENATOR KAVANAGH: Thank you.

1 REV. JOYA COLON-BEREZIN: Thank you.

2 SENATOR KAVANAGH: Next up, do we have
3 Christopher Schweitzer here?

4 And, also, Tamara Stewart, if she's here.

5 Great. Thank you.

6 CHRISTOPHER SCHWEITZER: Thank you.

7 Good afternoon.

8 My name is Christopher Schweitzer. I'm a
9 supervising attorney of housing in the Yonkers
10 office of Legal Services of the Hudson Valley.

11 I've spent the last several years
12 representing tenants who cannot afford an attorney
13 in landlord-tenant court, trying to prevent
14 evictions.

15 In response to the request of the
16 Committee on Social Services, Legal Services submits
17 the following information on how the proposed
18 resolutions will affect Westchester residents facing
19 eviction:

20 Legal Services of the Hudson Valley has four
21 offices in Westchester County.

22 In these offices we have 19 attorneys who
23 represent Westchester residents in housing court;
24 11 who solely practice in housing, 11 who -- or,
25 8 who serve special populations, including the

1 elderly, veterans, and people with mental
2 disabilities.

3 These attorneys cover the city's five city
4 courts and 37 town and village courts.

5 Under current law, most tenants can be
6 evicted even if they have done nothing wrong and are
7 up to date with their rent, and most landlords can
8 impose rent increases without limit.

9 The proposed changes to the law would
10 strengthen tenants' rights and help prevent these
11 unnecessary evictions.

12 Going to the specific proposals:

13 S2892, prohibiting evictions without good
14 cause, would prevent homelessness and improve
15 stability.

16 It's heartbreaking to have to tell a client
17 they can be evicted for no reason.

18 When an eviction can commence upon the
19 expiration of a lease, or upon one month's notice
20 when there is no lease, the best outcome you can
21 get, even with an attorney representing you, is not
22 very good.

23 The best you can get is to ask for time.

24 Because tenants can be evicted from most
25 apartments in Westchester without cause, they're

1 limited in their ability to assert their rights even
2 while living in their apartments.

3 We've observed tenants living in substandard
4 housing because they have to move precipitously, and
5 don't always have time to check and find out if an
6 apartment is in good condition before they move in.

7 Tenants being hampered in their ability to
8 assert the right to a safe and habitable apartment
9 because they fear being evicted for calling the
10 building department or making other complaints, and
11 the defense to retaliatory eviction is not very
12 strong.

13 Tenants with Section 8 vouchers standing to
14 lose their vouchers because they have to find a new
15 apartment on such short notice.

16 And, tenants who cannot move and end up with
17 eviction proceedings on their record, which causes
18 prospective landlords to reject them because of
19 these records for evictions that never should have
20 happened to begin with.

21 And evictions that can damage their credit
22 report and cause other issues in their lives.

23 Lastly, eviction-prevention agencies,
24 designed to help pay arrears when tenants fall on
25 hard times, generally look to see if a tenant has a

1 lease before agreeing to pay rent arrears, to ensure
2 that it saves the housing and isn't going to result
3 in an eviction a month or two later.

4 A lot of times this can result in an eviction
5 or unpaid rent arrears, simply because they don't
6 have a lease, and because the housing can't actually
7 be saved, because there's no right to remain in the
8 apartment.

9 It's particularly important that good-cause
10 eviction is passed in New York State, and that it
11 excludes non-payment of rent as good cause for
12 eviction when there's been an unconscionable rent
13 increase, to prevent landlords from circumventing
14 the law, by forcing tenants out by making apartments
15 intentionally unaffordable.

16 Landlords will often increase the rent, you
17 know, two, three, four times, just to force tenants
18 out and make sure that they can't afford it, or that
19 their Section 8 voucher will no longer cover the
20 rent, so that they have to move.

21 And we need to close these loopholes.

22 The next proposal, eliminating the 20 percent
23 vacancy increase of the Emergency Tenant Protection
24 Act, would remove a tremendous incentive for
25 landlords to turn over apartments as quickly as

1 possible.

2 The ETPA, as you know, requires annual lease
3 renewals with limited rent increases, absent good
4 cause, which is a critical protection to prevent
5 unnecessary evictions.

6 When a vacancy increase happens, a landlord
7 can increase the rent by 20 percent, and an
8 additional increase if it's been more than
9 eight years since the last vacancy increase.

10 And each vacancy increase brings the
11 apartment closer to deregulation.

12 This provides landlords an incentive to turn
13 over apartments as quickly as possible, to raise
14 legally regulated rents until they reach decontrol
15 levels and come out from under ETPA regulations.

16 At Legal Services we have seen weak
17 allegations of lease violations, just to get tenants
18 out, specifically to get the vacancy allowance and
19 get apartments closer and closer to decontrol
20 levels.

21 Currently in Westchester, 5 of 6 cities and
22 16 towns and villages have adopted ETPA.

23 As you know, it only applies to dwellings
24 with six or more units and buildings that were built
25 before 1974.

1 But eliminating the vacancy increase would
2 substantially protect these buildings from turnover.

3 The next provision, creating permanency in
4 preferential rents, can further prevent abuses from
5 ETPA regulations.

6 Currently, tenants are generally offered
7 preferential rents to move into an apartment, and
8 then the preferential rent is pulled a year or two
9 years in to their tenancy, at which point the
10 apartment becomes unaffordable, and they're forced
11 move out, again, giving the landlord the vacancy
12 amount so that they can get the apartment closer and
13 closer to a decontrolled level.

14 Lastly, we see that the preferential rent is
15 used as a tool to hide overcharges.

16 Tenants are given a preferential rent amount
17 so that they don't go look at the rent-registration
18 history, so that they don't find out that the
19 landlord's been registering the apartment at a
20 higher amount than is legally permissible, so that
21 they can decontrol -- get the apartment decontrolled
22 without anyone ever filing a complaint.

23 As the commissioner of HCR stated, they go,
24 essentially, on an honor system.

25 Until someone files a complaint, everything

1 filed by the landlord stands.

2 So, if they can keep offering a preferential
3 rent, and no one files the overcharge complaint,
4 they're never going to check those records until
5 after the apartment is decontrolled and it's too
6 late.

7 So it's incredibly damaging that apartments
8 become decontrolled, simply because they offer
9 preferential rents, just to purposely decontrol the
10 apartments and prevent tenants from filing
11 overcharge complaints.

12 Lastly, removing individual apartment
13 improvements is connected to the economic incentives
14 for landlords to turn over ETPA apartments.

15 IAIs require tenant sign-off, unless they
16 are done while an apartment is vacant.

17 Tenant complaints of the enforcement
18 mechanism, with a four-year look-back period, but
19 rent tenant burdens are incredibly frustrated with
20 their ability to challenge IAIs that are
21 instituted, drawing vacancy.

22 They can't challenge them, as well, if
23 they're imposed before the tenant moves in.

24 Repealing this provision would likely reduce
25 how quickly apartments are deregulated and prevent

1 unjust rent increases.

2 Eliminating the major capital improvements
3 would remove another mechanism to increase ETPA
4 rents, and have a similar effect for removing the
5 IAIs.

6 All of these things contribute to an
7 apartment exceeding affordability, and exceeding
8 what a Section 8 voucher can pay.

9 Legals Services often sees apartments, even
10 under ETPA restrictions, that is simply unaffordable
11 for our clients.

12 Removing and changing these laws would help
13 improve the affordability of housing in Westchester.

14 Thank you.

15 SENATOR KAVANAGH: Great. Thank you.

16 TAMARA STEWART: Good afternoon.

17 MAJ. LDR. STEWART-COUSINS: Good afternoon.

18 TAMARA STEWART: My name is Tamara Stewart,
19 and I'm a tenant representative on the Westchester
20 Rent Guidelines Board, in addition to being a member
21 of Mount Vernon United Tenants, as well as Community
22 Voices Heard.

23 I'm also a tenant representative of
24 Westchester Plaza Tenants' Coalition in
25 Mount Vernon.

1 My testimony is going to be an actual
2 follow-through on the testimony right before me.

3 But before that, I'd like to thank Majority
4 Leader Andrea Stewart-Cousins; Housing Committee
5 Chair, Brian Kavanagh; and the Senate Democratic
6 Conference, for taking a leadership stance with
7 regard to addressing New York State's housing crisis
8 and the dire plight of millions of tenants in our
9 wonderful state.

10 Now, more than ever, tenants need relief from
11 the current system in which owners have almost all
12 of the power and tenants have almost none.

13 We need you to expand tenant protections
14 statewide, and close the worst loopholes in the
15 rent-regulation laws which owners have been
16 exploiting for decades.

17 I urge to you pass all nine bills that have
18 been proposed to provide relief to tenants.

19 Westchester Plaza Tenants have firsthand
20 experience with the debilitating effects of ETPA
21 having been intentionally weakened since 1997.

22 Westchester Plaza is comprised of almost
23 700 apartments in 4 buildings. It is the largest
24 rental apartment complex in the city of
25 Mount Vernon.

1 While most of the apartments at Westchester
2 Plaza are rent-stabilized, more and more units are
3 losing that protection status every year, largely
4 due to the owners taking advantage of the large
5 loopholes in the current regulations.

6 Four of the most egregious loopholes being
7 employed to hike rent-stabilized rents are the
8 20 percent vacancy bonus, individual apartment
9 improvements, major capital improvements, and
10 impermanent preferential rents.

11 Here's just one example of how these
12 loopholes are often employed in combination against
13 tenants:

14 Exhibit A, which is in the copies that you --
15 I submitted at the desk, is a rent-stabilized lease
16 offered to a new Westchester Plaza tenant in 2017
17 for a two-bedroom apartment.

18 According to this lease, the legal regulated
19 rent for the prior tenant was \$1,671.92 a month,
20 which is on page 10.

21 A statutory 20 percent vacancy increase of
22 \$334.38 was then added to the rent, followed by
23 another \$110.35 because the prior tenant had been in
24 residence for more than eight years.

25 Just these two basic additions brought the

1 rent for this apartment up to \$2,116.65 per month.

2 However, management at Westchester Plaza
3 habitually performs IAIs on vacant apartments,
4 whether they're needed or not.

5 In this case, the owner claims that it
6 performed renovations to the kitchen, bathrooms,
7 doors, windows, electrical work, sheetrock, floors,
8 alarms, and air conditioners of this apartment,
9 totaling \$28,697.13.

10 I find it hard to believe that renovations
11 this extensive were performed without the need for
12 any permits from the building department.

13 There are none on file.

14 Permits notwithstanding, 1/60th of the
15 owner's claimed IAIs ratcheted up this apartment's
16 rent by another \$478.29, for a new legal rent of
17 \$2,594.94.

18 By exploiting existing loopholes in ETPA, the
19 owner was able to permanently raise the allowable
20 rent on this apartment by almost \$1,000 in a couple
21 of months.

22 Recognizing that \$2600 a month for a
23 two-bedroom apartment in Mount Vernon is high, the
24 owner chose to offer the new tenant a discount, and
25 only asked for \$2,075 per month for the apartment,

1 inserting a preferential rider into the lease.

2 Many of my neighbors have preferential riders
3 in their leases, and many of them are seeing their
4 rents go up by \$100 or more every time their lease
5 renews, which is in Exhibit B.

6 Please eliminate the 20 percent vacancy bonus
7 and IAIs, and please make preferential rents
8 permanent during each tenancy.

9 With regard to MCIs, all four buildings in
10 my complex are expecting to have to fight against a
11 slew of MCIs.

12 The building that I live in was the first
13 recipient of MCI paperwork for the building's new
14 roof.

15 Westchester Plaza tenants have filed, and
16 been granted, nine rent-reduction orders by DHCR in
17 the past three years, following decades of neglect
18 by the current and prior owners of the complex.

19 We started filing building-wide
20 rent-reduction applications after we couldn't get
21 the owner to address outstanding maintenance issues
22 related to required services.

23 It was only after we filed papers with DHCR
24 that the owner began to make the needed repairs.

25 The owner has since filed numerous inaccurate

1 replies, appeals, premature rent-restoration
2 applications, and even a modification-of-services
3 request two years after they removed our pool
4 without prior permission.

5 Tenants have had to hire an attorney, collect
6 hundreds of signatures, file repeated complaints
7 with the building department, gather documentary
8 evidence, take pictures, secure affidavits, and pay
9 tens of thousands of dollars to an attorney to
10 secure our rent-reduction orders, and fight against
11 our rents being restored prior to the restoration of
12 all of our required services.

13 If it's this hard to fight against
14 unscrupulous owners when tenants have rights, I ache
15 for my fellow tenants who are forced to deal with
16 shameless landlords without the benefit of legal
17 redress.

18 Beyond closing the loopholes that I have
19 discussed in detail, tenants implore you to pass the
20 other proposed measures.

21 We ask you to end vacancy decontrol.

22 And, in fact, we need you to re-regulate
23 decontrolled units to increase the rapidly dwindling
24 number of rent-stabilized apartments that are
25 available.

1 Many rent-regulated apartments, like my
2 previous example, are just one vacancy away from
3 becoming decontrolled under the current rules.

4 Tenants also need you to extend the look-back
5 period to at least six years, because the system
6 unfairly relies on us to enforce the law.

7 We ask you to provide relief to your
8 rent-controlled constituents because many of them
9 are just as rent-burdened as their ETPA neighbors.

10 And because it's not just downstate tenants
11 who are experiencing housing emergencies, please
12 remove the geographic restrictions in ETPA, to allow
13 tenants throughout the state to fight for rent
14 controls in their communities.

15 Last, but certainly not least, please pass
16 the good-cause eviction legislation to help protect
17 all tenants from unfair landlord retaliation.

18 All New York State renters deserve safe,
19 decent, and affordable housing.

20 Good-cause eviction legislation will provide
21 a minimum protection to all tenants who seek to get
22 repairs done, or want to fight being evicted, simply
23 because an owner can get more rent out of another
24 tenant.

25 Tenants are asking you and your Assembly

1 colleagues to pass all nine bills without
2 negotiating with Governor Cuomo.

3 His track record demonstrates that he would
4 be prone to attempt to weaken the proposed
5 legislation.

6 You must not let that happen.

7 And once again, thank you for convening these
8 public hearings, and for taking the time to listen
9 to my testimony.

10 New York's worsening housing crisis is
11 causing immeasurable pain, misery, and desperation.

12 Many tenants like me are handing over every
13 other paycheck to our landlords and we're not
14 receiving all of the services that we're paying for.

15 Many of our children can't concentrate in
16 school because they don't know where they're going
17 to sleep that night.

18 Many of our seniors, like my mom, run out of
19 food a week or more before the end of the month
20 because the vast majority of their Social Security
21 income goes to pay rent, with leaving little for
22 other necessities.

23 It's time to provide some balance in our
24 rent-regulation system to stem the exploitation of
25 tenants by owners.

1 Please pass all nine of the proposed bills.
2 Tenants are counting on you to do the right
3 thing.

4 Thank you.

5 SENATOR KAVANAGH: Thank you, Ms. Stewart.

6 Thank you, both of you.

7 So thank you both for some very important,
8 and very focused and specific, testimony today.

9 I'm gonna focus -- I want to focus my
10 questions particularly on good-cause eviction,
11 because you both mentioned it as an important
12 priority, and because I think we've heard less of --
13 less of that perspective here, and in some of our
14 other hearings as well.

15 So you both believe that good cause -- that
16 the passing good-cause eviction is important here in
17 Westchester, even though it's a county where you
18 already have ETPA in many parts.

19 Can you just talk a little bit more -- more
20 about why that, in your view, is really critical?

21 CHRISTOPHER SCHWEITZER: Uhm, yes, there's --
22 there is ETPA housing in Westchester, but it's
23 simply not enough.

24 I've worked in Yonkers and -- in our
25 White Plains office, which covers many of the

1 justice courts. And outside of Yonkers, most of the
2 housing is unprotected.

3 Being able to end a tenancy on a 30-day
4 notice or on the expiration of a lease causes great
5 instability for families. You know, having to
6 uproot a family causes instability for children,
7 causes disruptions at work, causes disruptions for
8 medical care, it causes any number of disruptions in
9 a family's life, and, allowing landlords to just
10 continually turn over apartments without reason.

11 You know, a lot of times the rent is paid up,
12 they're good tenants. They haven't really done
13 anything wrong to violate a lease.

14 They just simply want the tenant out of the
15 apartment, without reason.

16 It just -- it creates instability, and it
17 gives all of the power, essentially, to the
18 landlords, and none of the power to the tenants.

19 So there's a large stock of housing in
20 Westchester where there's really no protections.

21 Even if you have a Section 8 voucher, they
22 can terminate your lease on 30-days notice, and then
23 your Section 8 voucher is at risk if you don't find
24 another apartment and lease-up within the amount of
25 time that HUD gives you to find a new apartment and

1 lease-up.

2 So I think good-cause eviction in Westchester
3 would make a great deal of difference.

4 There certainly is, as you said, there's ETPA
5 housing, there is HUD housing, but there's a lot of
6 unprotected housing.

7 And good-cause eviction will make a great
8 difference to those tenants.

9 SENATOR KAVANAGH: And you've been in court
10 with, you know, the -- obviously, the tenant bar,
11 but also with the landlord lawyers.

12 What do you say to people who tell us that
13 this will be -- this will make -- this pro -- the
14 provision in this bill will make lives of landlords
15 just extraordinary difficult; that they won't be
16 able to, you know, manage their own housing
17 effectively; they will never be able to get tenants
18 out, even bad tenants?

19 How -- how would this work, in practice?

20 CHRISTOPHER SCHWEITZER: I mean, good
21 cause -- instituting good-cause eviction is designed
22 to keep tenants, who are paying the rent and not
23 violating the lease, in their housing.

24 It is not designed to keep tenants who are
25 violating the lease or are not paying the rent in

1 their housing.

2 So, in that respect, it doesn't really change
3 things.

4 You know, if you're paying the rent and
5 you're not violating the lease, why does the
6 landlord want you out to begin with?

7 You know, so if -- if a tenant's violating
8 the lease; if a tenant -- you know, if the lease
9 says you can't have animals in the apartment, and
10 you have a whole bunch of animals in the apartment,
11 they're still going to be able to go to court and
12 get you, likely, out of the apartment for that
13 reason.

14 You know, if they say, you can't do this, and
15 you are doing this, it doesn't change that.

16 You can still go to court and say that a
17 tenant is doing this, and get a trial, and try to
18 get a tenant out.

19 It doesn't change that.

20 All it does is add protections when you have
21 paid the rent and you are not violating your lease.

22 That's the point of good-cause.

23 SENATOR KAVANAGH: And are you familiar with
24 the provisions in the bill regarding unconscionable
25 rent increases?

1 CHRISTOPHER SCHWEITZER: Yes.

2 SENATOR KAVANAGH: Can you talk just a
3 little -- I mean, again, there's concern that this
4 is just, you know, a back-door way of doing rent
5 control, and it's going to be very problematic for
6 the housing market as a whole.

7 Can you just address that concern?

8 CHRISTOPHER SCHWEITZER: Yeah, I think the
9 problem is -- from a tenant's perspective, the
10 problem is, if a landlord wants someone out, they're
11 just going to raise the rent, from \$1,000, to
12 \$2,000, and say, I know you can't afford that, so
13 you're gonna have to move anyway.

14 But putting in a protection, that they can't
15 raise the rent, I don't know what the percentage in
16 the bill is off the top of my head, but putting in
17 that percentage, I mean, why does the housing costs
18 need to go up that much in one year anyway?

19 What is the justification behind that for a
20 landlord?

21 It doesn't appear that housing costs, the
22 landlord's cost of doing business, is going up that
23 quickly.

24 You know, incomes are not going up that
25 quickly.

1 So, the landlord, to me, it doesn't make
2 sense that they can justify raising the rent more
3 than the percentage in the bill, in one year.

4 SENATOR KAVANAGH: And the current bill has
5 that percentage. The standard is a rebuttable
6 presumption.

7 Can you -- as an attorney who's been in
8 eviction cases, in a circumstance where a landlord
9 has an opportunity to rebut a presumption, do you
10 imagine that judges would unreasonably interpret
11 that in favor of tenants?

12 CHRISTOPHER SCHWEITZER: Judges are,
13 generally, not very tenant-friendly.

14 SENATOR KAVANAGH: So you think, if a
15 landlord has -- if there's a standard in our bill
16 that says, a rent above a certain -- a rent increase
17 at a single year, above a certain amount, is
18 considered uncon -- there's a rebuttable presumption
19 that that's unconscionable, if landlords have some
20 explanation of why they need to raise the rent
21 larger, because of increased costs, or some other
22 factors, do you think that it's unlikely to, sort
23 of, fundamentally alter the outcome of cases like
24 that?

25 CHRISTOPHER SCHWEITZER: Yeah, I don't think

1 it would create any great hardship for a landlord to
2 beat that rebuttal presumption.

3 If they have a real good reason that the rent
4 needs to go up, you know, larger than normal amount,
5 I don't think that's going to create any great
6 disadvantage for them in court.

7 SENATOR KAVANAGH: Okay. I appreciate that.

8 So my time is up.

9 Do my colleagues have questions?

10 Okay.

11 And we very much appreciate both of your time
12 and your testimony today. And we will
13 (indiscernible).

14 TAMARA STEWART: Thank you.

15 CHRISTOPHER SCHWEITZER: Thank you.

16 SENATOR KAVANAGH: Next up we have,
17 Norberta Guerrero (ph.) and Teodora Reyes and
18 Fidela Vasquez, and I believe a translator as well.

19 Okay, again, thank you -- and thank you for
20 your patience. I know you've been here for a while.

21 But, if you could begin.

22 FIDELA VASQUEZ: Hello.

23 Hello. My name is Fidela Vasquez, and I'm
24 the member of Make the Road New York.

25 And I live in White Plains, and I am lucky

1 that the owner of the place where I live is a good
2 landlord, and I have no problems in the place where
3 I live.

4 But there are many of my acquaintances,
5 including my daughter, who do not have this luck.

6 That is why I'm here in support of the
7 good-cause proposal.

8 Today I'm here to share the story of my
9 daughter in the situation she has endured, to not
10 having protection as a renter where she lives.

11 My daughter, like me, lives in White Plains,
12 and has been living in her apartment for two years
13 with her partner and her 10-months-old daughter.

14 To move to this place, they asked for the
15 amount of almost \$5,000.

16 Since then, every year they raised \$100.

17 The point has come that the cost of living
18 there is very expensive, and they are looking for
19 another place. But, the prices are so high, that
20 they do not know what they are going to do.

21 If the good-cause proposal will be approved,
22 they could plan for the increase which could be less
23 and uniform.

24 They could be more confident that, next year,
25 they will have the opportunity to keep their

1 apartment.

2 Prices are currently so high, that is very
3 difficult to find options to live.

4 She has looked for apartments in the area,
5 and not many do not accept her because they have a
6 baby.

7 She has not found anything less than \$2,000.

8 I worry that my daughter rent continues to
9 rise unexpected increments, and she might become
10 homeless.

11 I know that my daughter is not the only one
12 in this situation, and that there are thousands of
13 people who are going through this same thing.

14 Every day I hear stories from my neighbors
15 and other community members about that drastic
16 increases in rent and the inability to do anything
17 about it.

18 We need to protect our area renters instead
19 of pushing us elsewhere.

20 Please, support the good-cause proposal.

21 SENATOR KAVANAGH: Thank you.

22 NORBERTA GUERRERO: (Speaking Spanish.)

23 (Translated to English by a translator.)

24 Hello. My name is Norberta. I live at
25 73 Hamilton in Yonkers with my four children who are

1 13, 11, 9, and 7 years old.

2 I am here in support of the good-cause
3 proposal because, at this moment, the place where
4 I live does not offer me protections as a renter,
5 and this puts me in difficult and not ideal
6 situations.

7 (Speaking Spanish.)

8 (Translated to English by a translator.)

9 My apartment has a mold problem on one of the
10 walls of my children's room, so I have to put up
11 plastic to cover it.

12 The water keeps coming in, and the smell and
13 appearance is very annoying.

14 This is obviously not healthy, especially
15 with my children, because it can affect their
16 health.

17 I have asked the owner several times to fix
18 this, and he says, yes, but does not come around.

19 (Speaking Spanish.)

20 (Translated to English by a translator.)

21 In previous time, I've had to stop paying
22 rent to get attention to my complaints, because, if
23 I do not do this, nothing happens or gets fixed.

24 When I have done this, it was been out
25 desperation because I know that, without

1 protections, and without having the right to a lease
2 renewal, the owner can throw me out of the apartment
3 due to these complaints and holding back rent.

4 We live lease to lease, hoping that we do not
5 get a huge raise that would basically be the same as
6 an eviction.

7 But there is no way to prepare or feel
8 confident that we will be able to continue living in
9 our home of eight years.

10 (Speaking Spanish.)

11 (Translated to English by a translator.)

12 It is necessary that we all have protections,
13 and feel the right and empowered to ask for repairs
14 to our apartments when things are wrong.

15 We all need a decent place to live, and that
16 is why I ask you to support the proposal of
17 good-cause, so that thousands of families like mine
18 can feel security and have the right to a decent
19 life.

20 Thank you.

21 TEODORA REYES: (Speaking Spanish.)

22 (Translated to English by a translator.)

23 Hello. My name, Teodora Rosas (ph.)(sic).

24 I'm a single mother of three, who works
25 various odd jobs in order to earn money and, at the

1 same time, have time to take care of my three
2 children.

3 As you can imagine, this is hard work to
4 balance, but I made time today to be here to support
5 the good-cause proposal because it is very important
6 to me and thousands of others.

7 (Speaking Spanish.)

8 (Translated to English by a translator.)

9 I have lived in Westchester for over
10 13 years, and live in a multiple-family house in
11 White Plains, but do not have protections because
12 this house does not fit the requirements for
13 protections at the moment.

14 However, if good-cause were to pass, I would
15 finally have protections, and housing would be one
16 less thing to worry about constantly.

17 (Speaking Spanish.)

18 (Translated to English by a translator.)

19 I have been living with my three kids and
20 brother in the same house for the last seven years,
21 an attic that was repurposed as an apartment, as
22 many places in the area.

23 The owner gave me a lease when I first
24 started, but has not given me a new one for over
25 four years now.

1 This makes it harder for me to prove where
2 I live and to have paperwork for various procedures.

3 (Speaking Spanish.)

4 (Translated to English by a translator.)

5 My rent has been increased twice already in
6 the last three years, without previous notice, which
7 has sent me into a frenzy each time it happens.

8 Since the apartment is, technically, an
9 attic, the insulation is improper.

10 It is extremely hot in the summers and too
11 cold in the winters.

12 When I have brought this up to the landlord,
13 he dismisses me and tells me that I can leave if
14 I don't like it.

15 More recently, my refrigerator broke down and
16 was not working for about three months.

17 When I complained, the owner told me I should
18 buy a new one out of my own money, but, if I left,
19 I could not take it with me.

20 I finally found help with Make the Road
21 New York, and they help me send a letter to the
22 owner.

23 He finally replaced the fridge, but raised my
24 rent again this time for this.

25 (Speaking Spanish.)

1 (Translated to English by a translator.)

2 I have tried to look for help, and called
3 various offices around the county, but have been
4 told that there is no regulation, and that the owner
5 can kick people out whenever they want.

6 It seems as the owners have rights when it
7 comes to housing.

8 As a tenant, what can I do? I don't have any
9 rights.

10 It is too hard to find another place, and too
11 expensive to move, so I just suck it up and stay
12 there, but I'm constantly worried about when my next
13 rent hike will be, with no protections.

14 (Speaking Spanish.)

15 (Translated to English by a translator.)

16 We need to pass the good-cause bill.

17 I and many single mothers will continue --
18 or, I and many single mothers will continue to be
19 taken advantage of if this does not happen, as a
20 first step to more dignity in housing.

21 Thank you.

22 SENATOR KAVANAGH: Thank you all for your
23 testimony.

24 I'm going to keep it short.

25 I understand that at least one of you has to

1 leave for child-care duty this afternoon, so we
2 appreciate your spending so much time with us today,
3 and your very important testimony today.

4 But I'll refrain from asking questions.

5 And does (inaudible)?

6 MAJ. LDR. STEWART-COUSINS: (Indiscernible)
7 also, gracias for your testimony.

8 I wanted to make sure, though, Norberta, if
9 you want to just see my assistant Sergio, and give
10 me your information, so I can help to reach out to
11 your -- if you want, to reach out to your building
12 manager.

13 Okay?

14 NORBERTA GUERRERO: Okay. Thank you.

15 MAJ. LDR. STEWART-COUSINS: Okay.

16 Okay. Gracias.

17 SENATOR KAVANAGH: Thank you all.

18 MAJ. LDR. STEWART-COUSINS: Thank you.

19 And I'm glad, by the way, thank you for
20 actually saying you have a good landlord.

21 I'm almost wanting for you to tell me the
22 name of this person too, because, you know, we don't
23 hear a lot of that.

24 So, I'm sure the fact that there is somebody
25 who you're happy with, that's probably somebody who,

1 you know, should be acknowledged.

2 What's your landlord's name?

3 FIDELA VASQUEZ: Just know the first name?

4 MAJ. LDR. STEWART-COUSINS: Okay.

5 FIDELA VASQUEZ: His name is Antonio.

6 MAJ. LDR. STEWART-COUSINS: Antonio.

7 FIDELA VASQUEZ: Yes.

8 MAJ. LDR. STEWART-COUSINS: Okay.

9 SENATOR KAVANAGH: Thank you.

10 Okay, next up we're going to have Evan Bell
11 and Carol Danziger and Kenneth Nilsen and
12 Silvio Solari (ph.).

13 CAROL DANZINGER: (Inaudible) public
14 speaking.

15 MAJ. LDR. STEWART-COUSINS: You signed up.

16 CAROL DANZINGER: I know, because needed to.
17 I felt I really needed to.

18 MAJ. LDR. STEWART-COUSINS: This is your
19 moment.

20 CAROL DANZINGER: So, yes.

21 Good afternoon.

22 My name is Carol Danziger.

23 For the past 29 years I've worked for a
24 non-profit that is an advocate for affordable
25 housing, so I understand the magnitude of this

1 issue.

2 I can attest that there is a clear lack of
3 affordable housing options for lower-income and
4 working-class families in our communities.

5 However, ETPA, as it stands, is not the
6 answer to this problem.

7 It has been 45 years since the various
8 municipalities adopted this outdated and,
9 apparently, ineffective regulation.

10 If ETPA was the answer, we would no longer
11 have a housing issue.

12 Despite this regulation, affordable housing
13 is still a problem that must be resolved.

14 This leads me to wonder, why, over the past
15 45 years, has New York State failed to pass
16 legislation to include the use of all rental
17 housing, not just a handful of buildings in select
18 communities built before 1974?

19 If the housing issue is severe, why has
20 New York State not created legislation that is
21 statewide, benefiting all communities?

22 This is a statewide issue, and we need
23 everyone in all communities to help solve this
24 problem.

25 Before speaking more on why changes need to

1 be made to New York State's approach to solving the
2 affordable-housing issue, I want to share my own
3 connection to ETPA.

4 My three siblings and I inherited a building
5 under ETPA when our father passed away in 2009.

6 My father, who worked as a barber, purchased
7 the 18-unit building in Mamaroneck in 1970 in hopes
8 of providing a better life for his family.

9 He con -- had he contemplated that same
10 decision just five years later, after ETPA was
11 adopted, he may have made a much different choice.

12 Whereas most people would see the opportunity
13 to own real estate as a financially beneficial one,
14 most owners of ETPA buildings know the truth can be
15 far from that.

16 The reality of ETPA is that it is a narrow
17 solution, placing the responsibility of providing
18 affordable housing on a group, a small group, of
19 business owners.

20 The owners impacted by ETPA are asked to
21 accept rents far below market rent.

22 For example, my building in Mamaroneck is
23 100 percent stabilized, and my 18 units are renting
24 for far less than HUD fair-market rents for the
25 village.

1 The reason is due to ETPA.

2 The building was built before 1970, and
3 nothing more.

4 I must stress that this burden is not one
5 that is carried equally.

6 Over the years I have seen many apartment
7 buildings built in Mamaroneck; the Avalon, for
8 example, and none are asked to carry the weight of
9 this regulation as we are, and, most certainly,
10 never to the extent we are.

11 Those owners, also private individuals, are
12 allowed to charge rents that the market will bear
13 just like any other type of business.

14 Some may have a handful of units that are
15 more affordable, but it's a small fraction compared
16 to ETPA owners.

17 This influx of new construction does nothing
18 to help alleviate the housing issue or share the
19 responsibility.

20 Affordable housing in New York State is
21 difficult, no one denies that.

22 There are a growing number of people seeking
23 affordable housing.

24 It grows increasingly difficult to understand
25 how ETPA can be a viable option at this time.

1 As a landlord, I have seen the shortcomings
2 related to this regulation for both the owners and
3 the tenants.

4 First, the design of the regulation does not
5 allow for the expansion of the program within the
6 existing municipalities. There will never be an
7 increase of affordable units available supporting
8 the growing population in need of them.

9 Second, tenants live in ETPA units -- the
10 tenants that live in these units may not even need
11 affordable housing.

12 Unlike housing subsidies, such as Section 8,
13 New York State does not determine if the person who
14 rents an ETPA unit actually needs, and would qualify
15 for, affordable housing.

16 Additionally, the small business is not
17 compensated in any way for the use of his or her
18 property.

19 Finally, ETPA is helping to create a surplus
20 of aging buildings that owners can no longer afford
21 to repair.

22 ETPA dictates what rents and increases an
23 owner can charge, even when that amount is not
24 sufficient to cover needed repairs and basic
25 expenses.

1 Hardest hit are smaller properties that
2 cannot absorb the inadequacies in rents. It becomes
3 increasingly difficult to properly maintain the
4 buildings, and remember, these buildings are at
5 least 45 years old.

6 The building my family owns is
7 approaching 90.

8 If this continues, you will be forcing our
9 most vulnerable populations to live in sub-quality
10 housing conditions.

11 Our shared goal should be to find more
12 comprehensive and evolving solutions to the
13 affordable-housing issue.

14 We do not need New York State to renew
15 EPA (sic) as it stands, which is outdated and
16 ineffective, and we urge you not to do that.

17 It cannot add more affordable units in the
18 communities where it exists, and it has not
19 alleviated the affordable-housing issue in those
20 communities.

21 I would argue that, proven solutions, like
22 the housing subsidy, Section 8, should be expanded,
23 considering the wait lists are years long.

24 We need the programs that get the assistance
25 to those that truly need it.

1 Take the burden off this handful of small
2 business owners who have a limited impact, and put
3 it back with New York State where it belongs.

4 Create legislation that shares the
5 responsibility equally and equitably throughout our
6 communities, and help those who really need it.

7 I would want to say, just on a personal note,
8 since a lot of people were talking personally about
9 their experiences with ETPA, we, as owners of this
10 18-unit building, and as I said, it's 100 percent
11 stabilized, so we have no way to absorb the rents
12 that are at \$500 versus the rents that are closer to
13 market rate that may be \$1300 or \$1400.

14 We -- we feel are good landlords, I think.
15 And that's proven by the fact that tenants really
16 don't leave our building.

17 We've had most of our current tenants for
18 more than twelve -- more than ten years, and we've
19 had two that have been there for more than fifty.

20 We have a handful, probably three or four
21 units, that have turned over in the last, you know,
22 probably 10 or 15 years. And the legal regulated
23 rents on those units are much higher. They're not
24 quite near the deregulation rate, but they're
25 higher.

1 So, basically, that 20 percent that we get
2 when the building turns over, we don't actually get,
3 because nobody in our area is going to rent a unit
4 in a building that's 80 years old for 2,000 or
5 2500 dollars a month.

6 So we offer the rents as preferential,
7 because that's what the market allows. We rent them
8 for what people are willing to pay for them.

9 Now, after that, we don't raise them more
10 than what the Rent Guideline Board stipulates.

11 I mean, I know we can, but we don't.

12 I mean, far be it from us to think that we
13 would rather have a good tenant, than a bad tenant
14 that pays you \$100 more.

15 And, as far as the bad landlords, yeah, there
16 are bad landlords out there.

17 But, unfortunately, in order to try to
18 alleviate what's happening with those bad landlords,
19 you are taking down, completely, the good landlords
20 that own smaller buildings like I do, because the
21 income that comes in from this building can't even
22 support a single-family household.

23 Now, my husband and I, we both work
24 full-time. I also watch my granddaughter in
25 afternoons and evenings so my daughter can work.

1 I am a landlord that is actually a tenant in
2 the building that they own. I live there with the
3 other families, the 17 other families, that are in
4 the building. I know them all personally, they all
5 know me.

6 You know, we try to keep the building upkeep
7 as much as we can.

8 But, without any relief of being able to, you
9 know, build any equity, you know, we could be one
10 big repair away from going under, you know.

11 And I know you've talked about MCIs, and
12 I almost don't even want to get started on that, but
13 we -- you know, we had an MCI for a new boiler that
14 was rejected by HCR.

15 And I would be more than happy at another
16 time to discuss that.

17 SENATOR KAVANAGH: I'm going ask you to wrap
18 up your testimony --

19 CAROL DANZINGER: Yes.

20 SENATOR KAVANAGH: -- and then perhaps we'll
21 have some questions, and you'll be able to continue.

22 CAROL DANZINGER: Absolutely.

23 MAJ. LDR. STEWART-COUSINS: I think public
24 speaking is not --

25 (Indiscernible cross-talking.)

1 SENATOR KAVANAGH: Yeah, you seem to be doing
2 okay.

3 CAROL DANZINGER: I've just now breathed
4 again.

5 SILVIO SOLARI: First, I would like to thank
6 you for your attention, and listening to us, and
7 showing your concern, and sitting here for
8 four hours.

9 I think you should be recognized, and you do
10 this many days.

11 I couldn't believe the calendar when I looked
12 at it.

13 My name is Silvio Solari, a former landlord
14 in Westchester County.

15 I will no longer own a rent-stabilized
16 building ever again.

17 For a small landlord of one or two buildings,
18 the rent regulations are just far too difficult and
19 cumbersome.

20 In Westchester County, the rent guidelines
21 are often unfair because the costs can be
22 dramatically different among various municipalities.

23 The big differences are property taxes.

24 How can you have the same increase when, in
25 one municipality you have a 2 percent increase in

1 property tax, and another one you have a 6 percent
2 increase in property tax?

3 As you know, in Westchester, one of the
4 biggest expenses a landlord faces are property
5 taxes.

6 That's something I think you should address
7 and consider.

8 And it hurts communities, like Mount Vernon,
9 whose property taxes go up, sometimes, 10,
10 15 percent in a year. And landlords there are
11 hurting. And the tenants also suffer as a
12 consequence.

13 So I think that really needs to be looked at.

14 My immigrant father told me a long time ago
15 to buy property. It's the only investment he knew.

16 I found out since, there are better ways of
17 investing.

18 I am saddened that I had to sell because the
19 meager increases didn't keep up with expenses.

20 I believe that I was a good landlord.

21 I followed my father's advice, I treated
22 tenants as if they were my family.

23 I planted flowers in the front, and
24 vegetables in the small backyard, and we all shared.

25 There were times some tenants fell behind in

1 rent. I worked with those tenants until they
2 overcame temporary issues.

3 Many times I was ill, and those same tenants
4 helped out by shoveling the snow and doing other
5 chores.

6 However, I found better ways of making money.

7 I was driven out by rent-stabilization
8 regulations.

9 There are many landlords who still hold on to
10 their properties, and you may wonder, why?

11 I know many of them.

12 They hold on for a few reasons.

13 Many of them are first- or second-generation
14 immigrants who only understand and know real estate.
15 They're not aware and fear other investments.

16 You also have those landlords that I call
17 "generation landlords." They have inherited the
18 properties from parents or grandparents, and they
19 want to hold on to that legacy. They just can't let
20 go of a dream that their ancestors created.

21 Then there are the vulture landlords, who
22 grow in numbers as more regulations are imposed.
23 They find ways of making money.

24 By making it more difficult for the good
25 landlord, you increase the number of vulture

1 landlords.

2 Please don't make it more difficult for
3 landlords to make their fair return, or you may
4 create a housing crisis.

5 I think I need to look at the -- I think you
6 need to look at the rent guidelines boards that have
7 become political and expensive.

8 Their rent guidelines are very often -- are
9 unfair.

10 I think it would be better to go to an
11 automatic rent guidelines based on inflation, and a
12 rent increase based upon the increase in property
13 taxes in those municipalities whose increases are
14 above the average for the county.

15 Also, you must keep the MCI and vacancy
16 allowance because, very often, this is the only way
17 a landlord can maintain his buildings.

18 A few comments about other statements that
19 were made today.

20 It seemed that many people came up here and
21 stated that landlords can evict without cause.

22 According to my attorney, he says, in
23 practice, no judge will evict without a justifiable
24 cause.

25 The second thing is, as you make more

1 regulations, you drive out the good landlords. You
2 don't drive out the bad landlords, they become
3 bigger in number; they become more. They own the
4 buildings.

5 Because now you can't -- you have to sell at
6 a loss, or have you to sell at a lower price, and
7 they come in and buy the buildings because they
8 know, you know what? The laws are not being
9 enforced.

10 The issue is, the current laws are not being
11 enforced in housing.

12 And that's what has to be addressed.

13 If you make more regulations without
14 enforcing the laws, you're going to have the same
15 thing: pushing out the good landlords, and the
16 vultures are going to be rushing in.

17 All right.

18 Thank you.

19 SENATOR KAVANAGH: Mr. Nilsen.

20 KENNETH NILSEN: Okay.

21 My name is Ken Nilsen.

22 I'm a landlord in Yonkers, and I've been a
23 landlord there for about 35 years. And, we're a
24 family business, and we're in the business of
25 providing affordable housing.

1 You know, we have a number of Section 8
2 tenants. We rent to other organizations, like
3 Cluster, and some other organizations.

4 And I want to talk about, one, the purpose of
5 the rent laws --

6 You all have a copy of my statement here.

7 -- is to prevent rent gouging.

8 It's in the language of the original law.

9 But based on the DHCR data, the average rent
10 of regulated buildings in Westchester is \$1278,
11 average rent. And this includes deregulated units
12 as well as regulated units. This is the average
13 rent.

14 If you compare that to the HUD fair-market
15 rents, it's substantially below the HUD fair-market
16 rents.

17 What that tells you is that -- is that the
18 existing ETPA is keeping rents in regulated
19 buildings affordable, in spite of what everybody is
20 saying.

21 This is data statistics based on actual
22 numbers.

23 So, I think you ought to consider that in --
24 in -- when you're going to kind of make wholesale
25 changes to the law that may be destructive in the

1 long run.

2 Some legislative proposals would discourage
3 investments in building systems and individual
4 apartments in the long run. This will cause the
5 housing stock to deteriorate.

6 Look what happened to the New York City
7 Housing Authority.

8 There's been underinvestment in
9 infrastructure.

10 And infrastructure is just -- is not -- not
11 very sexy, and it doesn't -- it doesn't get votes.
12 But the fact is, it's critically important.

13 I'm an engineer by training, and recognize
14 what systems are needed to maintain the building.

15 If you underinvest, eventually, it's going to
16 get you.

17 And it happened in New York City in the
18 housing authority.

19 It happened, like, about 20 or 30 years ago,
20 when -- in the '70s, when there was wholesale
21 abandonment of buildings, like in the South Bronx,
22 and the Koch Administration had to invest public
23 monies, \$10 billion when \$10 billion was real money,
24 in improving private buildings that the laws allowed
25 to -- allowed to deteriorate, because they were

1 squeezing the landlords so much, they just walked
2 away from them. It didn't work anymore.

3 You want to -- basically, the incentives the
4 Legislature would want to do away with, such as
5 MCIs, IAIs, vacancy allowances, low-rent minimums,
6 et cetera, were put in place in the '80s and the
7 '90s to correct the poor housing policies of the
8 '70s.

9 The ETPA housing stock is in better shape now
10 than it was years ago, so don't gut a program that
11 is working.

12 So, be very careful, because you could do
13 significant damage to the stock, and to tenants in
14 the long run.

15 The individual apartment -- one of the com --
16 other comments is that -- is that this -- this --
17 it's like a competition between tenants and
18 landlords.

19 We're really all in this together. We're
20 not -- basically, most of the people, you know,
21 operating a rental business in affordable housing in
22 Westchester are small family businesses. Okay?

23 We're not the large retes that are coming in
24 and building these developments in Yonkers and in
25 New Rochelle and in White Plains. And I think you

1 have to recognize that, that there's -- there's --
2 there's a different dynamic here.

3 Individual apartment improvements, that's
4 what they call the "IAIs," in most cases, my
5 experience is that it's catch-up.

6 What happens is that, somebody's been in an
7 apartment for a long time. Because the Rent
8 Guidelines Boards provides low increases over a
9 period of time, they're way behind the market.

10 In addition to that, they need a lot of work,
11 and so you have to go in there and make significant
12 improvements. A lot of it has to do with, it's
13 everything; from electrical, to avoid electrical
14 fire; plumbing, sheetrocking.

15 A lot of it, I've done a lot of work of
16 lead-paint abatement, which is extremely expensive
17 stuff, because you're sheetrocking the walls. And
18 you're -- in many cases, we're -- we're changing all
19 of the moldings because that's usually where the
20 lead paint is. And it's extremely important to do
21 it, and it's extremely costly.

22 And that kind of thing, in your plans, to
23 look at individual apartment improvements, is, don't
24 gut that program because that's very important.

25 In some cases, it's increased the rent to

1 higher what the market was, so the legal regulated
2 rent may go up higher. But the actual preferential
3 rent, what people are paying, may not -- you know,
4 may not go up as much.

5 And I've had that situation.

6 But that's really -- sometimes it's done for
7 people in place, but that's very rare. It's really
8 on vacancy.

9 But, it's catch-up.

10 And -- and -- and the fact is, it can't go up
11 too high because people won't rent it, and then you
12 end up with a vacant apartment. You don't want to
13 do that.

14 But there has to be some kind of return on
15 it.

16 All the discussion I've heard here, about,
17 you know, kind of giving back over a period of time
18 is, if you make an investment, we're talking about
19 twenty, thirty, forty thousand dollars to do some of
20 these big improvements. That's money that's
21 invested.

22 If you didn't want to put it in the thing,
23 you'd put it in the stock market, or something like
24 that, and make, you know, 5 or 8 percent, or
25 something like that.

1 You've got to continue -- you've got to
2 consider that in the whole calculation.

3 Many of the buildings that we have, I have at
4 least two buildings that are over 100 years old, and
5 some of them have 100-year-old bathrooms.

6 There has to be a vehicle on vacancy, when --
7 when there -- when you can, you know, gut a
8 bathroom, put a whole new unit in, and bring it up.

9 And we've done that in many cases, and the
10 present law has allowed that to happen.

11 And, please, don't gut that whole thing
12 because it's not going to be good for the tenants.

13 If they make -- if the regulations change to
14 make these investments unattractive, landlords will
15 just not make them and the quality of the units will
16 fall.

17 Water leaks and fires from all the electrical
18 wiring will damage apartments, reduce the number of
19 affordable apartments.

20 Major capital improvements:

21 The fact is, that a lot -- there's a lot
22 of -- everybody talks about major capital
23 improvements.

24 In my experience, I've had some of these
25 buildings for 20, 30 years, and I may have had, you

1 know, like, three major capital improvements.

2 I mean, it's not like that happens all the
3 time. It's not like, every year, somebody does
4 major capital improvements.

5 It's, like -- like, it's a small amount.

6 I just did one in one building, that ended up
7 changing the roof and the boilers. It's a 40-unit
8 building. And the cost for an average apartment,
9 the one-bedroom apartment, was like was \$35.

10 Nobody complained, because they saw what was
11 happening, and it was, you know, something that
12 needed to be done.

13 If you don't have it, then somebody's going
14 to say, the roof is leaking. I'm gonna patch over
15 here. You spend a couple thousand, you know,
16 patching that. Wait a couple years, somebody is
17 patching over there.

18 It's -- it's like -- as an engineer, it's
19 like the wrong way of doing it.

20 But, if you change the law, then that's
21 what's going to happen.

22 I remember taking over a building where we
23 had a lot of water leaks. And we'd open up the wall
24 and find out that, rather than changing the pipes,
25 would have to be changed like every 60 years or so

1 because they wear out, there were just clamps all
2 over the place. And it was a continuing problem
3 because nobody had decided they needed to do the
4 entire -- change all the pipes, because, eventually,
5 it was all going to happen.

6 And so if you take away the impetus to do
7 that, it's going to be a problem, especially for --
8 I can list the things: Roofs, boilers,
9 waterproofing, elevators, electrical systems, and
10 the like.

11 Otherwise, they're going to deteriorate.

12 The existing formula for MCIs is already
13 bad, it's already unattractive.

14 It's -- it's for buildings over 35 units.

15 You take the cost, you divided it by 108, and
16 that's only the direct cost.

17 Like, if you take a -- like, \$100,000 to do
18 something like a boiler, and you're going to apply
19 this -- this -- this formula, you can get an
20 increase of around \$1,000, using round numbers.

21 Well, if you take that 1,000 -- that \$100,000
22 and put it into, like, Con Ed stock, or something
23 like that, you get a 5 percent return.

24 Well, I mean -- or, you go out and borrow the
25 money to do that.

1 That's -- that's 5 percent, which is like
2 5,000.

3 So, on one hand, you're getting an increase
4 of \$1,000 a month/12,000 a year, but it's costing
5 you 5,000.

6 So the net is only \$7,000.

7 Well, to recover that \$100,000 thing is going
8 to take 15 years, and that's a pretty lousy
9 investment if it takes that long to recover.

10 So if you make that any worse, people are
11 just not going -- landlords are just not going to
12 make the improvements, period. They're going to
13 just be patching.

14 SENATOR KAVANAGH: Kenneth, I'm going to ask
15 you to wrap it up. I think you will have questions,
16 and be able to continue that way --

17 (Indiscernible cross-talking.)

18 SENATOR KAVANAGH: -- (indiscernible)
19 witnesses.

20 KENNETH NILSEN: Okay, great.

21 Then -- okay, and I'll quickly go through:

22 The vacancy adjustments, you can't turn it
23 over very quickly. The existing law has 5, 10, 15,
24 and 20 percent, depending on 1, 2, 3, 4.

25 So you can't just keep turning the thing over

1 and bounce the rent by 20 percent.

2 And last, but not least, is high-rent
3 deregulation, is -- is -- the present laws grew out
4 of the emergency after World War II.

5 That emergency is over.

6 Any attempt to regulate the housing market
7 results in a misallocation of resources, such as,
8 one or two people in large apartments, and I've got
9 a number of those; huge families living in small
10 apartments because the large apartments are not
11 available; and fear of building new affordable
12 housing because of the threat of regulation.

13 Higher-income tenants living in
14 rent-regulated apartments is a fact.

15 I don't understand why the existing law
16 protects people who are making \$200,000 a year.

17 It's written into the existing law.

18 Why should that be the case?

19 The justification for doing what you're doing
20 is, this is for poor people.

21 But the fact is, the law says, we're
22 protecting people who earn \$200,000 a year.

23 How can you justify that?

24 If you have any questions, I'll be happy to
25 try to answer them.

1 SENATOR KAVANAGH: I think we will.

2 I'm going to begin by -- Senator Myrie first.

3 SENATOR MYRIE: Thank you for your testimony
4 today.

5 You know, I welcome the conversation on
6 enforcement. I think that's very important.

7 In fact, we had a hearing on enforcement last
8 week in Newburgh.

9 And, also, the conversation around taxes.

10 You know, those disparities aren't just
11 county to county.

12 I see those disparities in my own district in
13 Central Brooklyn, where there's certain
14 neighborhoods that pay a disproportionately higher
15 amount than other neighborhoods.

16 So I think that is a conversation that we
17 need to have, to address the totality of this
18 crisis.

19 But I wanted to focus on the last point you
20 made, and I believe you made this as well, regarding
21 protecting people that make a certain amount of
22 money, and means testing as a way of deciding who
23 gets rent regulation.

24 And the conversation around means testing has
25 always focused on the tenants. And we should be

1 looking at how much they make, and why are we
2 protecting those folks.

3 The Rent Guidelines Board just put out their
4 annual report that said that 95 percent of people
5 operating rent-stabilized buildings were operating
6 at a profit.

7 There are only 5 percent of those properties
8 were distressed.

9 And so when we talk about means testing, are
10 you open to means-testing landlords as well?

11 Right?

12 If we are deciding who gets regulated based
13 on how much they make, is it your position that we
14 should do the same for property owners?

15 KENNETH NILSEN: Well, the fact is, we
16 submit -- every year, we submit income and expense
17 information to the DHCR as a requirement.

18 Are you saying, on a comparable basis, we
19 should have every tenant submit their income to make
20 it equal?

21 SENATOR MYRIE: No, that's not what I'm
22 saying.

23 KENNETH NILSEN: We're already --

24 (Indiscernible cross-talking.)

25 KENNETH NILSEN: We're already -- we're

1 already --

2 SENATOR MYRIE: What I'm saying is --

3 KENNETH NILSEN: -- we're already doing that.

4 SENATOR MYRIE: -- the conversation is, we
5 should be doing our policy based on the means.

6 That -- that that's -- that -- that's what
7 you're saying.

8 And what I'm saying in return, is that if we
9 have the majority of the property owners, in fact,
10 an overwhelming majority, who are making money, who
11 are making a profit, right, the notion that we
12 should be catering our entire policy to the
13 5 percent of building owners that are distressed, to
14 me, is at odds with this notion that we should be
15 means-testing tenants.

16 KENNETH NILSEN: I don't understand what your
17 question is.

18 CAROL DANZINGER: Yeah, I think I understand
19 what you're saying.

20 I think -- I think that I would ask, that if
21 you're going to judge, or do a means test, to see if
22 these buildings are making a profit, how would you
23 judge what is an adequate profit?

24 How do you tell a private business owner what
25 should be adequate for them to make?

1 I don't think anyone -- I don't think you
2 would want someone telling you what you should be
3 paid.

4 SENATOR MYRIE: Right, so that -- it
5 becomes -- it becomes stickier. Right?

6 So then -- so --

7 CAROL DANZINGER: So --

8 SENATOR MYRIE: -- so then --

9 CAROL DANZINGER: -- yeah.

10 SENATOR MYRIE: -- so -- so -- so then who is
11 to make the determination on how much a tenant
12 should be making, and whether or not they should be
13 able to rent that affordable apartment?

14 CAROL DANZINGER: Well, housing-subsidy
15 programs already do that.

16 I'm not saying create new ones.

17 I'm saying, use your existing infrastructure
18 to make sure that someone is not living in an
19 affordable unit that doesn't need it, and,
20 meanwhile, somebody is homeless because they need
21 that unit.

22 Do you see what I'm saying?

23 I'm not -- I'm not saying we should tell
24 people they can't live in these units.

25 But I -- I'm wondering if you are enabling

1 the people that need it the most, the people that we
2 hear talking today that have been homeless, that
3 could not find units, would they be able to find
4 units if people that didn't need affordable housing
5 were not in those units --

6 SENATOR MYRIE: Do you know what the
7 median --

8 CAROL DANZINGER: -- is what I was asking?

9 SENATOR MYRIE: Do you know what the median
10 income of a tenant that lives in a rent-stabilized
11 unit is?

12 CAROL DANZINGER: In Westchester County?

13 KENNETH NILSEN: In Westchester County, or
14 Manhattan south of 96 Street?

15 SENATOR MYRIE: Do you know what the median
16 income for either of those are?

17 KENNETH NILSEN: No.

18 ZELTZYN SANCHEZ GOMEZ: I think they're,
19 about, just a little bit below the average. I think
20 it's just -- I don't think it's way below the
21 average, I don't think. It's just a little bit
22 below the average.

23 SENATOR MYRIE: The average, what?

24 SILVIO SOLARI: Average income of
25 Westchester County, I'd say, is 70,000. So maybe

1 it's about --

2 SENATOR MYRIE: Okay. So, statewide, the
3 median income is somewhere around 45,000?

4 CAROL DANZINGER: Yeah, in Westchester it's
5 108,000, I believe, is the median income.

6 SENATOR MYRIE: The median income for a
7 rent-stabilized tenant in Westchester?

8 CAROL DANZINGER: Oh, no, no, for a
9 rent-stabilized tenant, no.

10 I'm talking the median income in general.

11 (Indiscernible cross-talking.)

12 SENATOR MYRIE: Okay, that's -- that's the
13 question I'm asking.

14 So, in fact, HCR testified earlier today, and
15 said that that median income is significantly below
16 what the median income is for non-regulated tenants.

17 And so this notion that rent regulation, at
18 large, protects wealthy people, while preventing
19 low-income to moderate people, taking advantage is
20 just not in line with what the reality is.

21 KENNETH NILSEN: But's it's protecting some
22 people making that kind of money.

23 SILVIO SOLARI: Yeah, I think a bigger
24 problem than that is, where you have tenants in a
25 three-bedroom apartment, there's only one person

1 living there, because, originally, they had a
2 family, and the wife passed away and the children
3 moved. And they have -- it's -- it's ludicrous to
4 have that situation.

5 So they could be placed, if, hopefully, you
6 can think about that, whether you can have some sort
7 of regulation, where that person be placed, and be
8 told, he has to move to a one-bedroom apartment.
9 This way, that three-bedroom could be available to a
10 full family.

11 I think that's fair.

12 And we have a lot of apartments like that.

13 SENATOR MYRIE: Okay. I --

14 CAROL DANZINGER: I don't believe in asking
15 someone to leave where they're living.

16 And I know that you said that there is,
17 I guess, data that supports that people are living
18 in these units all need affordable housing.

19 I don't know if I completely agree with that.

20 I think that there are a lot of people that
21 do need it, that aren't getting it, and there's a
22 reason they're not getting it.

23 It's because it's not out there because
24 someone else is using it.

25 SENATOR MYRIE: Okay.

1 I will yield to my time to my colleagues.

2 CAROL DANZINGER: I don't know.

3 MAJ. LDR. STEWART-COUSINS: I just think --
4 you know, I think we're at this point here where
5 everybody is coming and saying, you know, this is
6 the case, but not always that.

7 I think what we're trying to do is not spend
8 a lot of time on extremes.

9 I do believe that the problem is, that
10 there's not enough affordable housing.

11 I do not believe that, you know, if we took
12 everybody who, quote/unquote, couldn't (sic) afford
13 housing and took them out so there would be enough
14 affordable housing, because I don't think that's the
15 vast majority of the people.

16 I think the vast majority of people living in
17 affordable housing need affordable housing.

18 And I think you can always talk about, oh,
19 there's some millionaire living in some -- well --
20 but we don't want to talk about that.

21 And by the same token, I think what --
22 what -- what Senator Myrie was responding to was
23 this idea of the means testing, because most people,
24 again, don't have that.

25 And, you know, if I were to listen to the

1 landlords, you know, most landlords are great, so --
2 and nobody is gouging, and nobody's doing this or
3 that.

4 So, we're having these hearings because we
5 know the range of the problems. And we know that
6 everyone would want us to legislate from this edge
7 of the world or that edge of the world.

8 And what we are trying to do is correct the
9 issue that is -- is why we have rent laws to begin
10 with, which is, there's just not enough affordable
11 housing.

12 So your testimony here is important for us as
13 we deliberate, but I don't want anybody to really
14 think that we think that everybody's in affordable
15 housing who could actually afford market rate, or
16 that every landlord is, necessarily, you know,
17 raking in, you know, untold dollars without any
18 regard to their tenants.

19 But we're trying to get to that sweet spot
20 that makes sense.

21 CAROL DANZINGER: Well, I think the sweet
22 spot that makes sense would not restrict it to units
23 that were built before 1974.

24 MAJ. LDR. STEWART-COUSINS: I heard what you
25 said, yeah.

1 CAROL DANZINGER: You have a really, really
2 unbalanced system that puts the burden on particular
3 owners. And it's only 16 municipal -- of the
4 municipalities, or 17, out of the 43 in
5 Westchester County.

6 I don't even know how that can be legal. I'm
7 sorry, I just -- I don't understand that.

8 People are struggling; people are struggling
9 on both sides.

10 MAJ. LDR. STEWART-COUSINS: I appreciate
11 that.

12 SENATOR KAVANAGH: Thank you,
13 Leader Stewart-Cousins.

14 And just -- actually, to briefly respond,
15 I mean, the current system is such that the state
16 law permits localities to opt in at their choice.

17 So each of the localities that is part of
18 this is part of it because the local governing body
19 of that municipality has opted into the system,
20 based on a formal determination that they have a
21 tight housing market for the kind of housing that's
22 regulated in that locality.

23 CAROL DANZINGER: And that they had a housing
24 emergency.

25 I guess the question I would also ask HCR,

1 who's supposed to be, basically, impartial, and make
2 sure that everybody involved is doing their due
3 diligence: Do they make sure, is there any
4 provision after the fact, to make sure that a
5 housing emergency still exists?

6 I know that there were housing surveys done
7 when these laws were adopted 45 years ago.

8 Have they even bothered to ask the
9 municipalities --

10 SENATOR KAVANAGH: Again, this is -- this is
11 very much --

12 CAROL DANZINGER: -- to do it again?

13 SENATOR KAVANAGH: -- this is very much a
14 function of home rule.

15 So you have -- you actually have an example
16 of one municipality that opted into rent regulation
17 recently, and then proceeded to opt out, based on,
18 you know, a change in the political composition of
19 the governing body of that --

20 CAROL DANZINGER: I mean, do we have the
21 right to know if emergencies still exists --

22 SENATOR KAVANAGH: I think that, again
23 each --

24 CAROL DANZINGER: -- considering --

25 SENATOR KAVANAGH: -- I don't want to --

1 CAROL DANZINGER: -- they're seizing our
2 personal property?

3 SENATOR KAVANAGH: -- and I don't want to
4 belabor this -- and -- and --

5 CAROL DANZINGER: You know, I mean --

6 SENATOR KAVANAGH: Generally, we ask the
7 questions.

8 But --

9 CAROL DANZINGER: -- I think that's
10 something -- I know.

11 I think that's something --

12 SENATOR KAVANAGH: -- I appreciate the
13 dialogue.

14 CAROL DANZINGER: -- that the State should --

15 SENATOR KAVANAGH: But just -- just to say,
16 I think the current law is such that, this has been
17 grant -- this is -- this is a function of home rule.

18 And there are localities in the three
19 counties where people can opt in, where the
20 locally-elected governing body chooses to adopt this
21 and chooses to continue it.

22 They do have -- each locality has the option
23 to -- to -- to change that decision if they choose
24 to, and they don't need -- they don't need a formal
25 determination that the circumstances have changed.

1 They do have the opportunity.

2 So this -- this -- these systems remain
3 supported by their local governments, and that's --
4 that's the legal basis on which they can continue to
5 be in place.

6 I do want to shift gears and just focus a
7 little bit on your experiences with MCIs and
8 IAIs, because you have that experience.

9 First of all, I have to ask, on what basis
10 was your MCI application rejected?

11 GAIL WILLIAMS: Well, we had an
12 80-year-old -- I have to give you just a brief --

13 SENATOR KAVANAGH: That's fine.

14 CAROL DANZINGER: We had an 80-year-old
15 boiler that cracked.

16 We went to our oil company at the time, and
17 they suggested a replacement, which we did.

18 After the -- we did not immediately put in
19 for an MCI. And after the first season, it was not
20 adequate.

21 The tenants were complaining there was not
22 enough heat.

23 It just be couldn't handle.

24 We have four stories for steam heat.

25 So looking at that, and looking at the

1 options, we decided to then, at that point, we were
2 going to go with a gas alternative.

3 We were going to go green, so we worked with
4 Con Ed. We put in gas-fired boilers.

5 We had an 80-year-old manifold which they had
6 us replace.

7 When we submitted our application to HCR, we
8 wanted to explain why we chose to convert to gas at
9 that time to get the new boiler.

10 And ultimately, in the end, after we waited
11 nine months, they come back. They give us a week to
12 respond.

13 Then they come back again after a month.

14 And so this went on for probably more than a
15 year.

16 They basically determined that we could not
17 prove that the boiler that replaced the broken one
18 was insufficient; and, therefore, they would not
19 allow us to charge for a newer one.

20 Even though we had not charged an MCI for the
21 boiler that did not serve its purpose, even though
22 they had letters from tenants and such, they denied
23 the entire application.

24 SENATOR MAYER: Can I (inaudible)?

25 So they did not -- the first one you didn't

1 apply for?

2 CAROL DANZINGER: We never submitted for the
3 first one.

4 SENATOR MAYER: And the second one they
5 denied when you applied for it?

6 GAIL WILLIAMS: When we supplied (sic) for
7 what we currently have, and what is sufficient for
8 our building, and what is now "green."

9 SENATOR MAYER: Did you ever apply thereafter
10 for this boiler issue?

11 CAROL DANZINGER: For another MCI?

12 No, because, after a year and a half of that,
13 I just did not have it in me to do it again.

14 SENATOR MAYER: I'm sorry to interrupt you.

15 CAROL DANZINGER: I just didn't.

16 KENNETH NILSEN: I have one experience with
17 that, and that is, the MCI that I talked about in
18 this one building, we put in a boiler and a roof.
19 We also did substantial work, probably \$100,000, on
20 the parapets, repairing various parapets.

21 But, and I knew this beforehand, unless you
22 replace the whole thing, or you do the whole
23 building, it's not going to qualify for an MCI.

24 And -- but I felt it was the right thing to
25 do before we put the new roof on, we had to fix so

1 of the -- repair some of the parapets, and we did.

2 And that's just part of the cost of
3 operating.

4 So we only got an MCI on the two things that
5 qualified under the regulations, which are very
6 stringent.

7 So they -- the DHCR doesn't give away MCIs
8 for nothing. You know, they have their stringent
9 regulations, you have to follow the rules, you have
10 to provide, you know, a whole bunch of
11 documentation, for them to approve it.

12 And -- and some -- and many things are not
13 approved. Many big projects are not approved.

14 SENATOR KAVANAGH: I'm sure the commissioner,
15 who was here earlier, would appreciate us hearing
16 that testimony from you.

17 Just -- on the -- on the -- on the -- I want
18 to talking about the math of IAIs for a minute.

19 So an IAI, as has been discussed, in a
20 building with 35 units, or smaller, the amount of
21 the IAI is recouped in 40 months. And then, you
22 know, that continue -- that cash flow continues
23 indefinitely into the future.

24 Here, you know, you've said that -- and
25 that -- and that raises the legal rent, that amount,

1 irrespective of whether it --

2 KENNETH NILSEN: Right.

3 SENATOR KAVANAGH: -- can actually be
4 charged.

5 Is -- you know, I'm hearing -- and -- and --
6 and I carry -- I -- I carry, and have carried, a
7 bill for a number of years, a bill that would repeal
8 IAIs entirely.

9 So, I don't want my questions to suggest sort
10 of where I am on this issue.

11 But dealing with your testimony as you've
12 presented it, is a 1/40th return -- a 1/40th
13 increase in the rent necessary to make the economics
14 of IAIs work?

15 CAROL DANZINGER: In an 18-unit building,
16 absolutely.

17 In a fully, 100 percent subsidized, 18-unit
18 building, yes.

19 There was -- there is no way we could afford
20 to make those repairs to the plumbing, to the
21 kitchens, which need to be done when tenants are not
22 there, because then, otherwise, what are they going
23 to do?

24 The older units, when people move out, it's,
25 like, we need to make those repairs.

1 SENATOR KAVANAGH: I understand.

2 I'm not -- I'm sorry.

3 I'm not questioning the -- at this moment,
4 I'm not questioning the need for the program at all
5 per se, so much as the mathematics.

6 Like, so if you spend \$40,000 on a unit, you
7 need \$1,000-a-month increase on --

8 CAROL DANZINGER: If the unit was renting for
9 \$600, or \$700, yes.

10 I mean, I don't think it's going to rent for
11 \$1,700.

12 SENATOR KAVANAGH: Well, that's -- I guess
13 that's the question.

14 CAROL DANZINGER: But --

15 SENATOR KAVANAGH: I mean, we -- we --

16 CAROL DANZINGER: We need the option to have
17 it rent for what the market then will bear.

18 SENATOR KAVANAGH: -- part of the chal --
19 part of the challenge we have, is that we are trying
20 to make rent regulations for millions of -- a
21 million apartments, with thousands and thousands of
22 landlords --

23 CAROL DANZINGER: Release the -- release the
24 little guys.

25 SENATOR KAVANAGH: -- of all different

1 scales.

2 And I would note, that current laws have a
3 lot of elements that we broadly consider loopholes,
4 that the real estate industry, that people lobbying
5 on behalf of the industry as a whole, have protected
6 very aggressively.

7 And the result of that is that we have many,
8 many instances where landlords, sometimes purchasing
9 a building out of the blue, as we've heard a little
10 bit about today, and sometimes just, you know,
11 deciding to cash in on the value of the real estate,
12 have used every mechanism available to them for the
13 purpose of pushing up rents.

14 So we have a concern that, if you can put
15 money into an apartment and get all of that money
16 back in 3 1/3 years, and then continue to get that
17 return indefinitely, that landlords have been using
18 that.

19 And we have -- you know, in addition to sort
20 of fraudulent use of it, we've had legal use of it
21 that seems, to us, to be intended to raise the rent
22 rapidly, as opposed to making the basic -- you know,
23 the basic improvements necessary to make the
24 apartment properly habitable, make it -- make it a
25 reasonable place to live.

1 So we're just trying to understand, is there
2 a -- to the extent that we were to consider
3 reforming these, as the HCR commissioner suggested
4 we might, is there any play on that math?

5 I mean, like, do you -- you -- you're telling
6 us that if -- if -- if the return were less than --
7 you know, you're get 30 percent of the amount of the
8 IAI investment each year, indefinitely.

9 Is it really -- is -- is -- are you
10 suggesting that you wouldn't do the improvement if
11 you only got 20 percent a year?

12 CAROL DANZINGER: I -- I don't know.

13 It depends how much the improvement costs,
14 because, basically, the income that's generated by
15 the building, without even taking anything from it,
16 would not be enough to do major improvements to more
17 than one apartment. And that's without even taking
18 anything out of it, you know.

19 So, I mean -- yeah, I mean, it would have a
20 direct effect on the small landlords.

21 I can't speak for anyone else. I can only
22 speak for how it affects myself.

23 And, honestly, I don't know how you stop the
24 people that are using it the wrong way without
25 completely annihilating the people that are using it

1 the right way.

2 I mean, quite frankly, in a perfect world,
3 I would be happy not filling out the paperwork
4 required by this regulation, you know, at a minimum,
5 you know.

6 So I don't know what to tell you about that.

7 SENATOR KAVANAGH: But you understand, in a
8 world where landlords -- I mean, we had testimony
9 before, that 75,000 units were found by HCR to be --

10 CAROL DANZINGER: In New York City.

11 SENATOR KAVANAGH: -- illegally deregulated.

12 CAROL DANZINGER: In New York City.

13 SENATOR KAVANAGH: Not only in New York City,
14 but we've had that phenomenon in -- I mean, there
15 are many more units in New York City than there are
16 in Westchester. But we have had illegal
17 deregulation across the entire region.

18 So when -- you know, in a situation where
19 landlords are just deciding, at some point, to cease
20 to treat a unit as regulated at all, that we would
21 have some concern about a system where there's no
22 documentation at all. And, landlord, like, an honor
23 system around rent increases is challenging for us.

24 Okay. I guess that was a rhetorical point
25 more than a question.

1 I appreciate --

2 CAROL DANZINGER: I mean, yes, because I'm
3 never going to reach a deregulated rent rate in my
4 building because I'm not going to have the turnover.

5 (Indiscernible cross-talking.)

6 CAROL DANZINGER: And, I mean, not having the
7 turnover is not necessarily a bad thing.

8 SENATOR KAVANAGH: Right.

9 CAROL DANZINGER: But when we do have it
10 turned over, I need to bring those lower units that
11 have been out of, you know, the system for me up to
12 where it can help alleviate this -- this unbalance.

13 SENATOR KAVANAGH: But there may -- but even
14 from -- just from your perspective as a small --
15 I mean, we have landlords telling us, that we must
16 be able to invest, at least, you know, if it's been
17 occupied -- if it's been -- the last tenancy lasted
18 10 years, we might have to invest \$120,000 per
19 apartment.

20 And that's -- I mean, that translates into a
21 \$3,000-a-month rent increase.

22 And they're telling us, if we tinker with
23 that, it's just going to be too hard for people to
24 function.

25 And it sounds like that's not your

1 experience.

2 CAROL DANZINGER: Mine have been averaging
3 about twenty if it's a much older unit, because
4 you're going to have to replace all the plumbing and
5 the electrical.

6 I mean, you need to take the opportunity to
7 do it when you can do it --

8 SENATOR KAVANAGH: Okay. That's --

9 CAROL DANZINGER: -- and hope you have the
10 funds to do it at that time.

11 SENATOR KAVANAGH: That's very helpful.

12 Mr. Nilsen, do you have a perspective on
13 this?

14 KENNETH NILSEN: Yeah.

15 The reality -- my reality, is that it's most
16 effective when -- really, when -- when the rents
17 are -- are substantially below market, essentially,
18 to try to bring it up.

19 And I don't know if you -- if you're going to
20 look at that, if you look at a -- some kind of a
21 bifurcated system, where there's one set of rules
22 when it gets -- you know, when you're going up to
23 market, and then another set of rules when you're
24 going beyond that.

25 If you're talking about \$120,000, that's a

1 pretty fancy apartment.

2 You know, that's -- but -- but I know, if
3 you're really gutting an apartment, and I've done
4 that, you know, you're talking about, you know,
5 \$40,000 in addition to that, or \$60,000.

6 When they had to renovate those apartments
7 in -- in like the South Bronx during the Koch
8 Administration, it was averaging \$60,000 an
9 apartment to do that kind of work, and that was like
10 20 years ago.

11 So that -- you know, this stuff is real
12 money.

13 And that's what people forget, how much it
14 costs to do this stuff.

15 Like, you know, my guys, when they go to
16 Home Depot, you can't get out of there without
17 spending a thousand dollars for few pieces of
18 lumber. It's just incredible.

19 But the reality is, is -- is -- especially
20 for those rents where you're in catch-up mode.

21 And -- and you can't raise it outrageously
22 anyway because people won't rent it.

23 And it -- it's -- it -- and it's not
24 affecting, you know, people in place.

25 Sometimes there's a -- you know, a stove, or

1 a refrigerator, or that kind of stuff. I mean,
2 that's small stuff, that's not really the big deal.

3 The big deal is the -- is the apartment
4 renovations.

5 And, you know, as I say, you know, when
6 you're doing the whole ball of wax, it can be very
7 expensive, but especially when you have the low
8 rent.

9 If you have somebody who's renting it for
10 \$700, and have lived there for 35 years, (1) you
11 need to change, pretty much, everything, and -- and
12 (2) they've had a low rent, just because the way the
13 Rent Guidelines Board sets things.

14 The existing system is so complicated that
15 it's morphed the system. So you don't -- you don't
16 have a gradual increase.

17 You have a few people who have a great deal,
18 and then you have everybody else who's, basically,
19 subsidizing them.

20 And -- but, anyway, it's for those really low
21 rents on vacancy that -- that it -- that's my
22 experience, is that it's most important for.

23 SENATOR KAVANAGH: Okay.

24 KENNETH NILSEN: And I'd hope you would keep
25 that in whatever you -- you come up with for the

1 rent regulations.

2 SENATOR KAVANAGH: Okay.

3 Again, my time is long up.

4 Anybody else on the panel have any questions
5 on comments?

6 Okay.

7 Then we appreciate all of your testimony very
8 much --

9 (Indiscernible cross-talking.)

10 KENNETH NILSEN: Thank you very much.

11 Our only hope is that, you know, you do a
12 balanced, you know, changes to the law, to allow us
13 making improvements so you don't have deterioration.

14 These, you know, apartments, some disaster
15 happens, and then you have to replace it with a new
16 building that costs, you know, four or five hundred
17 thousand dollars a unit, and it can't be affordable
18 unless it's subsidized.

19 So, maintaining these buildings is -- is --
20 is the most important thing to maintain affordable
21 housing.

22 Give us the ability to do that, please.

23 Thank you.

24 CAROL DANZINGER: And please don't forget the
25 small owner.

1 SENATOR KAVANAGH: Thank you very much.

2 You have very eloquently represented the
3 small owner today, so we appreciate that.

4 Next up we have Laura Case of Westchester
5 Disabled on the Move.

6 LAURA CASE: (Microphone off) Thank you for
7 holding this --

8 Okay. Thank you.

9 (Microphone on.) Thank you for holding this
10 hearing.

11 My name is Laura Case.

12 I am here today as the systems advocate at
13 Westchester Disabled on the Move.

14 We area Westchester-based independent-living
15 center that provides services and advocacy to people
16 with disabilities.

17 We proudly join the voices you have heard,
18 urging you to pass all nine bills in the universal
19 rent-control platform.

20 We cannot let our rent regulation laws
21 expire, and just renewing them as they are would not
22 be enough to start addressing the housing crisis
23 facing Westchester and the rest of New York State.

24 The emergency is definitely not over.

25 The price of housing far outweighs what

1 people are able to pay, especially those working
2 lower-wage jobs and those with fixed incomes.

3 This year, the fair-market rent for a
4 one-bedroom apartment in our county is \$1,463.

5 In the meantime, the maximum amount that a
6 single independent person in New York State
7 receiving SSI can receive is \$858.

8 A person working 40 hours a week at minimum
9 wage earns about \$1,900 before taxes.

10 There is clearly a gap.

11 People with disabilities are being hit
12 especially hard by it.

13 At Westchester Disabled on the Move, we
14 provide assistance searching for housing to hundreds
15 of people a year.

16 We have to tell those seeing us for the first
17 time not to come in with high expectations because
18 accessible, affordable apartments in Westchester are
19 becoming harder and harder to find.

20 When members of our community can't find one
21 of them, they wind up in places that are not good
22 for their well-being.

23 Westchester has one of the highest rates of
24 homelessness in the state. It's grown over
25 37 percent since 2010.

1 According to a national report called
2 "Priced Out," 24 percent of those homeless
3 nationwide in 2016 had a disability, and had either
4 been homeless for over a year or had been homeless
5 multiple times.

6 I've also met homeless home health aides and
7 a bus driver.

8 In Westchester County, anyone can become
9 homeless, and more and more people are rapidly
10 becoming so.

11 I myself am formerly homeless, and even while
12 working now, I can only afford a room.

13 Other people with disabilities wind up in
14 nursing homes and group homes where they don't have
15 the independence and privacy that many of us take
16 for granted.

17 Centers like ours are the product of the
18 independent-living movement, which is a civil rights
19 movement that has its origin in of the '60s and
20 '70s, like many others.

21 One of its main goals is to help people with
22 disabilities in institutional settings move back
23 into the community.

24 This is something that state and federal
25 governments are now legally obligated to do as well

1 under a Supreme Court decision called "Olmsted."

2 The "Priced Out" report goes on to share that
3 one of the biggest barriers to doing this is the
4 lack of affordable and accessible housing available
5 in our country's cities and towns.

6 Rent stabilization and rent control have
7 allowed people to stay in their homes.

8 In 2018, there were about
9 25,000 rent-stabilized apartments in our county.

10 Cities with rent stabilization can also pass
11 SCRIE and DRIE, which allows seniors and people with
12 disabilities in rent-stabilized units to have their
13 rents frozen.

14 It's a win-win, with landlords receiving tax
15 credits to make up the cost, but as you heard today,
16 there are serious flaws in the system.

17 It doesn't make sense to get rid of rent
18 stabilization; instead, we need to expand it and we
19 need to strengthen it.

20 It doesn't make sense that landlords of
21 rent-stabilized apartments can hike rent by up to
22 20 percent between tenants, and can further raise
23 rents by making repairs.

24 There might be a needed conversation about
25 tax credits or subsidies to do some of those things,

1 but the burden right now is on the tenants, and
2 people are losing their housing because of it.

3 When the rent gets high enough, it becomes
4 unaffordable to many of the people who need
5 affordability.

6 When it gets higher still, the unit is
7 deregulated.

8 It's also arbitrary that tenants of
9 rent-controlled apartments face increases much
10 higher than those in rent-stabilized ones.

11 It's, frankly, unjust that only New York City
12 and municipalities in Westchester, Nassau, and
13 Rockland can pass rent stabilization when we know
14 that people are struggling throughout the state.

15 It's pretty clear from the folks who
16 testified from Rochester today that there is a
17 crisis throughout the state, and the upstate
18 counties need rent stabilization as much as the
19 counties downstate.

20 And, I actually do believe that it's not fair
21 that tenants in buildings that were built after 1974
22 can have their rent raised or be evicted without
23 oversight or cause.

24 But, again, the solution is not getting rid
25 of the existing regulations. The solution is to

1 expand those regulations and to strengthen them.

2 The nine bills in the platform are all
3 crucial and must all be passed.

4 I believe that the just-cause eviction bill
5 and the statewide Tenant Protection Act may be the
6 two most important bills in this package because
7 they would extend protections to so many people who
8 currently don't have them.

9 This isn't the only thing we need to do to
10 solve the housing crisis, but it's a step we can't
11 solve it without.

12 I heard people talking about adding Section 8
13 vouchers, adding subsidies, and, we need to do those
14 things. But, it doesn't matter if we get those
15 subsidies created if there aren't apartments that
16 are in their price range.

17 I know people who actually lost their
18 Section 8 vouchers because they couldn't find an
19 apartment that they could afford with it.

20 We hear that landlords cannot afford these
21 reforms, but I don't think our communities cannot
22 afford to pass them.

23 Thank you.

24 Great. Thank you.

25 Questions?

1 SENATOR MAYER: Thank you, Laura.

2 SENATOR KAVANAGH: Senator Mayer.

3 SENATOR MAYER: Thank you.

4 When tenants come to Westchester Disabled on
5 the Move, or folks that are at risk of eviction or
6 need alternative housing, how do you identify the
7 best possible place; in other words, how do you
8 find, for example, a potential rent-stabilized
9 apartment or subsidized apartment?

10 LAURA CASE: I think that that's a really
11 good question.

12 I think that it could be challenging, because
13 I think that another issue is that, there's kind of
14 a lack sometimes of centralized information about
15 stabilized lower-income units.

16 But I know that we use the County's
17 Homeseeker site. I know that we kind of use our
18 connections in the agency community.

19 But I think that the amount of information
20 available about these units is another thing that
21 really needs to be addressed and improved.

22 SENATOR MAYER: Thank you.

23 LAURA CASE: Thank you.

24 SENATOR KAVANAGH: Okay, next up,
25 Patricia Weems.

1 And I think, on behalf of Dennis Hanratty,
2 who we understand had some health issue today,
3 Karen Heim is going to read testimony. Is that
4 correct?

5 Okay.

6 If you can come on up, I'd appreciate it.

7 PATRICIA WEEMS: Always on the move.

8 Nice seeing you here.

9 My representative is Andrea Stewart-Cousins,
10 and I'm keeping her busy.

11 Twice; right?

12 I'm from the town of Greenburgh, and I've
13 been on the Affordable Housing Committee for around
14 five years, and I really could not do it any longer.
15 It's heart-rendering, it really is.

16 And I'm not going to -- I started last night,
17 and at 2:30, I stopped.

18 You all know all of the problems.

19 I wonder if you realize that, maybe, on one
20 half, there's an answer on this side, and then on
21 the other side there's a half.

22 Public housing in here, there is no such
23 thing as affordable housing. I'm serious, there
24 really isn't.

25 And when you have public housing, the problem

1 is, no one can get out of it.

2 What happens is, they move in, they pay their
3 rent. The first raise they get, (indicating) their
4 rent goes up.

5 If a child reaches 18, and starts working,
6 the child has (hits microphone) (indiscernible).

7 So what happens is, it's a catch-22; you
8 cannot get out of it.

9 Then I'm listening to the people who have
10 homes, 18 units, 25 units, whatever. And the people
11 who are living in them have been there for
12 generations, and they're only paying \$700, \$800,
13 under \$1,000, for a three-bedroom apartment.

14 So why can't we just flip this some kind of
15 way, give them additional money for those people.

16 There's no place in Westchester that you
17 should be able to live for \$700 a month, that's the
18 bottom line.

19 So now how do we do that?

20 What kind of laws can we pass that state, if
21 you live in public housing, and we want you to live
22 there until you -- when you're paying \$2,800 a month
23 in rent, in public housing, that's a mortgage.

24 So why can't we just say, okay, the landlord
25 or the tenant, or whoever it is, because a lot of

1 these are privately owned, but they're getting money
2 from our tax dollar, and what I want to see is, that
3 the rent that they pay, basically, when they take an
4 increase, a large percent of it has to go to an
5 escrow account. And in this escrow account, that
6 person can keep the interest on it. But after five
7 to seven or ten years, whatever you allot, that cash
8 comes back to that person, and they have to leave,
9 and that's enough money for a down payment for a
10 house.

11 You're talking, like, \$15,000, \$20,000.

12 I know we can come up with some innovative
13 ideas.

14 And then, that way, you get these people out
15 of those houses, buying houses. And if they don't
16 buy a house, they cannot return to public housing.

17 With \$20,000, you've got something to start
18 with.

19 But they cannot save that money. They get
20 nothing in return for the extra -- the rent they're
21 paying. The rooms aren't larger. They don't get
22 air conditioning. They don't have new
23 refrigerators.

24 Nothing.

25 That's pure profit for the individual who's

1 collecting the rent.

2 So now how do we change that around, so that
3 whoever owns that little 14, 18 units, and they're
4 only getting \$700, you see where I'm coming from?

5 MAJ. LDR. STEWART-COUSINS: That's why we're
6 (inaudible).

7 PATRICIA WEEMS: I know.

8 So, now, I want to know, what is it that --
9 what is it that we can do to see to it we can help
10 you implement some of these plans?

11 How can we --

12 MAJ. LDR. STEWART-COUSINS: I'll tell you
13 what you can do.

14 By being here, giving us information that
15 allows us to make the wise decisions.

16 You're doing exactly what you should do.

17 PATRICIA WEEMS: Okay.

18 So, you know, we have the ideas.

19 And I'm president of the Civic Association
20 here in Greenburgh.

21 Mine is on Hillside Avenue, down to 119.

22 And the person who was the president of the
23 Fairground -- I'm Fairgrounds -- Fairview, that
24 individual died. So I figured I'd come and try to
25 do something for Manhattan Avenue and Oak, and

1 whatnot.

2 I have on -- in my civic association, a
3 seniors building next to the Theodore D. Young
4 Community Center, and that's being changed.

5 So -- but we need the housing because,
6 50-by-100 lot here in Greenburgh, you're talking
7 \$300,000 just to buy the land.

8 So what's affordable?

9 How do you do?

10 When we're losing all our younger kids.

11 I try to lie and say I'm 29, but, you know,
12 all my Brownies and my Girl Scouts, you know, where
13 do they go to live? You know, they're moving.

14 And we're losing good resources, and it's not
15 fair.

16 You know, I don't want to live in an
17 all-elderly community.

18 I'm 29.

19 [Laughter.]

20 AVA FARKAS: So, you know, what do we do to
21 help to keep our younger generation viable in a
22 community where they can't afford to live?

23 There you go.

24 Okay?

25 And I'm going to leave -- oh, no, I'll wait,

1 'cause I'll sit here had a little longer.

2 KAREN HEIM: Good afternoon, honorable
3 members of the Westchester, New York State,
4 Legislature.

5 I'm here, I'm Karen Heim, on behalf of
6 Dennis Hanratty.

7 You probably know he had a little accident in
8 the house, May 5th, and he's not as strong as he
9 thinks he is.

10 Okay.

11 He is the executive director of Mount Vernon
12 United Tenants.

13 He's been in this position 36 years, and has
14 been coming to Albany all of this time, lobbying for
15 stronger state tenant-protection laws.

16 He and the whole tenant movement are -- in
17 New York State are very excited.

18 This is really the first time, in at least
19 his 36 years, that there's a great likelihood of
20 significant, long overdue improvements to laws.

21 We're counting on our legislators to do the
22 right thing by tenants, and pass the nine -- all
23 nine bills that we've been advocating for.

24 He called me this morning and asked me to
25 make the point, that this is a function of the

1 legislative branch of government, not the executive.

2 While MVUT engages in a whole variety of
3 tenant services, the great majority of our work
4 falls on its free programmatic categories.

5 First is homelessness eviction -- I'm sorry,
6 Homelessness Prevention Program (the HPP).

7 We provide intensive case management for the
8 tenants at risk of eviction through various legal
9 and administrative interventions.

10 We effectively prevent over 150 evictions
11 annually.

12 That's a conservative figure.

13 This provides enormous fiscal relief for
14 Westchester County taxpayers who are spared the huge
15 costs of the emergency shelter system.

16 The real beneficiaries are, of course, the
17 families and individuals who are spared the horror
18 and indignities of becoming homeless.

19 The second function is the TAP (the Tenant
20 Action Project).

21 MVUT organizes tenants within individual
22 buildings, to better understand their rights and
23 responsibilities, and to be better able to represent
24 their own interests vis-a-vis their landlords,
25 governmental agencies, and the courts.

1 So many people have become homeless because
2 they didn't know they didn't have to.

3 They thought they had to get a lawyer.

4 And if they can't afford their rent, how can
5 they afford a lawyer.

6 Public advocacy is the third.

7 MVUT works on all levels of government;
8 municipal, county, state, and federal, to push for
9 policies that benefit tenants and other low-income
10 residents.

11 The New York State Tenant Protection laws
12 enable us more effectively to engage in all of our
13 program activities.

14 Our Homelessness Prevention Program (HPP) is
15 the activity we spend the greatest amount of our
16 time and energy.

17 Eviction prevention is very detail-oriented.

18 It requires incredibly dedicated staff, for
19 example, the initial intake, the collection of
20 documents, the analysis of problems, the contact and
21 acquiring the resources.

22 I might add here, this is where I work,
23 getting people who are embarrassed because of their
24 situation, through no fault of their own, to divulge
25 the problems that they have is part of the fight.

1 They're shy, they don't want to come forward.
2 And they have rights they don't know about.

3 Preparing orders to show cause, follow-up
4 services of papers, core preparations, et cetera.
5 We go with them to the court.

6 We're not lawyers. We just go as moral
7 support.

8 Part of the analysis of problems is
9 determining whether the tenant facing eviction is
10 rent-regulated.

11 If so, the tenant is in a far stronger
12 position challenging his eviction.

13 I very often feel inadequate when I receive
14 calls or requests for assistance from unregulated
15 tenants.

16 By asking them where they live, what is the
17 address, and my long-term history with MVUT,
18 I know -- he knows exactly what building they're
19 talking about, whether it's ETPA or not.

20 Their rights are much likely to be upheld if
21 they're in an ETPA building.

22 People are -- all they do is buy time.

23 They eventually end up out of their
24 apartments if it's not ETPA, and, that, it's
25 unsustainable.

1 Where will the working people live?

2 Presumably, you want working people in the
3 county to do the work.

4 Okay. Likewise, for tenants in unregulated
5 buildings, my message is much less optimistic.

6 Extending the ETPA to smaller buildings.

7 Three units to five units would be a big help
8 in our efforts to fight evictions.

9 The good-cause eviction legislation that
10 we're supporting would do this, and perhaps more.

11 Providing protection for the thousands and
12 thousands of tenants who live in areas of the state
13 not covered by the rent laws is key.

14 It's tough to overstate the value of the rent
15 laws as a tool in fighting evictions and keeping
16 tenants in their permanent homes.

17 I don't have to explain to anybody the effect
18 on a child who doesn't know, when they come home
19 from school: Did we get the money, mom? Like, you
20 know, is this going to happen, is this the day?

21 It's gut-wrenching.

22 While MVUT does provide the majority of our
23 services to Mount Vernon tenants, as the only funded
24 and staffed tenant association in Westchester, we do
25 great -- we do get requests to help from throughout

1 the county.

2 In fact, MVUT was responsible for
3 Croton-on-Hudson and Rye adopting the ETPA in the
4 last number of years.

5 And we, likewise, played a major role in
6 Ossining opting into the ETPA this past September,
7 even though that was partially revoked and is
8 currently subject to litigation.

9 MVUT has always been a firm believer in
10 coalition work.

11 We have worked with the tenant movement in
12 New York City and individual organizations, such as
13 New York State Tenants and Neighbors, the
14 Metropolitan Council on Housing, over the years.

15 I've been a member -- and -- we -- and have
16 been a member of the broader coalitions working in
17 the renewal and strengthening of the state rent
18 laws; for example, the Real Rent Reform (R3)
19 Coalition, and the current Housing Justice for All
20 (HJ4A).

21 Many look at the state's rent laws as being
22 solely a New York City problem.

23 Actually, the numerous communities, and
24 three suburban counties of Westchester, Rockland,
25 Nassau, have adopted the Emergency Tenant Protection

1 Act.

2 The ETPA helps stabilize buildings and whole
3 neighborhoods.

4 This is especially important, as Westchester
5 and Nassau are two of the last affordable
6 metropolitan statistical areas (MSAs) as listed by
7 the National Low-Income Housing Coalition (NLIHC) in
8 their "Out of Reach" report.

9 Westchester is one of the least affordable
10 MSAs in the country, requiring a housing wage of
11 \$32.44 to afford the fair-market rent.

12 For a two-bedroom unit, Nassau's number --
13 numbers are comparable.

14 It is the eighth least-affordable MSA in the
15 country, requiring a housing wage of \$36.12.

16 You begin to realize what we are up against.
17 We're lobbying the State Legislature to
18 support and press all nine of the bills that are
19 listed on the attached HG4A flyer.

20 Universal rent control for New York State,
21 the R3 campaign, that have been pushing three
22 separate pieces of legislation for years are (1) end
23 vacancy decontrol, (2) close the preferential
24 loophole, (3) eliminate the statutory 20 percent
25 vacancy increase.

1 Through the upstate/downstate effort, we
2 added six legislative priorities, which will provide
3 much-needed benefits to renters, and begin to level
4 the playing field with the vastly more-resourced
5 real estate industry.

6 Please do so.

7 Thank you.

8 MAJ. LDR. STEWART-COUSINS: Thank you.

9 SENATOR KAVANAGH: Thank you both.

10 Great.

11 Okay. So we now have heard from everyone who
12 had signed up in advance of this hearing.

13 So we're going to -- now, we're going to go
14 to people who have -- who arrived and signed up
15 today. We're going to try to accommodate everybody.

16 So first I have -- there are five people who
17 have signed up from the Building and Realty
18 Institute.

19 And I'm going to ask, basically, all five of
20 you come up, and we'll hear your testimony as a
21 group, as we have with other organizations, and
22 then, you know, take any questions from the panel.

23 So, Lisa DeRosa, Alana Chufatelli (ph.),
24 Mike Nukho, Gene DiResta, and
25 Jason Shian (ph.)(sic), I think, if I'm saying

1 that properly.

2 Yeah, we're gonna -- let's -- we're going to
3 run the clock at 8 minutes. But if you can
4 summarize, you know, we do have to get out this
5 building at some point.

6 But, yeah, if you could -- we'll run the
7 clock at 8 minutes for each of you.

8 So I don't know -- so please just identify
9 yourself individually, and any affiliation you'd
10 like us for the record, and then proceed.

11 LISA DeROSA: Hi. My name is Lisa DeRosa.
12 I'm a landlord.

13 My father built these buildings that we
14 currently manage. It was his life dream to build an
15 apartment house, and growing up he referred to them
16 as "his children."

17 So, technically, I'm here speaking about my
18 siblings.

19 [Laughter.]

20 LISA DeROSA: My name is on every building,
21 and I take pride in them because they're my father's
22 legacy.

23 He's not with me anymore.

24 We provide quality housing, and we make all
25 repairs in our buildings in one to two business

1 days.

2 Our repairs are not Band-Aided, they're
3 repaired properly.

4 I have no violations on any of my properties,
5 and I have not had any in over two decades.

6 I also provide jobs.

7 In addition to my building staff and office
8 staff, I hire local contractors and use local
9 suppliers.

10 It doesn't make sense to turn over an
11 apartment for the sake of turning it over.
12 Financially, it doesn't make sense.

13 In any business, the cost to get a new
14 customer is 13 times more than it costs to keep your
15 existing customers, and it is no different in real
16 estate.

17 If you take the cost of the improvements,
18 plus the time that your apartment is vacant, it
19 makes no financial sense to do that.

20 If you have a good tenant who's paying rent
21 and abiding by the laws, there's no reason to evict
22 somebody.

23 I cannot pay my bills, I cannot pay my staff,
24 with empty apartments.

25 There are some instances where you don't want

1 to renew a tenant.

2 I have had instances where I've had a drug
3 dealer in the building.

4 I have families in that building, I have
5 families with young children. I have single women
6 in that building.

7 I don't want a drug dealer and his clientele
8 coming onto my property, and it was very difficult
9 to evict him.

10 I had to hire a private investigator. There
11 was no other way to do it.

12 You have tenants that throw loud parties all
13 night, who are a nuisance to the residents that do
14 the right thing.

15 And as a business owner, I need to protect my
16 business and my clients, and, in some circumstances,
17 you need to not renew a tenant.

18 But other than that, it doesn't make sense to
19 have -- to not renew someone to have a vacant
20 apartment.

21 I didn't do my homework this weekend, so I'm
22 kind of speaking from the cuff. I took the weekend
23 off.

24 What do you know, I might be done.

25 As far as individual apartment improvements,

1 my buildings were built in the '70s.

2 Avocado and harvest-gold kitchens just don't
3 work in today's market, and you need to get them
4 updated.

5 I spend money on my apartments.

6 I don't think I've ever spent \$20,000, but,
7 I do need the ability to recoup my costs.

8 And, I wanted to address something that
9 Senator Harckham had said, and I'm sorry he's not
10 here right now to hear it.

11 But, when you talk about apartments going
12 off -- becoming deregulated and going -- and not --
13 and disappearing, they're still there, they're not
14 going anywhere, and they're still being rented at
15 prices conducive to an apartment built in the '70s,
16 and, in White Plains.

17 So because an apartment becomes deregulated,
18 I can do anything you want to it, but I'll never get
19 2,000, 3,000, 4,000 dollars for those apartments in
20 White Plains.

21 So, I think what needs to be made clear is
22 that, they're still there, they're just not counted
23 anymore.

24 MIKE NUKHO: Hello, everyone.

25 My name is Michael Nukho.

1 I am a landlord.

2 I'm with GEM Management Partners.

3 I'm also a real estate broker.

4 I hold a "certified property manager"
5 designation.

6 And I just wanted to say that, about
7 2 1/2 weeks ago, our company was honored by the
8 Guidance Center as a preferred landlord servicing
9 Westchester County, because we open our doors to
10 subsidies, such as, like, Section 8, and agencies
11 that have participants that are in need of quality
12 and safe housing because they may suffer from some
13 mental illness, or, things of that nature.

14 So, we were very proud to be honored.

15 But when I think about some of these proposed
16 reforms, it's almost that we would have to hand back
17 that honor because we would not be able to sustain
18 that designation.

19 These -- these -- these -- these laws that
20 are out to roll back the ability to have landlords
21 put money into a property affects these tenants.

22 If I ask any one of you to go home, whether
23 you live in an apartment, a condo, or a home, and
24 voluntarily put money into that place to fix
25 something, that may be a struggle for you because

1 that place that you call "home" does not give you
2 any money.

3 So it's the same thing with an apartment
4 building.

5 If you take away the abilities to raise
6 rents, to make it profitable, how can we voluntarily
7 go into our pockets and just put money back into a
8 building?

9 So, there's a lot of things here that I hear.

10 You know, I heard the unfortunate stories of
11 some tenants being evicted, having poor housing
12 conditions.

13 You know, it's sad for me to hear that, but,
14 for those landlords that do the right thing, you
15 know, we're -- we're -- we're getting stripped away
16 from that ability to continue to do it day in and
17 day out.

18 We need -- we need the ability to raise rents
19 in order to put monies back into a building.

20 It's just -- it's -- it's -- it's
21 black-and-white math.

22 If you have an apartment building that has
23 several units, 10, 20, whatever the number may be,
24 and you have sporadic vacancies that may open up,
25 because, it could happen.

1 And then you have, like the other woman
2 mentioned, a cracked boiler that may happen out of
3 nowhere, there's no -- there's no time clock,
4 there's nothing that will -- that you will foresee,
5 no crystal ball that will say, you're going to come
6 to work today and then you have a boiler issue;

7 Nevertheless, potential vacancies;

8 Nevertheless some tenants complaining because
9 you have a nuisance tenant that lives above you that
10 happened to leave the water running, and walk away
11 from it, and then, all of a sudden, you have a leak
12 coming below.

13 These are -- this is the nature our business.
14 It's a constant, you know, go, go, go; there's
15 always something going on.

16 And I think that something that needs to be
17 made clear, that I don't think anyone really
18 realizes, is that I believe that a lot of people
19 have this misconception, that if you have so many
20 apartments, that everyone pays your rent.

21 That does not happen.

22 I am -- I could open my books at any given
23 day, I have 25 to 30 percent of uncollected rents
24 sitting out on the street, that will never be
25 collected, never mind the legal fees that we have to

1 engage to try and collect the rent.

2 It's just -- that's just the nature of the
3 business.

4 So, it's very important that IAIs remain in
5 effect.

6 You know, we talked about apartments becoming
7 vacant after so many years of being occupied.

8 And, our business evolves.

9 So, if you have an apartment that was 20-,
10 30-years occupied, and then it becomes vacant,
11 especially in buildings in New York which,
12 predominantly, were built in the early 1900s, those
13 electric wiring and panels, they're very old, very
14 hazardous.

15 Think of the effect that you place on the
16 burden of landlords, that if you take away the
17 ability to put money back in, good money back into a
18 building, to fix it the right way, that they're
19 going to take shortcuts because they don't have the
20 money.

21 So if they're going to take shortcuts and
22 just do whatever is necessary just to kind of slide
23 by, then, what happens when that family is -- is --
24 is a result of a fire -- or, a victim?

25 Another thing I want to mention is that,

1 landlords do the right thing.

2 We do things like surveillance cameras.

3 If you go through -- to a neighborhood and
4 you look around, and the buildings are predominantly
5 kept up to par, you have secured entrance doors, you
6 have intercom systems, you have properties that have
7 a flavor of being maintained, surveillance cameras
8 is a big advocate for it.

9 I have many, many local police departments
10 that come to our properties, with their own tablets,
11 and they know how to access our buildings because we
12 give them the smart codes to get in. And they get
13 in and they access our surveillance cameras, without
14 even us asking, because we already have developed
15 that relationship, and they're out there trying to
16 fight crime.

17 In Yonkers, some months ago, I don't know the
18 victim's name, but, a poor man was walking across
19 the street, got hit by a car, died.

20 The person that did the hit-and-run was
21 captured by surveillance cameras.

22 That was from property owners.

23 Now, the effect is incredibly hard.

24 You know, we all know somebody, and if you
25 don't know somebody directly, you may know somebody

1 who does know someone, that works at a Home Depot, a
2 mom-and-pop-shop hardware, that's a clerk for an
3 electrician, a plumber, that's a stock boy,
4 something to that effect.

5 You take away IAIs, you take away the
6 incentive for landlords to put money back into these
7 properties to make them right for the people's safe
8 and well-being. And then the trickle-down effect is
9 that there's going to be a loss of jobs.

10 If landlords don't have the ability to put
11 money back into their buildings, then those
12 electricians and plumbers and the Home Depots of the
13 world and the mom-and-pop shops, they're going to
14 lose employees.

15 It goes round and round.

16 Taxes go up, water goes up; those bills have
17 to be paid no matter what, whether you collect the
18 rent or not.

19 If you -- I like to look at -- I was trying
20 to think about a way to kind of streamline the
21 analogy.

22 Imagine buying a car, but you can't buy a
23 brand-new car. You have to buy a used car.

24 And you have to, you know, just like
25 everybody else, you put a down payment and you

1 finance that note.

2 Same thing when you buy a building.

3 Your buildings are used. So you put a down
4 payment, you finance it.

5 So now have a mortgage on the building; you
6 have to have a mortgage on a car.

7 When your brakes go bad on your car, do you
8 just let it go?

9 When your tires go bad, do you just keep
10 fixing it, and hope that you're going to sustain a
11 bad rain or snow?

12 The same thing goes true with a building.

13 You have to do what you have to do, and you
14 need the funds to be able to do it.

15 So, I mean, I'm very familiar with the IAIs
16 and, you know, the MCIs.

17 And I think Ken hit it on the nose earlier.
18 Ken Nilsen, he said that, not all of them are
19 approved.

20 And that's very, very accurate.

21 And when they do happen, they happen
22 sporadically. It doesn't happen all the time.

23 So, MCIs, for whatever it's worth, I don't
24 believe in the calculation, I don't think it's
25 sufficient enough. But, it needs to stay.

1 But the IAIs, that's important, because now
2 you're going to tamper with the quality of your
3 housing stock.

4 And nobody ever spoke about succession rights
5 here.

6 I have properties that I have -- I have a
7 classic tenant who pays me \$505 a month, and he has
8 a house in the Hamptons. And -- he has a house in
9 the Hamptons, and he pays \$505 a month.

10 Is that fair for those people that could use
11 that apartment?

12 I don't think so.

13 I -- or -- or the folks that strategically
14 play games with the rules.

15 If you look at the ability to incur a unit
16 through succession rights, you just have to set up
17 residence for two consecutive years and be a
18 bloodline relative.

19 So, where I have a property that has
20 56 units, and I have a three-bedroom, two-bathroom
21 apartment, and the tenant pays me \$305, and this is
22 real, that family's bloodline could, presumably, go
23 in there, set up residence, and -- and -- and -- and
24 have a couple of the Con Ed bills placed in her name
25 or his name, and set up residence, put it all on

1 their driver's license, for two consecutive years,
2 and they would inherit that three-bedroom, two-bath
3 apartment.

4 And that is -- when we talk about loopholes,
5 that's a major loophole.

6 And I don't think that anybody quantified how
7 many of those rent-controlled apartments that are
8 out there, that could presumably be handed down to a
9 bloodline relative, that may not even need it.

10 OFF-CAMERA SPEAKER: (Inaudible.)

11 GENE DiRESTA: Good afternoon, Senators,
12 colleagues, and audience members.

13 We're here to provide testimony, share our
14 experiences related to the management of rental
15 properties, and how the proposed changes to the ETPA
16 law will affect both tenants and landlords.

17 You've heard testimony that denigrates
18 landlords by tenants, and, conversely, tenant
19 problems experienced by landlords.

20 OFF-CAMERA SPEAKER: (Inaudible.)

21 GENE DiRESTA: My name is Gene DiResta.

22 An additional inference in every person is
23 every person's desire to reduce their costs at the
24 expense of the provider without regard to the
25 financial needs of the provider.

1 The need of low-income people must be
2 addressed by society, and not by small landlords who
3 are running a business and not a social service.

4 It is my position that a viable strategy that
5 accommodates both landlords and tenants is an
6 analytic algorithmic approach to rent regulation.

7 An algorithmic approach would consider
8 current economic conditions of both tenants and
9 landlords.

10 Now, I've heard a rumor that an algorithmic
11 strategy exists, and that it hasn't been used much.

12 I have not located this algorithm in any
13 published resource.

14 Perhaps it needs to be upgraded, or, more
15 likely, created, to make the rent guidelines more
16 relevant and responsive.

17 As an engineer-mathematician, I have
18 developed a financial real estate mathematical model
19 that has been useful in the management of my
20 family's 22-family real estate investment.

21 It allows me to decide on expenses,
22 et cetera, needed to allow me earn the fair return
23 on investment needed to continue our business and
24 pass it on to my daughter.

25 I would also like to point out that no

1 published papers in any peer-reviewed journals by
2 academic economists support the economic benefits to
3 an entire community from rent guidelines.

4 An algorithmic strategy would also eliminate
5 the need for a rent guidelines board.

6 Finally, I ask that our legislative
7 representatives (indicating) incorporate new
8 language, or mandate the use of algorithmic
9 strategies, to determine fair rent guidelines rather
10 than the current arbitrary process used to determine
11 rent increases.

12 Thank you.

13 SENATOR KAVANAGH: Last up.

14 JASON SCHICIANO: Good afternoon, Senators.

15 Thank you for your patience in hearing all of
16 us out.

17 My name is Jason Schiciano.

18 I'm co-president of Levitt-Fuirst Insurance.

19 We're an insurance broker located in
20 Tarrytown, New York.

21 We're also the insurance advisers to the
22 Building and Realty Institute, and the Apartment
23 Owners Advisory Council.

24 I am also the insurance broker for several of
25 the landlords in this room.

1 So I think I have a somewhat unique
2 perspective in terms of being a vendor to these
3 landlords.

4 My first comment relates to the testimony
5 that you've heard regarding expenses that these
6 landlords face relative to the recent DHCR-allowed
7 rent increases.

8 Last year when I testified at the
9 rent-guidelines hearings, I mentioned that the
10 previous five years, one-year allowable rent
11 increase totaled, for the five years, 7.25 percent.

12 That's right from the DHCR reports.

13 And over the same period of time, the DHCR
14 reports showed that the premium increases for
15 insurance increased by 24 percent.

16 Now, I'm not the only expense on the
17 operating statement of a landlord, but I'm certainly
18 selling insurance, one of the top three or five.

19 So, that's an interesting disparity.

20 There have been some comments today about
21 wage stagnation as well.

22 I would point out that, from 2016 to 2021,
23 the minimum wage is going to increase by 50 percent.

24 I employ 65 people in Tarrytown. Many of
25 them have wages that would be in the range of what a

1 tenant in the apartments that we're discussing would
2 typically earn.

3 And I can tell you that, over the past five
4 years, the same time period, those type of
5 employees, critical to our operation, have earned
6 wage increases, on average, of 20 percent. And I'm
7 a local Westchester business.

8 Secondly, with respect to the correlation to
9 collect adequate rents and IAIs and MCIs, relative
10 to the ability to maintain a building or invest in
11 necessary capital projects, I think it's pretty
12 obvious that, with continued, or even more severe,
13 rent-increase restrictions and elimination, or
14 reduction in IAIs and MCIs, that there is going to
15 be reduced maintenance, or, certainly, only
16 maintenance of an emergency nature, and, certainly,
17 fewer capital projects.

18 Ken Rotner (ph.) spoke of the need for
19 electrical upgrades to apartments, to buildings, and
20 individual units when they're vacated, which is
21 costly, as well as the need to, for instance, remove
22 lead paint.

23 I can give you a different perspective on
24 that.

25 Not only is that necessary for the building

1 to continue to operate and function properly, and
2 for the protection of the tenants, but, also, I can
3 tell you that there is a bit of an insurance crisis
4 in New York.

5 In New York, it's the hardest state in the
6 country to obtain affordable insurance.

7 And, in New York, insurance on these
8 apartment buildings costs far more than any other
9 state in the United States of America.

10 As a result of that, there are very few
11 insurance companies that have any interest
12 whatsoever, at any cost, or any premium, to insure
13 apartment buildings.

14 So my point is, the more that these apartment
15 buildings defer maintenance or defer capital
16 projects, the less attractive they will be from an
17 underwriting perspective; the more non-renewals of
18 insurance policies you'll see; and the result of
19 that will be higher replacement insurance at less
20 coverage.

21 That's bad for landlords, and it's bad for
22 tenants as well.

23 Lastly, I'll mention that the -- the --
24 there's definitely, within the last 12 months, an
25 umbrella liability crisis for these landlords.

1 Landlords have seen recently, or will be
2 seeing shortly, that their umbrella liability
3 insurance will cost them 30 to 70 percent more this
4 year than last year.

5 Why is that?

6 Because two major insurance programs for
7 umbrella liability have pulled out of the New York
8 State marketplace.

9 And, Senator Stewart-Cousins, I'm going to be
10 meeting with you on Friday to discuss this.

11 It's because of the scaffold law, which makes
12 the insurance for the vendors that service these
13 buildings extraordinarily high.

14 The contractors pass that expense on to the
15 landlords, and the landlords have to pay for it
16 somehow.

17 So, a number of different issues from an
18 insurance perspective that maybe gives some light to
19 why there needs to be some fair consideration with
20 respect to the ability to obtain rent increases, in
21 order to pay for various maintenance and capital
22 projects, as well as the insurance.

23 Thank you very much.

24 SENATOR KAVANAGH: Thank you.

25 So I appreciate all of your testimony.

1 Given the late hour, I'm going forgo the
2 opportunity to ask questions.

3 But anyone else on the panel?

4 SENATOR MAYER: I just have a brief question.

5 SENATOR KAVANAGH: Senator Mayer.

6 SENATOR MAYER: Can each of you say how many
7 units you can -- are under your management?

8 LISA DeROSA: 400.

9 SENATOR MAYER: 400.

10 How many buildings?

11 LISA DeROSA: Three.

12 SENATOR MAYER: And your insurance?

13 JASON SCHICIANO: I mean, we insure
14 thousands.

15 SENATOR MAYER: I know, yes.

16 GENE DiRESTA: 22.

17 SENATOR MAYER: 22 in one building?

18 GENE DiRESTA: Yes, ma'am.

19 SENATOR MAYER: And you at GEM?

20 MIKE NUKHO: Yes.

21 Approximately 500 over 22 buildings.

22 SENATOR MAYER: Okay. Thank you.

23 SENATOR KAVANAGH: Thank you very much.

24 Next up were going to have Alan Zaretsky, who
25 I understand has been waiting very patiently for

1 some time.

2 ALAN ZARETSKY: Good afternoon.

3 My name is Alan Zaretsky.

4 Before I read my prepared statement, one of
5 the benefits of being towards the end is to listen
6 to everybody say what's going on and hear all the
7 different viewpoints.

8 I don't envy your, hopefully, solomonesque
9 task before you.

10 I only hope that you don't throw out the baby
11 with the bathwater when you do make a decision on
12 this.

13 Good day, and thank you for the opportunity
14 to speak today.

15 I have operated and rehabbed hundreds of
16 units, both in New York City and Westchester, over
17 the years.

18 I've seen the benefits of capital
19 improvements enhance buildings, neighborhoods, and
20 the quality of life for those families living in
21 these properties.

22 It is important for all to remember that we
23 are all in this together and should not be at odds
24 with each other.

25 Landlords and tenants both have a vested

1 interest in maintaining and upgrading housing.

2 The tenants that reside in rental properties
3 are entitled to safe and secure living conditions,
4 and landlords are entitled to a reasonable return on
5 their investments.

6 This can only be accomplished through
7 cooperation and respect, not only for each other's
8 rights, but the properties themselves.

9 Mechanical devices have an expected lifespan.

10 When maintained properly, that lifespan can
11 be extended.

12 When neglected or abused, that lifespan can
13 be severely shortened.

14 Accordingly, the need to replace or upgrade
15 services within a building or individual apartments
16 requires both landlord's and tenants' attention and
17 care.

18 It is not equitable, nor economically
19 feasible, for landlords alone to bear the cost to
20 replace items such as stoves, refrigerators,
21 et cetera, every few years due to misuse or neglect.

22 These types of items are primarily within the
23 control of the individuals living in the apartments.

24 It is the landlord's responsibility to ensure
25 that they're in working order, and the tenant's

1 responsibility to use them properly in a clean
2 environment.

3 Likewise, building systems also have a
4 lifespan.

5 If maintained properly, they can last well
6 beyond their expected viable usage, but, ultimately,
7 they will be need to be replaced.

8 The current method of allowing landlords to
9 upgrade both individual aspects of apartments and
10 buildings-wide systems works.

11 The landlords have to expend large sums of
12 funds, which expense is then shared by the
13 recipients of those services over an extended period
14 of time.

15 During that time, the landlords' costs
16 continue to go up as taxes, electricity, heating,
17 maintenance, insurance, and other costs only
18 increase.

19 Many changes to the law, although
20 well-intended, often have resulted in unanticipated
21 consequences which have dramatically affected the
22 cost of maintaining rental housing.

23 Following the New York City law,
24 Westchester County has eliminated the use of
25 lower-costing Number 6 oil, and Number 4 oil to

1 follow in 2020.

2 This has resulted in the necessary move to
3 higher-priced Number 2 oil, or converting to gas
4 which is extremely difficult and an expensive
5 procedure.

6 This has resulted in increases in heating
7 costs, as well as capital outlays, to convert the
8 equipment to accommodate this change in heat-source
9 usage.

10 Of course, we are all aware of Con Ed's
11 recent moratorium on gas conversions, which only add
12 to the cost of Number 2 oil, and further inhibited
13 the well-intentioned ban on 4 and 6 oil sources, as
14 gas is not an option currently, despite the upcoming
15 2020 ban on Number 4 oil.

16 My point, in short, is not to be shortsighted
17 in eliminating the capital-improvement aspects of
18 the current rent law.

19 This will only exacerbate the decline of
20 properties, and cause more harm to the residents
21 living in these properties, than the short-term
22 goals of a select few.

23 Cooperation is a key in moving forward in
24 these difficult times.

25 We are all in this together whether we like

1 it or not.

2 Now, off my prepared statement, I rehabbed
3 for the City of New York, under their
4 vacant-building program, over 1,000 units in the
5 South Bronx.

6 It worked.

7 The City gave low-interest rates, which made
8 it viable.

9 The people that worked on at least my
10 projects were people from the communities. And
11 I would say 40 percent of them moved into these
12 buildings that rehabbed, maintaining that
13 neighborhood as to what it was.

14 And while it was a small section that we were
15 on, on Sheridan and Sherman Avenue in The Bronx
16 there, we worked somewhat of an oasis when we were
17 done.

18 People knew who would come to our
19 neighborhoods to make trouble.

20 The people that lived there helped enforce
21 that.

22 And so the -- the capital improvements,
23 whether it be individual apartments or the full
24 building-wide, are a necessary expense that has to
25 be done.

1 And there's no way that many of these smaller
2 landlords can afford this, unless it's allowed to be
3 shared. Not fully put on the burden of one side or
4 the other, but shared by all parties involved.

5 Thank you very much, and I trust in your good
6 judgment.

7 SENATOR KAVANAGH: Thank you, appreciate it.

8 Questions?

9 SENATOR MAYER: Thank you.

10 I just want to say, thank you for the tone of
11 your comments, which are constructive, in the sense
12 that we do have a challenge before us how to do
13 this.

14 And, how many employees -- do you have a
15 company?

16 ALAN ZARETSKY: I have several companies,
17 yes.

18 SENATOR MAYER: Oh, okay.

19 How many employees do you have, all together?

20 ALAN ZARETSKY: I probably employ over
21 85 people, between building superintendents,
22 maintenance people, and my office staff.

23 SENATOR MAYER: But on the repair side that
24 you talked about in your testimony?

25 ALAN ZARETSKY: On the repair side I have

1 15 people working for me.

2 SENATOR MAYER: Okay. And is that primarily
3 in The Bronx now, or Westchester --

4 ALAN ZARETSKY: Right now it's all in
5 Westchester.

6 SENATOR MAYER: -- okay.
7 Thank you.

8 SENATOR KAVANAGH: Thank you.

9 ALAN ZARETSKY: Thank you very kindly.

10 SENATOR KAVANAGH: And our last panel, I'm
11 going to call up the last two.

12 And if you are here, and you are expecting to
13 testify, and you haven't been called, this would be
14 a good time to speak up.

15 But, the last two folks on my list
16 are Edwin Martinez, and I think it's -- it's
17 handwritten, but I think it's Maria Kwan.

18 JULIE WEINER (ph.): I thought I signed up.
19 Julie Weiner (ph.).

20 SENATOR MAYER: Julie Weiner.

21 SENATOR KAVANAGH: Okay, I do not have you on
22 the list. But, why don't we -- we'll have you come
23 up last after that.

24 So are -- are -- Edwin Martinez, these are
25 folks from Immigration Defense Group.

1 SENATOR MAYER: No, they did not want to
2 testify.

3 SENATOR KAVANAGH: Okay.

4 Then, Ms. Weiner, you are up.

5 JULIE WEINER (ph.): Okay. Thank you.

6 SENATOR KAVANAGH: Thank you.

7 JULIE WEINER (ph.): Hi. Good -- good to
8 meet --

9 OFF-CAMERA SPEAKER: (Inaudible.)

10 JULIE WEINER (ph.): What?

11 SENATOR KAVANAGH: Yeah, you don't need to --

12 JULIE WEINER (ph.): Oh, I don't need to --

13 SENATOR KAVANAGH: -- put it closer enough.

14 JULIE WEINER (ph.): Okay.

15 I'm Julie Weiner.

16 I live at 1 Shonnard Terrace, Apartment 3-D.

17 And I -- when I moved in in 1986, I moved
18 into a rent-stabilized building.

19 I don't believe I still live in a
20 rent-stabilized building. Apparently, I'm one,
21 or -- I'm one, or perhaps one of two, remaining
22 rent-stabilized tenants.

23 In the time I've been there, obviously, there
24 have -- there's been a series of landlords.

25 I -- really, I'm here today out of a sense of

1 obligation to myself, because I want to protect rent
2 stabilization.

3 I wasn't able to attend the lobbying day of
4 the tenant organizations because I was in Albany
5 lobbying on election integrity.

6 So, my living in a rent-stabilized building
7 has enabled me over the years, as a single woman,
8 working as a mental-health counselor, whose
9 per-session salary/per-session income has not gone
10 up.

11 There isn't a single insurance company who
12 has increased by income, per session, in the
13 25 years that I've been working in this field.

14 So having a rent-stabilized -- having my
15 rent-stabilized, and not moving, despite, sometimes,
16 not well-maintained building, has enabled me to --
17 has enabled me to make the contributions that I've
18 made over the years, both as a counselor and in the
19 community.

20 I've done volunteer work at the
21 Sharing Community, among other places, where I've
22 seen -- I've seen the dire effects of homelessness.

23 I think we're -- I think we're kind of in the
24 position of the frogs in the water that's slowly
25 boiling, where we don't see -- that anybody could

1 ask, could even ask, whether there's a homelessness
2 crisis is -- is shocking to me.

3 But I guess we've just gotten used to seeing
4 people with no resources wandering the streets.

5 It didn't used to be that way.

6 The -- the emergency that led to the -- the
7 laws that exist now were in a situation where you --
8 it would have been shocking in those years to see
9 people wandering the streets, homeless.

10 They just wanted to prevent it.

11 Anyway, I don't want to take your time long.

12 I just wanted to say, I think that the
13 prob -- from what I've been hearing, we're dealing
14 with a problem, that many people have invested in
15 housing.

16 It is an extreme -- as you pointed out, it's
17 an extremely reliable investment if 95 percent of
18 landlords are making a profit.

19 I don't think there's anything else you can
20 do with your savings that's a more reliable
21 investment.

22 So -- and I don't think that there's a law
23 that says you have to make a profit on your
24 investments.

25 On the other hand -- and we are subsidizing

1 landlords in a lot of ways, with Section 8, where
2 we've actually subsidized the rent increases by
3 subsidizing the market rents.

4 So I want to make a little bit of a radical
5 suggestion.

6 We've had -- I've -- there's been a huge
7 turnover of landlords in my building, not just
8 tenants, because property, real property, was a
9 speculative investment.

10 So they invested, expecting to flip it, and
11 they did, over and over, until the market peaked.

12 And I have the sense, from the way expenses
13 aren't being taken care of, that probably the
14 current landlord paid too much, I don't know.

15 But, I want to suggest a radical solution to
16 the problem of market housing. It's not a new one.

17 Mayor Fiorello La Guardia invested New York
18 City funds in public housing. First houses still
19 exist in New York.

20 There is other funding of -- there's other --
21 there are -- there's other housing in New York that
22 has been, while it houses a lot of people, less
23 successful, in terms of the amenities -- of how nice
24 it is a place to live.

25 But I would suggest, maybe you can't do it

1 this term, but I think the State of New York ought
2 to be investing in housing.

3 We can't keep -- we can't -- with -- with
4 housing as a speculative investment, there really
5 isn't another way but competing with the landlords
6 to set up housing that -- to set up housing for
7 people who can't afford it, because working people's
8 incomes do not go up at the rate of return that
9 investors expect.

10 You know, the miracle of compound interest
11 doesn't work in terms of how much working people are
12 earning.

13 We just -- there's a limit to what we can
14 keep giving, until we just are exploited to the --
15 beyond the point where people can survive.

16 So that's my long-term solution.

17 Meanwhile, I thank you for your -- thank you
18 for your -- thank you for your support for
19 sustaining -- for sustaining rent --
20 rent-stabilization and rent-control laws, as I hope
21 you'll be doing, and modifying them so that they can
22 have long-term viability.

23 Thanks.

24 SENATOR KAVANAGH: And thank you for your
25 testimony.

1 Any questions from the panel? Comments?

2 Okay.

3 We appreciate your patience and your
4 testimony today.

5 JULIE WEINER (ph.): Well, I appreciate yours
6 (inaudible).

7 I was not prepared.

8 I just wanted you to know, here I am.

9 There's nobody left around me who's a
10 rent-stabilized tenant.

11 SENATOR KAVANAGH: We're very much glad that
12 you joined us.

13 So that concludes this hearing.

14 Thank you all for -- everyone who testified,
15 and the senators who joined us today.

16 And we will continue this conversation as we
17 move toward the deadline for the laws to be renewed
18 on June 15th.

19 Thank you.

20 (Whereupon, the public hearing held before
21 the New York State Senate Standing Committee on
22 Housing, Construction, and Community Development
23 concluded, and adjourned.)

24 ----oOo----

25