

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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April 27, 2017

Start: 1:28 p.m.

Recess: 6:49 p.m.

HELD AT: 250 Broadway - Committee Rm.
16th Fl

B E F O R E: JUMAANE D. WILLIAMS
Chairperson

COUNCIL MEMBERS: Rosie Mendez
Ydanis A. Rodriguez
Robert E. Cornegy, Jr.
Rafael L. Espinal, Jr.
Mark Levine
Helen K. Rosenthal
Ritchie J. Torres
Barry S. Grodenchik
Rafael Salamanca, Jr.
Eric A. Ulrich

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

John Delfish, President
Tenant Association
615 West 150th Street

Devon Ribbons, Tenant
Building 161, 104th Street

Kyoko Jones, Tenant
Tenant Association
235 West 116th Street

Anne-Marie Hendrickson, Deputy Commissioner
Asset and Property Management
Tenant and Communities Program
NYC Department of Housing, Preservation & Development

Kim Darga, Associate Commission for Preservation
NYC Department of Housing, Preservation & Development

Lisa Talma, Assistant Commissioner
Property Disposition and Finance
NYC Department of Housing, Preservation & Development

Francis Marti, Assistant Commissioner
Government Affairs
NYC Department of Housing, Preservation & Development

Gale Brewer
Manhattan Borough President

Bic Hafam (sp?, Policy Director
NYC Public Advocate Letitia James

Norman Siegel, Attorney
Siegel Treitelbaum

Jason Wu, Attorney
Legal Aid Society

Salvatore D'avola, Executive Director
Neighborhood Restore Housing Development Fund Corp.

Andrew Riker, Executive Director
Urban Homesteading Assistance Board, UHAB

Patricia Jewett, Resident

Anna Dehanna (sp?), Tenant, 320 West 157th Street
1890 Andrews Avenue, Apartment 3-F, Bronx

Anna Dehanna (sp?), Tenant, 320 West 157th Street

Arlene Toro, Tenants, 102 East 98th Street

Latifa Jones, 107 West 105th Street

Carlton Boroughs

Jessie Jess Diaz, Tenant, 503 West 140th Street

Barbara Martino, Tenant, 503 West 140th Street

Sarah Mallory, NYC HPD

Ella Edwards, Tenant
374 Prospect Place Tenant Association

Donna Gray, Tenant, 138 West 137th Street

Elsie Vasquez, Founder and Executive Director
Palante Harlem, People Against Landlord Abuse and
Tenant Exploitation

Cal Snyder, Attorney

Tammy Smith, Treasurer
158 Balfour Street Tenant Association

Beverly Pavone, 2 East 127th Street Tenant Association

John Montalvo, 1128 Manhattan Avenue

Joy Clark, President
158 Southwest Street Tenant Association.

Thomas Lopez-Pierre, Tenant activist,
NYC City Council Candidate, Upper Manhattan

Lisa Rodriguez, 615 West 150th Street

Barry Weinberg Manhattan Community 9
Housing, Zoning and Land Use Committee

Rosa Rodriguez,
79 Post Street Tenant Association

Myra Vilasis
Nelson Rodriguez
Paul Ladd
Regino Pechado
Nadine Young, 615 West 158th Street

2 [sound check, pause]

3 SERGEANT-AT-ARMS: Quiet, please. [gavel]

4 CHAIRPERSON WILLIAMS: Good afternoon,

5 everyone. My name is Jumaane Williams. I'm the

6 Chair of the Committee on Housing and Buildings. I

7 want to thank everybody for their patience.

8 Obviously, we're starting late because of the large

9 crowd we had, and wanted to make sure that folks were

10 up here. We appreciate everybody's patience. We're

11 joined by Council Member Mendez, Rosenthal-

12 COUNCIL MEMBER SALAMANCA: Salamanca.

13 CHAIRPERSON WILLIAMS: --Salamanca and

14 Levine. That doesn't help my dreams at all. I'm

15 sorry about that. Salamanca and Levine. This is

16 obviously a very important topic, and we see

17 everybody who is in attendance today. We are here to

18 hold an oversight hearing on a very important issue,

19 the Tenant Interim Lease Program, or TIL Program.

20 The TIL Program was intended to be a pathway for

21 renters in city-owned buildings to become homeowners.

22 Such renters were told that they would have the

23 opportunity to own their apartment for a little as

24 \$250. We're hear today to learn about--about the TIL

25 Program. Unfortunately, there is very little

2 information available about the current status of the
3 program, and the outcomes of the program so far. We
4 are also eager to learn about—more about the future
5 of the program and about the—the Department of
6 Housing Preservation and Development plan's for the
7 remaining buildings in the program. In addition to
8 learning more about the program, we are here to
9 figure out what went wrong over the years. I should
10 note that I was deeply troubled earlier this year
11 when children and tenants testified in the
12 committee's Preliminary Budget hearing that they have
13 been relocated for a number of years without access
14 to their belongings. There have also been numerous
15 reports regarding the—regarding the mismanagement of
16 TIL buildings. Today we are here to get answers on
17 behalf of the TIL tenants who have been waiting years
18 for the opportunity to own their apartments. For
19 many of these tenants, some who are seniors on fixed
20 incomes the TIL Program is their only path to
21 homeownership in New York City. I might--[pause]--
22 Is this off?--for our former tenant organizers
23 familiar with the TIL program from many years ago,
24 I'm proud that I can chair this hearing. Last year,
25 I began hearing rumbles of mismanagement issues in

2 the TIL Program. I went to the then Commissioner to
3 speak about. Thankfully, she acknowledged some
4 issues, and said there was going to be some changes,
5 and we're waiting for the change to occur. She went
6 onto bigger, brighter pastures. We have a new
7 Commissioner. I brought up the issues. Some of the
8 issues that came up recently in articles, and so I'm
9 glad we're able to have this conversation. Actually,
10 even at that point, I was going to hold off on the-on
11 the-the hearing so I can give the new Commissioner an
12 opportunity to make some changes. Then, a group
13 called Palante and Norman Siegel started putting some
14 pressure. Even still, I was thinking about waiting
15 and then the Preliminary hearing happened, and I was
16 shocked and appalled by what I heard some of the
17 tenants were going through, and I decided at that
18 time that we must push forward with the hearing, and
19 so once again I'm proud that the City Council was
20 able to help an issue like this and provide some
21 leadership since then. I want to thank Public
22 Advocate Tish James for showing leadership, and even
23 I hate to give any credit to the post at all, but I
24 do thank them also for-I hate to do it, but I've got
25 to do a little. Ah-ha. Oh, they're both can see me.

2 I still hate to do it, but I'm glad we are shedding
3 some light on this issue, and I—I will say the
4 preliminary hearing, the Administration has been
5 meeting with me, and they're showing me that they are
6 taking this seriously and I appreciate that, and I'm
7 looking forward to the conversation we're going to
8 have. I'd like to thank my staff for the work they
9 did to assemble this hearing including Mike Toomey,
10 my Legislative Director and Meagan Chin and Guillermo
11 Patino, counsels to the committee and Jose Conde,
12 Policy Analyst to the committee, Sarah Gastelum, the
13 committee's Finance Analyst. I would like to remind
14 everyone who would like to testify today to please
15 fill out a card with the sergeant, and to those who
16 were in the overflow room, as I said when I was
17 there, thank you very much for your patience. You
18 being in the overflow actually shows us how important
19 this issue actually is. We have not forgotten about
20 you. We know that you're there, and we again want to
21 thank you so much. Before I call up the
22 representatives from the Administration, I want to
23 call up three TIL tenants who will be our first
24 panel. Many of these tenants have been waiting for
25 decades, and I thought it fitting that they should

2 have their voices heard first. So we'd like to call
3 up John Delfish. I believe he's also in the overflow
4 room. KYOKO Jones and Devon Ribbons all who I
5 believe are in the overflow room. So, if they can
6 come over now, please, we would like to hear their
7 testimony. [pause] Good afternoon. Do any of you
8 have your testimony you want to give in, submit or
9 are you just going to--?

10 FEMALE SPEAKER: [off mic] I gave it and
11 I'm here. (sic)

12 CHAIRPERSON WILLIAMS: Okay. Can all of
13 you please raise your right hand? Do you affirm to
14 tell the truth, the whole truth, and nothing but the
15 truth in your testimony before this committee today,
16 and to respond honestly to Council Member questions?

17 PANEL MEMBERS: [off mic] I do.

18 CHAIRPERSON WILLIAMS: You can begin in
19 the order of your preference. Thank you. [pause]
20 [background comments]

21 JOHN DELFISH: Okay. My name is--is John
22 Delfish and I'm the President of the Tenant
23 Association for 615 West 150th Street. Okay, I'm
24 reading from my prepared statement. Okay, the
25 building entered into the TIL Program in 1996. In

2007, at the ATA meeting with HPD Victor Hernandez and Rufus Harvey, Mr. Hernandez assured the building was scheduled for renovation in the fiscal year of 2008. It is now 2017, and HPD has changed the original program and claims not to have the funds to rehabilitate the building. Consistent with what Victor Hernandez said, HPD had the budget to start the rehabilitation. Tenants would be relocated starting in 2008. That year 15 families were relocated. Their belongings were put into a storage facility paid by HPD. Tenants do not have access to their belongings, and are unaware where the facility is located. Out of the 15 families relocated in 2008, eight are still living in HDFC used to nine but one had passed away. They relocated families paid their tier rent to the Tenant Association, which then pays HDFC to be written back by HPD every two months of the differences between the—the tenants' rent and the HDFC's (sic) rent. Between the tier rent and the HDFC rent, which is almost four times higher than the monthly payments to the HDFC. The current amount is \$9,699.12, which is \$116,389.44 a year. In the eight years the total amount paid is \$932,115.52. Without taking into consideration what was paid for the

2 tenants who passed away during the location. Now,
3 the storage fees. HPD does not recognize the sweat
4 equity of the tenants who through the years have not
5 had had their apartments painted, suffered comfort
6 deprivation, have been relocated to apartments that
7 are not adequate for them. That is senior citizens
8 with arthritic knees in fourth floor walk-up
9 apartment. HPD is behaving like one of the worst
10 landlords letting tenant buildings deteriorate
11 letting tier resolve accounts (sic) to be depleted by
12 not allowing the tier to rent the vacant apartments.
13 We're—we're going through this like I said since
14 1996, and we've done everything that HPD asked us to
15 do and more, and all we get from them is wait 'til
16 next near, and you will hear from us, and which we
17 just keep waiting and waiting and we are tired. The
18 tenants are getting very, you know, they—everybody
19 right now, as I said is mad, and sometimes they take
20 it out on us because they think we are HPD. Like I
21 told them in the meetings we are not HPD. We are a
22 tenant association. So we are—are in this together.
23 We can only do what HPD instructs us to do, but what
24 is frustrating is sometimes we try to talk to them
25 and, you know, we send emails. Sometimes we do not

2 get a response, and the tenants, like I said, are
3 getting very frustrated. We have basically or mostly
4 the tenants we have in our building are all senior-
5 senior citizens, and now they are worried with HPD
6 telling us now we have to carry a mortgage when the
7 building is renovated, and this—this is scaring just
8 about everyone including myself.

9 CHAIRPERSON WILLIAMS: Thank you. Next.

10 DEVON RIBBONS: [off mic] Good afternoon.

11 My name is [pause] Good afternoon and [pause].

12 Good afternoon. My name Devon Ribbons and I live in

13 Building 161 at 104th Street. Before I moved to

14 Building 161, I lived in Building 119 on 133rd Street

15 all of which were in the TIL program under HPD.

16 There was a woman who lived in 119 where I moved from

17 who was the president, and not only was she

18 president, but she was the treasurer and she was the

19 secretary, and she was—she held every position in the

20 Tenant Association. She fought to upkeep this

21 building as if it was her own. She went through

22 everything that HPD would require her to do. She was

23 in compliance, but in the end, it was almost as if

24 when it got down to them wanting the building,

25 everything that was done, that needed to be done to

2 push her out of the building was done. I remember
3 there was a time where they came to deliver oil and
4 the oil was spilled all over the basement. I
5 remember there was a summer—there was a winter that
6 we went with no heat and no hot water. Fast forward
7 to today. That person is no longer here, and she
8 passed away with cancer. That person was my
9 grandmother, and I watched her struggle and fight
10 with that building as if it was her own, and when the
11 funds was depleted, and when there wasn't any more
12 money into the building, because as Mr. Delfish
13 alluded to, they didn't allows us to rent those
14 apartments. There was several apartments in there
15 that could have been utilized and vacant and—and made
16 occupied, but they didn't. It got to a point where
17 my grandmother begun to pay for things out of her own
18 pocket, builder supplies, garbage bags, things to
19 clean the building, and that's not what she was
20 supposed to do. Fast forward, I live on 160—Building
21 161 on 140th, and I'm watching the same thing.
22 Gentrification and change is a great thing. It's
23 important, and it makes the community strive, but
24 when you push out the people who have lived in this
25 community for so long, a pivotal part of the

2 community, to me that's not only an injustice, but
3 it's just not fair. Now, as he alluded to, all of
4 these buildings are out of compliance, but it's—it's
5 as—it's like every time they try to do one thing, HPD
6 hits them with something else.

7 CHAIRPERSON WILLIAMS: I'm sorry, you
8 said they are complaints or not complaints?

9 DEVON RIBBONS: They are in compliance.

10 CHAIRPERSON WILLIAMS: Are in compliance.

11 DEVON RIBBONS: They are in compliance,
12 but as HPD it is not. It's—it can be—and there's so
13 many different factors that always comes up, but I'm
14 watching these people struggle. So, I'm here today
15 to represent the next generation of soldiers in this
16 fight against TIL for rent. Because unfortunately,
17 the way it's looking is a lot of these people, as Mr.
18 Delfish alluded to, they're on fixed incomes, they're
19 older, and it's almost to whereas they're looking for
20 it to—they're getting these people to either move out
21 or perish away and to me that's an injustice like I
22 stated before. We're not asking for anything
23 special. We're not asking for any miracle. We're
24 just asking for all of the things that we were
25 promised from HPD and the TIL Program. The ultimate

2 goal is to own our apartments. That's all we want,
3 but when you factor in a mortgage, and when you
4 factor in all these things again, it's hard for a lot
5 of tenants who are on a fixed income. It's hard for
6 a lot of these senior citizens who can't afford this.
7 Again, we're just asking for what we were promised in
8 these buildings, and again, I am here to represent
9 not only myself, and not only my grandmother, but
10 everyone that's in these TIL Programs as well and let
11 them know that the fight will continue. Thank you.

12 [applause]

13 SERGEANT-AT-ARMS: We don't want
14 applause.

15 CHAIRPERSON WILLIAMS: Thank you. What
16 we generally do is this, and I don't know if--we did
17 hear you clapping in the overflow. I don't know if
18 you can see me, but we do this to try to keep the
19 noise level down, and--and also express our happiness
20 about something. There's another thing you can do
21 for the sadness, but I don't want to do that. So I
22 guess you can just do a thumbs down or something.

23 KYOKO JONES: Good afternoon. Hi, Helen.
24 Nice to see you. Thank you for having us today.
25 Okay. So I'm the TA President of 235 West 116th

1 Street. We were in the TIL Program in 1989, and I
2 moved into the building in 1998. At the time, there
3 were lots of TIL buildings. I moved in under the
4 management of United TIL Coalition of Harlem, which
5 had an HDFC, the C. Virginia Fields Court on 7th
6 Avenue, which was like the model. HDFC was the most—
7 still is the most beautiful court building on the
8 block. And so, they managed us and they brought me
9 and said, Ms. Jones, you know, they had known that I
10 had done a lot of work in the community, and they
11 said we want you to be part of the tenants
12 association, you're going to own your apartment. You
13 know, you're going to have a future, and I moved in
14 pregnant with twins, and my husband at the time. And
15 so, you know, I was ready to do the work. I'm still
16 doing the work even 18 years later. And, we moved
17 in, and we thought we were going to be, you know,
18 owning our apartment at some point. So I got
19 involved with the Tenants Association. I took You
20 UHAB classes, and I did, you know, everything that I
21 thought I was supposed to do. United TIL Coalition
22 of Harlem for some reason they vacated the space that
23 they were occupying in the commercial building—in
24 our—in our building the commercial space, and they
25

1 sort of disappeared. I don't know what happened to
2 them, but HPD let us know that they were no longer
3 going to be managing us. So, HPD started managing
4 us. So, of course, any repair issues, which we had a
5 lot, we called HPD directly, and even went 95 on
6 Broadway and spoke to several representatives. Then
7 from the period of 2002 to about 2008, we were
8 managed by various organizations, Prestige
9 Management, Abyssinian Development Corporation,
10 Prestige Management. All that—all of the
11 organizations that I named were not, you know,
12 providing services. No heat, no hot water. You
13 couldn't count on a holiday to prepare food for you
14 family because you didn't know if you were going to
15 have heat. You didn't know if you were going to have
16 an elevator even ask your guests to come upstairs and
17 eat. So, it was really just a rough time, and so
18 this went on. We made several complaints. I
19 actually would go during my lunch time when I worked
20 for J.P. Morgan to try to get an attorney. Of
21 course, the attorneys in the city were not familiar,
22 didn't want to be bother with HPD buildings, and so
23 we just—was just pretty much at and end of our rope.
24 And so, around 2012 we got another letter from HPD—
25

2 HPD that said that we were going to be entering
3 another sort of multi-family program, and that that's
4 when we solicited services through the Legal Aid
5 Society, and our attorney actually is here, Jason Wu
6 (sp?), and we want to give him a big a clap because
7 he's been with us for about six years. And so, Jason
8 said, Ms. Jones, if you stay on as CA President, even
9 though I ready to resign at that point, we will help
10 your association. And so, I just did that. I had to
11 do it, and so, Jason helped us. We went to various
12 meetings with the HPD representatives. They gave us
13 Section 8 applications to fill out and told us that
14 the building was going to be renovated, but
15 interesting when Jason asked for the file from HPD,
16 there was a letter that was in our file that said
17 that we were no longer in the TIL Program. So, how-
18 how does all the officers and including myself, we
19 never knew we were taken out of the TIL Program.
20 That's something to this day that we're very
21 suspicious of. So, Jason said, you're not in the
22 TIL. Program. We said we didn't know that. I was
23 told that I was going to be buying my apartment. I
24 put all this time in, you know, working late hours.
25 Like this gentlemen just said spending your own money

2 on things, making your own copies, knocking on doors.
3 Even my twins would knock on doors and try to get
4 tenants to come to the meetings. And so that was
5 unfortunate. However, we were looking—we were
6 looking to move forward because the condition of our
7 building was in dire straits, and without hot water,
8 without heat, broken steps. I had had already two
9 knee surgeries. I didn't to fall down the stairs,
10 and so when we met with the HPD representatives
11 around the time of 2012-2013, we were told that
12 another organization was going to take over our
13 building. This time it was Artemis Construction/KNR
14 Realty/133 Equities, LLC, right, and so the DBAs go
15 on and on. And so, at this meeting, of course, we
16 were angry. We said what are you going to do for us?
17 And we were told that there was going to be a
18 relocation. There was going to be a loan that was
19 going to be requested by the developers, which I
20 still don't understand how the city could underwrite
21 a loan for a private developer. Even when I worked
22 at J.P. Morgan, and did lots of wire transfers for
23 developers, we never had the city sort of become the
24 creditors for a private organization like Artemis
25 Construction and 133 Equities but, however, we were

2 told that we were going to have to move out of our
3 apartments, but we would be given the Section 8
4 Voucher, and that we would be guaranteed affordable
5 rent, and we will be able to move back into our
6 building at some point, about an 18-month to two-
7 year-over two years of renovations. So, we moved to
8 different buildings that KNR Management manages in
9 Harlem. I've been told now that they are managing
10 almost 90% of the property in Harlem, which I find
11 very surprising especially they can from 65th Street
12 in the Upper West Side, and they're in Harlem and
13 they're just all over the place. And so, we stayed
14 organized. I mean to this day, like even when we
15 moved away we still met. I still text everyone. I
16 still reminded them that we had to keep our eyes on
17 the prize. But when we was just about to move out of
18 our building at 116th Street, they started taking
19 everyone to court, and there's 16 units in the
20 building, and so by the time we moved out, there were
21 only eight tenants.

22 CHAIRPERSON WILLIAMS: So, who was taking
23 you to court?

24

25

2 KYOKO JONES: The management, KNY Realty,
3 Artemis Construction/133 Equities, LLC. So we
4 dwindled from 16, you know, tenants to about eight
5 tenants, and we lived in various locations. I have
6 twins and I had to—they had to share a room, and it
7 was tight, you know. There was other issues in some
8 of the different relocation buildings, but we made
9 do. Now, we moved back into the building in January
10 with the guidance of Jason Wu our attorney. They
11 tried to do things like make us pay enormous extra
12 legal fees. Like if your rent was late, you had had
13 pay \$150. We said no. How can we pay that? They
14 wanted us to get carpet for our apartments. Are you
15 guys going to buy our carpet?

16 CHAIRPERSON WILLIAMS: This is still the
17 management?

18 KYOKO JONES: This is still the
19 management. When we moved back, so we made sure
20 there—those situations weren't in the lease and we
21 all agreed with the lease that we wanted, and we
22 moved back in January. It's a very nice building. I
23 mean Artemis Construction is know for doing really
24 great work. However, just—just two days ago, our
25 roof was leaking. So, I sent an email and I said why

2 is the roof leaking? We have a new roof. It was gut
3 rehab. Well, sometimes, Ms. Jones, a new roof
4 there's going to be leaks. Oh, really, okay, and so
5 the loan, which also included our building and seven
6 other buildings, five of which was vacant, and three
7 of which was occupied, the \$24 million that the city
8 was the underwriters for this loan from Bank of
9 America, I mean did all the money go to the
10 buildings? Because already things are falling off in
11 our apartments, and we're wondering what type of work
12 they actually did. We have wires that weren't
13 connected, door knobs falling off.

14 CHAIRPERSON WILLIAMS: Ms. Jones, I want
15 to thank you very much.

16 KYOKO JONES: Thank you.

17 CHAIRPERSON WILLIAMS: I know some of the
18 colleagues have questions--

19 KYOKO JONES: [interposing] Yes.

20 CHAIRPERSON WILLIAMS: --and so you can
21 continue with the questions, but I thank you very
22 much all of you for the testimony that you have.
23 Just really quickly, what were they evicting you for,
24 the management? You said they were trying to get you
25 out of the room, Ms. Jones.

2 KYOKO JONES: Yes, they were—they pretty
3 much too everybody to court to see who was legally
4 the residents in the apartments, and to also see if
5 they could just have them evicted as well.

6 CHAIRPERSON WILLIAMS: Were people
7 evicted?

8 KYOKO JONES: Yes, some people were
9 evicted.

10 CHAIRPERSON WILLIAMS: Do you know what
11 they were evicted for?

12 KYOKO JONES: I think one tenant was
13 evicted for non—for non-payment of rent and then
14 others because of succession rights, and they didn't
15 really fight for their families.

16 CHAIRPERSON WILLIAMS: And this was while
17 they were out of—they were no longer in the physical
18 building? That was until they were moved out? Is
19 that correct?

20 KYOKO JONES: Right because the lawyer
21 said that they found a letter in the HPD file that
22 said we were no longer in the TIL Program that we
23 never saw.

24

25

2 CHAIRPERSON WILLIAMS: I just want to
3 understand. So, you—how many families was it
4 originally?

5 KYOKO JONES: Sixteen.

6 CHAIRPERSON WILLIAMS: And they were in
7 which—what was the address they were in?

8 KYOKO JONES: We were in 235 West 116th
9 Street Tenant Association.

10 CHAIRPERSON WILLIAMS: And then they had
11 to move out of 235?

12 KYOKO JONES: Yes, to various different
13 buildings.

14 CHAIRPERSON WILLIAMS: And when you were
15 in the various buildings where the court proceedings
16 started?

17 KYOKO JONES: I'm sorry with the what?

18 CHAIRPERSON WILLIAMS: The court
19 proceedings started while you were--

20 KYOKO JONES: [interposing] No, they
21 proceed—they proceeded those proceedings before we
22 were relocated.

23 CHAIRPERSON WILLIAMS: And were they
24 evicted while you were waiting to come back in, or
25 you—were you evicted--

2 KYOKO JONES: [interposing] Before.
3 Before we moved out of the building.

4 CHAIRPERSON WILLIAMS: But they were
5 evicted while they were in the building.

6 KYOKO JONES: Yes.

7 CHAIRPERSON WILLIAMS: And was it HPD or
8 the management company?

9 KYOKO JONES: The management company.

10 CHAIRPERSON WILLIAMS: Do you know where
11 those families are now?

12 KYOKO JONES: No, I do not.

13 CHAIRPERSON WILLIAMS: How many of the 16
14 are left?

15 KYOKO JONES: There are seven core
16 tenants from--

17 CHAIRPERSON WILLIAMS: [interposing] Have
18 they been told they're in the TIL building or not in
19 the TIL building?

20 KYOKO JONES: Were not in the TIL
21 building.

22 CHAIRPERSON WILLIAMS: And you don't know
23 why?

24 KYOKO JONES: Don't know why?

25

2 CHAIRPERSON WILLIAMS: Are you in the
3 ANCP program.

4 KYOKO JONES: Jason actually--no, we're
5 not in the ANC program.

6 CHAIRPERSON WILLIAMS: You were in, just
7 not now?

8 KYOKO JONES: No, we never were.

9 CHAIRPERSON WILLIAMS: You--you never were
10 in TIL, you were never in ANCP?

11 KYOKO JONES: No, we were in TIL, but we
12 weren't in ANC.

13 CHAIRPERSON WILLIAMS: And that's 235
14 West--?

15 KYOKO JONES: 116th Street.

16 CHAIRPERSON WILLIAMS: Thank you very
17 much. My colleagues have some question so I'm going
18 to give three minutes for my colleagues each. First,
19 Helen Rosenthal and the Council Member Levine.

20 COUNCIL MEMBER ROSENTHAL: I don't have
21 any questions. Kyoko--

22 KYOKO JONES: Uh-huh.

23 COUNCIL MEMBER ROSENTHAL: --I can't
24 believe your twins are old enough to knock on doors,
25 and I want you to know that I appreciate you.

2 KYOKO JONES: Thank you, Helen. I
3 appreciate all the work you've done.

4 COUNCIL MEMBER LEVINE: Thank you, Chair
5 Williams, and thank you to this really, really
6 powerful panel. All three of you spoke with a very,
7 very important message, and I know it's not easy to
8 get in front of a group like this, and particularly
9 Mr. Ribbons. I have to say if I spoke as well as you
10 when I was your age, my career probably would have
11 been a lot farther along than it is.

12 DAVON RIBBONS: Thank you.

13 COUNCIL MEMBER LEVINE: So, kudos to you.
14 Mr. Delfish, your building, of course, is in my
15 district and I'm quite familiar with it. So, I do
16 want to ask you a few questions, if that's okay.

17 JOHN DELFISH: Okay.

18 COUNCIL MEMBER LEVINE: When did you move
19 into the building, which says you're on 615 150th
20 Street?

21 JOHN DELFISH: When I personally moved
22 into the building?

23 COUNCIL MEMBER LEVINE: Yes, sir.

24 JOHN DELFISH: 1980.

25

2 COUNCIL MEMBER LEVINE: Okay, and do you
3 remember why it was that the city had to take over
4 the building? Was there a derelict landlord?

5 JOHN DELFISH: A derelict landlord.

6 COUNCIL MEMBER LEVINE: Yes, which was
7 not making repairs, et cetera.

8 JOHN DELFISH: Not making repairs. There
9 were a lot of damages to the building, the roof and
10 the elevator was always a problem. The boiler went
11 first. I remember at one time it seems that every
12 year at Thanksgiving we never had any heat or hot
13 water. Because I remember a couple of times even
14 where everyone has been sitting in an overcoat the
15 building was cold, and that's been going on for--for
16 years. Christmas and again as though every holiday
17 it seems that boiler break down for some--

18 COUNCIL MEMBER LEVINE: [interposing]
19 right.

20 JOHN DELFISH: --some reason.

21 COUNCIL MEMBER LEVINE: Right, right.

22 JOHN DELFISH: That's when the city, you
23 know, took over.

24 COUNCIL MEMBER LEVINE: This is such an
25 important point because it's been so long since your

2 building and others were taken over by the city.

3 That I think the public may have forgotten that you
4 got into this position because you were victimized by
5 a derelict landlord.

6 JOHN DELFISH: Right.

7 COUNCIL MEMBER LEVINE: You're now being
8 victimized again because it's taken 18 years, and
9 you're still suffering with these conditions, but
10 none of you asked to be in this position. You wound
11 up here because of a landlord who probably broke the
12 law or in some way was making life very difficult for
13 you and the city had no choice but to take over the
14 building.

15 JOHN DELFISH: Right.

16 COUNCIL MEMBER LEVINE: If you can
17 remember that far back, sir, do you remember I think
18 it was 1998 when the city took over the building, how
19 long they took?

20 JOHN DELFISH: In '96 is when I went into
21 the TIL Program.

22 COUNCIL MEMBER LEVINE: In 1996. Do you
23 remember how long it was that the city told you it
24 would before the building was turned back to you as a
25 co-op?

2 JOHN DELFISH: It was two to three years
3 it would take for the—for the renovation and the, you
4 know, for us to move. We move out and then we move
5 back after the--

6 COUNCIL MEMBER LEVINE: [interposing] So
7 in 1996--I just want to get these facts straight--the
8 city told you that it would be two to three years
9 before you would have a renovated building and you
10 would serve as co-op--

11 JOHN DELFISH: [interposing] Right.

12 COUNCIL MEMBER LEVINE: --owners of the
13 building. So, it's been 20 years. So, 16-17 to 18
14 years longer--16 to 17--

15 JOHN DELFISH: [interposing] The same
16 story.

17 COUNCIL MEMBER LEVINE: --years longer.
18 It--it really is--it's a second victimization of you
19 and your neighbors, and it's not unique to your
20 building, but tenants who were once abused by a
21 landlord, are now having promises that have been
22 broken now for almost two decades.

23 JOHN DELFISH: Right.

24 COUNCIL MEMBER LEVINE: Currently in the
25 building, sir, how many units are vacant?

2 JOHN DELFISH: Right now, we have 21
3 units that are vacant.

4 COUNCIL MEMBER LEVINE: Twenty-one units
5 are vacant.

6 JOHN DELFISH: Right.

7 COUNCIL MEMBER LEVINE: So, I just want
8 to note that at a time when our city is suffering
9 from a desperate shortage of housing [bell]-My time
10 is. I'll just-I'll wrap up very quickly, Mr. Chair.
11 That at a time when our city is suffering from a
12 desperate shortage of housing 21 homes that could
13 house anyone from a homeless family to any other
14 person who needs affordable housing have sat vacant
15 and just-just very quickly and then I'll-I'll defer
16 back to the Chair, how long have those apartments
17 been vacant, roughly?

18 JOHN DELFISH: Some-some of them were
19 vacant prior to 2008 when we were-when they said that
20 they had the money, and I don't remember how many
21 exactly, but it's been over 10 or 12 years--

22 COUNCIL MEMBER LEVINE: [interposing]
23 Right.

24 JOHN DELFISH: --that they have been
25 vacant apartments.

2 COUNCIL MEMBER LEVINE: So this-this is a-
3 -

4 JOHN DELFISH: [interposing] We are not
5 permitted to rent.

6 COUNCIL MEMBER LEVINE: This is a-this is
7 a tremendous loss of affordable housing.

8 JOHN DELFISH: Right.

9 COUNCIL MEMBER LEVINE: And housing for
10 the city when there's a desperate, desperate need for
11 it, and it's a theme I know we're going to want to
12 return to. My time is up. Thank you for the extra
13 minute or two, Mr. Chair, and I want to thank again
14 all three of you for your very powerful testimony.

15 CHAIRPERSON WILLIAMS: Thank you, Council
16 Member. Mr. Ribbons, you said that they tried to
17 push your grandmother out. Who's they and what did
18 they do?

19 DAVON RIBBONS: When I refer I want to
20 say they are friends of HPD. There was a lot of
21 different things that went on. We-we were told that
22 the building was leaning, and the building was unsafe
23 to live in, the roof was going to come in. We were
24 told that there was mold, which there were, but there
25 were a whole lot of things that was told that

2 [coughing] was to basically get us out of the
3 building. Fast forward today. The building hasn't
4 been restructured. It just was renovated, and it
5 looks a lot newer. Fast forward to the building that
6 I live in currently, our building was actually on the
7 news a couple of months ago because of the—we didn't
8 have a boiler. We didn't have a boiler because it
9 was told by HPD that we were trying to—they were
10 trying to find a better contract to repair the
11 boiler, and we went about a couple of months without
12 a boiler. It's funny because with our building
13 making the news, I actually found things out about my
14 building I didn't even know. There's mold all on the
15 second floor. [coughing] The boiler is still not
16 properly working. Every other two weeks or so
17 someone is out to fix that boiler.

18 CHAIRPERSON WILLIAMS: When they were
19 telling you about the issues at--in the other
20 building, were they offering to move you while you
21 waited? What were they--what were they saying you
22 could do?

23 DAVON RIBBONS: [interposing] No, they--
24 they actually didn't--they--they basically was just a--
25 they gave us several different apartment options, and

2 it's--without my grandmother really fighting and
3 assisting with it, they would have--they was going to
4 put us in--in all kinds of different apartments.
5 Luckily, they put us in 161 with the size to
6 accommodate my family size.

7 CHAIRPERSON WILLIAMS: That's how you
8 ended up in 161?

9 DAVON RIBBONS: Yes.

10 CHAIRPERSON WILLIAMS: Okay.

11 DAVON RIBBONS: We were supposed to
12 relocate. Two out of the--honestly it was only three
13 of us, but two out of the--us three went back. One
14 passed away so there's still one in the building now.

15 CHAIRPERSON WILLIAMS: But for clarity
16 they weren't saying you'd be removed from the
17 program; they were saying you need to relocate to--
18 from while they fix the building, is that correct?

19 DAVON RIBBONS: No, they didn't even--they
20 didn't give us an option of coming back. They didn't
21 give us--they just said that the building wasn't--
22 wasn't structured and stable--

23 CHAIRPERSON WILLIAMS: [interposing] I
24 see.

2 DAVON RIBBONS: --and that we had to
3 move, and before that--

4 CHAIRPERSON WILLIAMS: [interposing] When
5 they said you had to move, were they saying we'll
6 move you to another apartment?

7 DAVON RIBBONS: They was moving us to
8 another apartment, and that's what they did, but--

9 CHAIRPERSON WILLIAMS: [interposing]
10 Okay.

11 DAVON RIBBONS: --we were trying to hold
12 onto the building because like I said before we were
13 upkeeping the building in a way, but it just--

14 CHAIRPERSON WILLIAMS: [interposing] Yes,
15 but you're saying they didn't--they didn't alert you
16 that they would try to move you back?

17 DAVON RIBBONS: No, they didn't. In
18 fact, there was a lot of information that they didn't
19 give to my grandmother, and I guess--and the reason
20 why I know this is because I was right there with
21 her. So a lot of the things that she went through I
22 was there. I--I know who Victor Hernandez is and Mr.
23 Pronco. There are several people who we met with at
24 HPD, and we've--and really like with all the
25 determination trying to fight this fight. And so,

2 I've watched it from one building to another, and as
3 Mr. Delfish alluded to, these people have lived in
4 this building for a long time, and I'm just--it's--

5 CHAIRPERSON WILLIAMS: Right. Ms. Jones,
6 Mr. Ribbons and Mr. Delfish, thank you very much. I
7 know it's hard, but I appreciate you sharing you
8 personal stories, and I know, probably on behalf of
9 the tenants that you're speaking of, they're proud to
10 have you represent their voice and I'm sure we're
11 hear from a lot of them later. Thank you very much.
12 Appreciate it.

13 KYOKO JONES: Thank you.

14 CHAIRPERSON WILLIAMS: Oh, we've been
15 joined by Council Member Ulrich, and with that, we're
16 going to have some members of the Administration who
17 are going to testify, Deputy Commissioner Anne-Marie
18 Hendrickson; Francis Marti, Assistant Commissioner;
19 Assistant Commissioner Lisa Talma; Assistant
20 Commissioner and Kim Darga, all from HPD.

21 [background comments, pause] Can everyone who's
22 testifying please raise your right hand? Do you
23 affirm to tell the truth, the whole truth, and
24 nothing but the truth in your testimony before this
25

2 committee today, and to respond honestly to Council
3 Member questions?

4 PANEL MEMBERS: Yes.

5 CHAIRPERSON WILLIAMS: Thank you very
6 much, and you can being in the order of your
7 preference.

8 DEPUTY COMMISSIONER HENDRICKSON: So good
9 afternoon, Chair Williams, members of the Housing and
10 Buildings Committee and other members of the City
11 Council. I am Anne-Marie Hendrickson, Deputy
12 Commissioner for Asset and Property Management for
13 the New York City Department of Housing, Preservation
14 and Development, and I oversee the Tenant and
15 Communities Program. I am joined on my right by Kim
16 Darga, Associate Commission for Preservation and also
17 Lisa Talma who sits on the far end, Assistant of
18 Property Disposition and Finance who runs the
19 Affordable Neighborhood Cooperative Program, known as
20 ANCP, and by France Martig, who sits on my left,
21 Assistant Commissioner for Government Affairs. We
22 want to thank the Chair for his focus on the TIL and
23 ANCP programs. Let me also thank all of the share-
24 all of the residents that are in the crowd and
25 advocates. We do appreciate you being here, and want

1 to work collaboratively with you. The TIL portfolio
2 of buildings has faced challenges since its
3 inception. Although the 960 cooperatives created
4 through the program include many success stories, the
5 program's overall narrative is a difficult one, and
6 we appreciate the Council's partnership in addressing
7 these problems over the years. In particular, our
8 conversations with you and your fellow council
9 members over the past several months has been
10 productive and conceiving of new ways to improve the
11 quality of life to TIL residents and with adjusting
12 the ANCP program to match the community's needs. HPD
13 is committed to ensuring there is a pathway to
14 affordable homeownership for residents in the
15 remaining 148 TIL buildings. It's important that we
16 provide reassurance to these residents who have
17 rightfully earned their chance to be homeowners. We
18 come here today with a threefold objective. First,
19 to recognize past challenges with the TIL program.
20 Second, to explain the origin of the ANCP program,
21 which despite some initial hurdles, has seen some
22 recent progress, and third and most importantly, to
23 offer new approaches in both the TIL and ANC programs
24 and ask for your partnership in implementing
25

2 solutions. As everyone knows, the TIL Buildings are
3 in need of significant reno-rehabilitation. We
4 introduced the ANCP program in 2012 as a way to jump
5 start the renovation of these buildings, and find a
6 path forward for the residents to homeownership.

7 Although we believe ANCP is the optimal pathway out
8 of TIL, we have not been able to proceed with ANCP as
9 fast as we would have liked, and recognize that at
10 times we may not have communicated with tenants as
11 often and as directly as we should have about our
12 policies and programs. However, we are fully
13 committed to a goal that we know the Council shares:
14 Ensuring a successful, affordable outcome for the
15 residents as quickly as is possible. Today, I will
16 discuss a set of specific commitments and solutions,
17 many of which are already underway, or will be
18 implemented soon in response to extensive
19 conversations with Council and stakeholders. I'm
20 going to provide an overview of TIL and ANCP.

21 The TIL Program was created in 1978 as
22 part of the solution to massive property abandonment
23 by building owners in the 1970s, and in response to
24 existing residents who were steadfast in the
25 determination to save their buildings. In 1995, the

2 City created a range of programs to rehabilitate the
3 remaining occupied properties and convert them to
4 affordable housing. The majority of buildings remain
5 rental housing and thorough programs such as the
6 Neighborhood Redevelopment Program and Neighborhood
7 Entrepreneurs Program, over 15,000 units were
8 converted to high quality affordable housing. The
9 original TIL Development Program was targeted to
10 tenant associations that were already invest sweat
11 equity in their buildings, giving these residents the
12 opportunity to form Housing Development Fund
13 Corporation, HDFC, and become cooperative owners.
14 950 buildings with 19,100 units were completed
15 through the original TIL Development Program. In
16 order to become part of the TIL program, residents in
17 each building had to agree to form a tenant
18 association, collect monthly rents, actively
19 participate in the management of their building, and
20 attain—and attend training classes. However,
21 escalating rehabilitation costs, worsening conditions
22 and cuts to capital funding rendered the old TIL
23 program unsustainable. In addition, those buildings
24 that did go through the early versions of the TIL
25 program and became HDFC cooperatives, had a mixed

1 record of success. While many succeeded, some of
2 these cooperatives struggled with governments,
3 physical upkeep, and financial viability with some
4 facing foreclosure for non-payment of taxes and water
5 and sewer charges. Additional—additional concerns
6 with these HDFC cooperatives included a lack of
7 structure and regulation reselling units at
8 unaffordable prices, subletting with board approval,
9 and instances of renting units as opposed to selling
10 them. As a result of these problems, in the mid-
11 2000s the TIL pipeline slowed down, and the city was
12 not able to convert the remaining buildings into co-
13 ops. By the mid to late 2000s, the city was forced
14 to consider a restructuring of TIL and the City
15 Council played a pivotal role in exploring a new
16 model. In fact, a Reso 8 funded pilot program in
17 2008 established many of the parameters of the future
18 ANCP program. Unfortunately, shortly after this
19 pilot, the housing market crashed and prospective
20 home buyers were unable to get mortgages forcing HCP
21 to suspend many of its homeownership programs.
22 Budget cuts resulting from the Recession also made it
23 impossible to launch ANCP as a full-fledged program
24 in the ensuing years. ANCP was finally launched in
25

2 2012 using existing pre-qualified lists to identify
3 developers. HPD issued a request for qualifications
4 to approve additional developers, rewrote legal
5 documents to reflect the post-financial crisis
6 homeownership market, and began to roll out the new
7 model. The creation of ANCP was designed with two
8 goals in mind: To ensure that enough financing was
9 available to meet the substantial rehabilitation
10 needs of these buildings, and to lay a strong
11 foundation for affordable, successful and sustainable
12 co-ops based on the lessons learned from the TIL
13 buildings that had already become failed HDFCs. To
14 achieve these goals, ANCP sought to secure additional
15 sources of funding for building rehab such as bank
16 loans and state grants, and brought in private-
17 private partners to conduct the rehabilitation work,
18 coordinate the sale of the vacant units that are
19 marketed through HPDC's Housing Commit Lottery
20 process, and facilitate cooperative conversion.
21 Under this model tenant associations appeared with
22 qualified developers who are responsible for
23 overseeing the rehabilitation of the site, engaging
24 with the tenant association regarding property
25 management, and achieving milestones for cooperative

2 conversion, submission of the Cooperative Orphan Plan
3 and marketing and sale of the vacant units. At the
4 close of the financing for construction, the property
5 is conveyed to an interim owner the Restoring
6 Community Housing Development Fund Corporation. The
7 Restoring Communities is a not-for-profit entity that
8 is affiliated with Neighborhood Restore HDFC, and
9 entity created at the City's behest to be the interim
10 owner of properties from in rem foreclosures.

11 Restoring Communities is responsible for among other
12 things overseeing the developer's performance during
13 the construction stage. Upon completion of the
14 rehabilitation, successful completion of the
15 cooperative requirements by the tenants and approval
16 of the offering plan by the attorney general
17 Restoring Communities transfers title of the property
18 to a cooperative HDFC. It is important to emphasize
19 that at the end of this process it is the
20 shareholders who own the property. The developer
21 that was involved during construction to facilitate
22 the construction and cooperative conversation has no
23 ownership interest at any time during the process.

24 The ANC program also required additional commitments
25 from the tenants, an increase in the purchase price

2 to \$2,500 to align with other HPD cooperative
3 programs and required annual maintenance increases to
4 keep pace with rising operating expenses. In order
5 to ensure the long-term viability of these
6 cooperatives, ANCP also requires third-party
7 professional property managers and third-party
8 monitors. It is critical to note that these
9 additional requirements for shareholders and
10 cooperative associations were developed as direct
11 responses to the operational programs encountered by
12 failing HDFC cooperatives. Managing a building is a
13 challenging task, and the mandated maintenance
14 increases and professional management requirements
15 significantly increase the likelihood that a building
16 will remain a stable successful homeownership
17 property for decades to come. ANCP is premised on
18 HPD's view that affordable and sustainable co-ops are
19 the preferred outcome for the properties in TIL. We
20 therefore encourage and today will discuss additional
21 ways that we can help all TA's to participate in
22 ANCP. We recognize, though, that there are some
23 tenant associations that realize they cannot meet the
24 milestones for homeownership and prefer to transition
25 to an affordable rental model. For some, cooperative

1 hometown-homeownership might not be the most
2 pragmatic choice, and that is why HPD also offers and
3 rental option, the Multi-Family Preservation Loan
4 Program. Like ANCP, MPLP, the acronym, pairs a
5 sponsor with the building or group of buildings for
6 complete rehabilitation leading to the creation of an
7 affordable rental building. The Tenants get rent
8 stabilized leases and additional regulatory
9 protections including rents that don't exceed 30% of
10 their household income. MPLP rental buildings unlike
11 ANCP are owned by the sponsor. In this way the MPLP
12 option provides a path to building rehabilitation and
13 long-term affordability without the responsibilities
14 required of cooperative owners.

16 Current Challenges: The main concerns we
17 have heard from residents, council members and
18 community groups can be grouped in the following
19 categories:

20 Length of time in TIL

21 The slow pace of ANCP.

22 Building Conditions in TIL: TIL ANCP
23 eligibility criteria are too demanding and a lack of
24 adequate support.

2 Need to Improve Communications with

3 Tenants: The most frequent concern we hear is about
4 the amount of time it takes for these properties to
5 be rehabbed and become cooperative HDFCs. Because of
6 the challenges related to the TIL program in getting
7 ANCP off the ground, many properties have remained in
8 TIL far longer than we, and more importantly the
9 residents would like. In part because of the long
10 time periods properties spent in TIL, deteriorating
11 building conditions remained a significant challenge
12 to the TIL Program. HPD continues to respond to
13 those conditions performing repairs to boilers,
14 roofs, mold removal, pest control, and façade
15 stabilization work. In recent months, we've been
16 hearing that certain program requirements are too
17 burdensome. Many TAs find it difficult to submit
18 monthly financial reports on time, and adhere to 90%
19 rent collection, and conduct annual elections.
20 Further, with respect to ANCP, we've heard concerns
21 that the \$2,500 cooperative purchases price is too
22 steep and that the level of maintenance fees that
23 will be set in light of the mortgage needed to pay
24 for building rehabilitation will be unaffordable for
25 shareholders. Lastly, we recognize the need for more

2 engagement with tenants, and tenant associations and
3 agree that staff and turn over has at times led to
4 breakdowns in communication.

5 The New Approach: We recognize all these
6 challenges, and have been working on a comprehensive
7 new approach to improving the TIL buildings while
8 also making the judgments to the ANC program to
9 address resident concerns. We are working on three
10 parallel tracks to (1) implement a new tenant-based
11 collaborative planning process; (2) improve TIL
12 building conditions; (3) expedite and adjust the ANCP
13 and MPLP Programs. First, we will enhance our
14 communications with residents and engage them more
15 vigorously in establishing a clear pathway out of
16 TIL. To do this, HPD is introducing a new Partners
17 in Planning model, which entails more engagement,
18 more listening, more mutual understanding about
19 future options and greater input of residents. As
20 part of this increased communication effort, we are
21 sending a letter to every TIL tenant association
22 stating our commitment that by the end of 2017, every
23 TIL will have a roof to cellar inspection done with
24 a snapshot report provided after that inspection and
25 a follow-up meeting with TIL staff to review the

1 report. HPD's inviting a TA board member or member
2 of the maintenance and repair committee to join in
3 this inspection to identify specific issues and to
4 ensure we're collaborating every step of the way. A
5 workshop with HPD staff—I'm sorry, second is a
6 workshop with HPD staff to discuss repair status,
7 ensure TAs understand ANCP and the ways the HPD can
8 assist TAs in meeting the prerequisites for ANCP. This
9 meeting will also include a description of MPLP and
10 the different ways that both programs are financed
11 and will operate long term.

12
13 3. A collaborative plan created jointly
14 with tenants and HPD that outlines the TA's preferred
15 outcome, ANCP or MPLP, and the steps that both HPD
16 and the TA need to take to reach that outcome. As
17 part of this plan, TIL will draw on a new contract to
18 provide translation services during all important
19 inspections and collaboration meetings. For example,
20 we will provide Spanish/English translation as we
21 move to cellar inspections whenever needed to make
22 sure HPD and the TA have a complete understanding of
23 all issues being identified. In addition to address
24 any confusion about relocated tenant items in
25 storage, we have sent a letter to every relocated

1 resident who has stored items with HPD's vendor
2 reaffirming that tenants can access their property
3 and providing clear instructions on how tenants can
4 do that. One of the aims of our new engagement
5 strategy is ensuring TIL residents understand that
6 while the focus of the program is to make sure TAs
7 are ready to become cooperatives, that TAs do have a
8 choice. They can become cooperative owners through
9 ANCP or they can opt for a long-term affordable
10 rental through MPLP. Both options would entail a
11 thorough rehabilitation of the property, and will
12 require temporary relocation. Cooperative owner-
13 homeownership requires an additional level of
14 responsibility, which is why there are eligibility
15 requirements. To ensure a cooperative would be
16 viable, HPD will continue to work closely with TAs to
17 help ensure that complete financial reports are
18 submitted on time, rents are collected and annual
19 elections are conducted. We realize that financial
20 reporting and other requirements can be onerous for
21 some TAs. That is why HPD through its contracted
22 partners NHS, Neighborhood Housing Services, and
23 UHAB, the Urban Homesteading Assistance Board
24 provides training sessions covering all aspects of
25

2 building management. HPD also offers its own
3 trainings directly to TAs. In fact, we are currently
4 providing a series of hands-on trainings on financial
5 management.

6 In November 2016, NHS was awarded the TIL
7 Training and Technical Assistance contract. UHAB
8 continues to provide technical assistance via
9 classroom training sessions. We are also considering
10 a tenant-to-tenant training program to encourage
11 successful TAs or HDFC co-operatives to share best
12 practices with their less successful counterparts.
13 The second set of solutions we are offering will
14 improve the immediate quality of life of our TIL
15 residents by addressing current building conditions.
16 HPD commits to a program to improve the repair
17 protocol. HPD currently covers the cost of fuel,
18 utility services for some TIL buildings. Today, we
19 are announcing that we will now pay fuel and utility
20 costs for all 148 TIL buildings. [background
21 comments] Good news. This will allow tenant
22 associations to have additional funds in their
23 operating accounts to pay for apartment and building
24 repairs. This will also allow repairs and
25 improvements to be made faster as TAs contract and

2 utilize their own contractors. With HPD paying for
3 fuel costs, we project that each tenant association
4 will now have an average of approximately \$24,000 per
5 year to devote to improvements like painting
6 apartments and common areas, plumbing work, floor
7 repairs and improving lighting in public areas to
8 improve safety for the building residents. HPD will
9 continue to assist the tenant associations with
10 paying for major systems, replacements and repairs if
11 the tenant association--tenant association has
12 insufficient funds in their operating account until
13 the gut renovation begins in ANCP of MPLP.

14 In addition, we are currently working on
15 reallocating capital funds so that we can repair the
16 roofs and boilers during the summer months in those
17 buildings most in need of those repairs. The roof to
18 cellar inspections will assist in that prioritization
19 of work. All of this work will be facilitated by our
20 recent restructuring of TIL operations. For the first
21 time, one Assistant Commissioner will focus on
22 nothing but making TIL building co-op ready and-and
23 ensuring repairs. Our new AC in that role is here
24 with us today, and we would like to introduce you to

2 you Winju Billa (sp?) I'm not sure if she is
3 listening. Yeah, put your hand up.

4 WINJU BILLA: Hello.

5 DEPUTY COMMISSIONER HENDRICKSON: Winju
6 is my former Director of Finance and has a working
7 knowledge of the operational, financial and
8 compliance requirements of the TIL Program, and
9 hands-on experience working with cooperatives to
10 determine feasible options. Ms. Billa is also
11 familiar with building inspections and technical
12 assessments including reviewing inspection reports
13 and determining repair and remediation work for
14 inspectors. We will also have a new TIL director on
15 board in early May--May 8th, and look forward to the
16 work of this dynamic new team as it implements our
17 Partners in Planning approach. Lastly and perhaps
18 most importantly, HPD is working to fortify our ANCP
19 program in order to transition buildings out of, too.
20 We have made significant progress during this
21 administration in expediting ANCP, and are actively
22 exploring ways to further enhance the program. In
23 late 2015, we issued an RFQ, Request for
24 Qualifications in order to expand the pool of
25 qualified developers and we have recently begun to

2 finance the rehabilitation of properties in clusters
3 of buildings so we can commence rehabilitation
4 faster. We have closed on financing for six
5 projects, which signals movement in the right
6 direction. Identifying sponsors for specific
7 buildings is the key for first step in ANCP. This is
8 the point when the approvals must say to renovate the
9 buildings are secured and the property entered
10 predevelopment. We have now identified sponsors for
11 30 properties, and expect to have sponsors identified
12 for 13 additional properties this spring. That means
13 that about a third of the remaining TIL properties
14 are now in or will be in predevelopment in the next
15 couple of months. We will also release the RFQ in
16 2017 to further expand the pool of potential
17 developers and pick up the pace of this program. As
18 this year progresses, we should have a clearer time
19 estimate on when all TIL properties will have an
20 identified sponsor. We understand tenants have
21 concerns about being able to save the \$2,500 needed
22 to purchase their ANCP unit, and we are committed to
23 ensuring that the \$2,500 will not be an obstacle to
24 homeownership for TIL tenants—tenants. In—in order
25 to assist existing tenants working to save for their

2 purchase into the cooperative, HPD is exploring
3 setting up a rent-to-own savings program for tenants
4 with incomes at or below 80% AMI, in which a portion
5 of a tenant's rent paid during the construction
6 period will be available for the tenant to purchase
7 shares in the cooperative. Through this method or
8 others we may consider, we will ensure that the
9 \$2,500 price does not stop the tenants from having
10 the opportunity to buy their homes that they waited
11 so long for. We are commit-continuing to meet with
12 stakeholders to listen to their concerns, and
13 determine how we may address them. For example, just
14 last week or—just a second. We met with
15 representatives from Palante and had a productive
16 discussion that increased mutual understanding. We
17 are considering their recommendations, and we'll meet
18 again in May. What is clear is that HPD, the TA,
19 tenants, advocates and this Council share the same
20 objective to ensure that all TIL residents end up in
21 high quality sustainable affordable homes. We are
22 now making progress toward that shared goal and want
23 to keep the momentum going. We look forward to a
24 continued partnership with the Council in identifying
25 issues and implementing comprehensive solutions to

2 the TIL challenge. Thank you very much, and we are
3 happy to answer any questions you may have.

4 CHAIRPERSON WILLIAMS: Wow, alright.

5 Before, I just want to lest I don't get any more of
6 those articles that I wanted to thank Dina at Info
7 for their article and Politico for the work they did
8 also. I wanted to make sure I said that. I want to
9 get in more articles. But Sally you are from the
10 Post also. You used to be from the Post so there's a
11 connection here. This is actually one of the best
12 responses I've seen since I've been here in the
13 Council. So, thank you for that. I think this
14 Council should be proud and the tenants should be
15 proud and this really shows what pressure from
16 organizing from the people united can do. I will say
17 I still have some questions and my first one you
18 might not be able to answer, but I—I can hear just
19 probably tenants thinking or wondering why would they
20 believe all of this stuff now when they've heard a
21 lot of good things before. So, I just want to give
22 you an opportunity to respond to some of the
23 suspicions that sounds great, but they've heard—if
24 not this. This is actually pretty comprehensive

2 changes. I'm impressed, but I'm sure they heard
3 things before they then come to fruition.

4 ASSISTANT COMMISSIONER DARGA: Hi. I'm
5 King Darga. Thank you for having me here today. So,
6 I-I definitely-I think we all understand the
7 frustration. We know that it has been a long time,
8 and you've heard from many people over that period of
9 time. I think we've made some pretty substantial
10 progress, and I'm going to speak specifically with
11 regard to ANCP for a second. I think we've made some
12 really substantial progress over the last couple of
13 years during this administration and trying to figure
14 out strategies to accelerate the pace of properties
15 moving into the pre-development and construction
16 stages. And, we really hope that the tenant
17 associations in the next year or so as we move into
18 that stage for the remaining properties will continue
19 to work with us.

20 CHAIRPERSON WILLIAMS: Sorry, Ms. Darga,
21 I think I said Darcel when I announced it, and I also
22 just want to acknowledge that HPD it's very rare that
23 the agencies just say may help (sic) on things so I
24 appreciate that being put on the record. I also
25 appreciate that some changes had to be made, but I

2 want to also put on the record for the tenants' sake
3 that even though those changes had to be made based
4 on the program, it's not what they promised. And so,
5 they deserve to hear that the government promised
6 them something. They're not going to get that, and
7 so I just wanted to make sure I put that on the
8 record because they were promised something. It is
9 changing, and there are reasons why it has to change,
10 and I will admit economic conditions don't make it as
11 feasible as it was, but that's just not the
12 requirement is. So, I just want to make sure I put
13 that on the record as well. The MPLP program was it
14 always connected to this? Was it always an option
15 and for how long was it an option?

16 ASSISTANT COMMISSIONER DARGA: So I was
17 actually the first Director of MPLP. I-I see some
18 papers I recognize here. It was program that we
19 created and around I think 2010ish, 2010-2011 for the
20 remaining city-owned properties that were in central
21 management as well as for properties that were
22 removed from the TIL Program due to failing out of
23 that program.

24 CHAIRPERSON WILLIAMS: So, it's been
25 around since 2010?

2 ASSISTANT COMMISSIONER DARGA: About
3 2010-2011.

4 CHAIRPERSON WILLIAMS: How many buildings
5 are in it or in the pipeline to get to it?

6 ASSISTANT COMMISSIONER DARGA: Can you
7 hold on one second?

8 CHAIRPERSON WILLIAMS: Sure. [pause]

9 ASSISTANT COMMISSIONER DARGA: I think we
10 would have to check that. At this point, what
11 normally happens is that those properties are
12 combined with properties that are coming through the
13 TPT Program. So we would have to verify how many of
14 those were actually the city-owned inventory.

15 CHAIRPERSON WILLIAMS: Since the TIL
16 program inception-inception, how many buildings have
17 been in the program, how many units and do you have
18 access to break down by Council District?

19 DEPUTY COMMISSIONER HENDRICKSON: We do-
20 we do have a list-we do have a breakdown by Council
21 of the 148 remaining buildings that are in the
22 programs, and we also could provide a list of those
23 that have gone through the program. There's been
24 about 950 that have gone through since 1978. It was
25 about 19,000 units total.

2 CHAIRPERSON WILLIAMS: And they are now
3 either HDFCs or in the MPLP program?

4 DEPUTY COMMISSIONER HENDRICKSON: The
5 buildings that have been sold through TIL, the 950
6 that I spoke about or HDFC co-ops. So, they were
7 sold, and those are privately owned HDFC co-ops.
8 With that—the 148 are still the city-owned buildings
9 that are in the TIL in the ANCP pipeline.

10 CHAIRPERSON WILLIAMS: Are there anybody
11 actually in the ANCP now or all they all in the
12 pipeline?

13 DEPUTY COMMISSIONER HENDRICKSON: No,
14 there's—there's—there's about 30—I think 39 buildings
15 that are in the ANCP pipeline. That means they have
16 a designated developer.

17 CHAIRPERSON WILLIAMS: Is that—is that 39
18 of 148?

19 DEPUTY COMMISSIONER HENDRICKSON: It's 39
20 of 148. So, yes and those are actively in that pre-
21 development stage being looked at for the
22 renovations.

23 CHAIRPERSON WILLIAMS: How many units
24 does the 148 represent?

2 DEPUTY COMMISSIONER HENDRICKSON: The 148
3 represents—give me one second, and I shall tell you,
4 sir. [background comments] Yeah, no, 148 buildings.

5 CHAIRPERSON WILLIAMS: Yes.

6 DEPUTY COMMISSIONER HENDRICKSON: Right?
7 With a total of 2,331 units.

8 CHAIRPERSON WILLIAMS: Repeat the units.
9 I'm sorry.

10 DEPUTY COMMISSIONER HENDRICKSON: Sure.
11 2,331 residential units.

12 CHAIRPERSON WILLIAMS: Thank you. How
13 many units are occupied and how many are vacant?

14 DEPUTY COMMISSIONER HENDRICKSON: 1,441
15 are occupied, 890 are vacant.

16 CHAIRPERSON WILLIAMS: Hmm. Alright, I'm
17 going to go back to the abatements in a second.

18 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

19 CHAIRPERSON WILLIAMS: At the inception,
20 what was the criteria? What was the AMIs of the
21 people who were supposed to be going to—to the
22 program to get to purchase their homes?

23 ASSISTANT COMMISSIONER DARGA: I assume
24 you're speaking about purchase prices.

2 CHAIRPERSON WILLIAMS: Yes, the purchase
3 price. What was the—what was the original criteria?

4 ASSISTANT COMMISSIONER DARGA: The—the
5 purchase price—the purchase prices for vacant units
6 has—has changed over time. Originally, purchase
7 prices were not regulated other than through the
8 Certificate of Incorporation. Commence—starting
9 around 2003, the—the purchase price was capped at
10 120% of area AMI, and that continued to be the—the
11 cap on purchase prices.

12 CHAIRPERSON WILLIAMS: Well, what was
13 the net purchase prices for people who want to
14 purchase the vacant one?

15 ASSISTANT COMMISSIONER DARGA: The vacant
16 unit, correct.

17 CHAIRPERSON WILLIAMS: What was the
18 purchase price before that? You know, there was no
19 regulation.

20 ASSISTANT COMMISSIONER DARGA: Before
21 2003?

22 CHAIRPERSON WILLIAMS: Yes.

23 ASSISTANT COMMISSIONER DARGA: Other than
24 that—what was in the Certificate of Incorporation

2 there was no regulation. The way it generally worked
3 it was like 6 of 7 times the maintenance charges.

4 CHAIRPERSON WILLIAMS: And what was it—
5 was there a criteria for individuals who were in
6 these buildings that had an issue that one or two get
7 into the TIL Program? Was it just that the—the
8 building was having problems and the city was taking
9 ownership? What building got into—describe how you
10 got a building into TIL?

11 DEPUTY COMMISSIONER HENDRICKSON: Oh,
12 the—the buildings that came into TIL I mean
13 predominantly all of the property that the city took
14 was through in rem foreclosure. The tax
15 apportionment A (sic) and the city became the
16 landlord. In the original days tenants petitioned us
17 and they were like we want to remain in our homes. A
18 lot of sweat equity is poured into those, and those
19 buildings were in deed conveyed to them at that \$250
20 purchase price.

21 CHAIRPERSON WILLIAMS: You mentioned that
22 there were some signs of mismanagement and from—from
23 tenant associations, subletting without board
24 approval, and 19 units (sic) was some of them. What
25

2 happened to those buildings and those tenant
3 associations?

4 DEPUTY COMMISSIONER HENDRICKSON: Well,
5 some of those HDFC co-ops, you know, they—they still
6 are privately owned and that's kind of a different
7 topic in terms of some of them are still, you know,
8 doing—doing badly and subletting and—and things of
9 that nature. However, many of them do not have a
10 regulatory agreement with the city. So, they do not
11 have ongoing reporting to us. So, there is no a
12 whole lot of authority that we can intervene with
13 without really having a regulatory agreement in
14 place. So what is—is there—is there—is there a
15 tenant association that is subletting without board
16 approval or renting units that are selling them,
17 there's no recourse for HPD or the City?

18 DEPUTY COMMISSIONER HENDRICKSON: But,
19 currently, HPD's enforcement powers are somewhat
20 limited. Okay, it's really in the statute of the
21 Private Housing Finance Law. It really only gives it
22 the ability to approve the formation, the dissolution
23 of the cooperative. It doesn't really give us the
24 necessary powers to intervene in a privately owned
25 building.

2 CHAIRPERSON WILLIAMS: How pervasive do
3 you think some of the issues are?

4 DEPUTY COMMISSIONER HENDRICKSON:

5 CHAIRPERSON WILLIAMS:

6 DEPUTY COMMISSIONER HENDRICKSON:

7 CHAIRPERSON WILLIAMS:

8 DEPUTY COMMISSIONER HENDRICKSON: You
9 know, I have to say Council Member a lot of it is-is
10 anecdotal. I mean we get a lot of calls from people
11 and things, and we actually have a Capstone Report
12 where we had some additional analysis done. I have
13 not gotten the final report yet, but we do want to
14 see is-is it just more hearsay, or we clearly know,
15 and I get calls all the time that people are renting
16 units okay instead of selling them.

17 CHAIRPERSON WILLIAMS: Have you been able
18 to confirm any of these allegations, subletting
19 without board approval or renting units as opposed to
20 selling them?

21 DEPUTY COMMISSIONER HENDRICKSON: I have
22 been able to confirm some because some people have
23 written to us and made those complaints.

24 CHAIRPERSON WILLIAMS: So, how many have
25 made a complaint?

2 DEPUTY COMMISSIONER HENDRICKSON: Not-
3 again, not that many. It's hard, you know, to prove-
4 to prove. Well, again, the board will call me and
5 say we know somebody is subletting without approval,
6 and again--

7 CHAIRPERSON WILLIAMS: [interposing] So,
8 how many have you--has HPD confirmed 1, 2, 3?

9 DEPUTY COMMISSIONER HENDRICKSON: Again,
10 there--there have been small--there have been small
11 numbers okay, but, you know, as the market has
12 changed, you know, we--we--we continue to see more
13 instances of it. I can't quantify that number for
14 you at this time.

15 CHAIRPERSON WILLIAMS: You don't have the
16 number?

17 DEPUTY COMMISSIONER HENDRICKSON: No.

18 CHAIRPERSON WILLIAMS: Okay. It would
19 be--it would be good if you can get a number.

20 DEPUTY COMMISSIONER HENDRICKSON: Yeah.
21 No, definitely. We--we can try to get back to you
22 with what we know, you know, concretely.

23 CHAIRPERSON WILLIAMS: Even now so a
24 bunch of new changes I think are really good if we
25 can get them down.

2 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

3 CHAIRPERSON WILLIAMS: One that you had
4 mentioned was about the maintenance. So, is there
5 going to be any adjustment or assistance when it come
6 so maintenance fees for tenants who may not be able
7 to afford the maintenance?

8 DEPUTY COMMISSIONER HENDRICKSON: I'll
9 let Kim answer that.

10 ASSISTANT COMMISSIONER DARGA: Sure. So
11 let met start with saying that our goal in setting
12 maintenance fees is first to ensure affordability for
13 the existing residents, and then secondarily to
14 ensure that the property has sufficient revenue to
15 run well over the long term to cover its expenses.
16 Maintenance today in the program is typically set at
17 60% of Area Median Income and what we do for
18 residents that where that--

19 CHAIRPERSON WILLIAMS: [interposing] I'm
20 sorry. What was the--the AMI? What was it?

21 ASSISTANT COMMISSIONER DARGA: 60% of
22 Area Median Income, and what we do for residents
23 that--where that would be more than 30% of their
24 income is offer Section 8. I think that we're--

2 CHAIRPERSON WILLIAMS: [interposing]
3 That's what you do currently?

4 ASSISTANT COMMISSIONER DARGA: I think
5 the real critical things to note for maintenance
6 unlike in a rental property, in a cooperative
7 maintenance needs to be equalized. So we can't
8 actually set different levels of maintenance payment
9 based on individual household income. So we have to
10 set it at a baseline that will allow the property to
11 run successfully, and the way we address differences
12 in income is to provide the Section 8 resources.

13 CHAIRPERSON WILLIAMS: And, you're doing
14 that currently?

15 ASSISTANT COMMISSIONER DARGA: That's our
16 current policy, yes.

17 CHAIRPERSON WILLIAMS: So, obviously we
18 have a challenge not knowing what the orange man is
19 going to do, and could threaten some of our finances.
20 So, my—and the Section 8 is one of the big ones that
21 are a target. So, what is the ability to continue
22 doing that if, unfortunately, the worst happens, and
23 the savings that you spoke about here, which sound
24 good, are—are they going to be change if the orange
25 man does what he says he's going to do?

2 ASSISTANT COMMISSIONER DARGA: The orange
3 man. [laughs]

4 ASSISTANT COMMISSIONER MARTI: So, hello.
5 I'm Frances Marti (sp?) . I'm the Assistant
6 Commissioner for Govern Affairs. So to answer the
7 first part of your question, our first priority is to
8 work with our congressional partners, and other
9 allies to resist and find these helps you just
10 mentioned. And to answer your—your specific
11 question, Council Member, HPD's budget continues to
12 include funding for the Section 8 ANCP projects, and
13 as the Mayor said, we intend to successfully fight
14 these cuts. That being said, I can assure you that
15 our agency always models all risks, all risk
16 scenarios and is doing an extraordinary effort
17 analyzing the effects of the proposed federal cuts
18 that those—those effects that they would have on our
19 programs, and is planning for all potential risk
20 scenarios. For example, when faced with Section 8
21 cuts we have different levels at our disposal, and
22 there all tough choices. We can either not accept
23 the applicants, reduce payments of in the last
24 instance cut that just to the program.

2 CHAIRPERSON WILLIAMS: Except so people
3 can still apply to get into TIL range now.

4 ASSISTANT COMMISSIONER MARTI: Yes,
5 correct.

6 CHAIRPERSON WILLIAMS: How many have you—
7 in the past three years, how many people have applied
8 and been accepted?

9 DEPUTY COMMISSIONER HENDRICKSON:
10 [background comments] Well, yeah, let me take this
11 one because at—at this time, you know, the city has a
12 very limited—very little property left, and most—I—I
13 would say to you that most of the buildings that
14 wanted to enter TIL are in TIL. The buildings that
15 are left are predominantly small buildings, one-
16 family homes in Queens that are not TIL—don't meet
17 the criteria for TIL. So, we do not anticipate
18 taking any additional buildings into the program.
19 We're looking to focus on that 148 and get those
20 buildings done and get people back into their homes
21 as quickly as possible.

22 CHAIRPERSON WILLIAMS: In the past five
23 years how many new buildings have come into TIL.

24 DEPUTY COMMISSIONER HENDRICKSON: I'm
25 guessing none.

2 CHAIRPERSON WILLIAMS: Okay, thank you.
3 Sorry, continue, Frances.

4 ASSISTANT COMMISSIONER MARTI: So, the-
5 the rest of the answer is that it's-it's important
6 to-to know that we may have a federal revenue sources
7 across agencies and budgetary decisions like the ones
8 we were talking about are made on a citywide level,
9 and not just at HPD in isolation. And we are
10 speaking to our congressional partners about these
11 proposed cuts, and we want to speak to the Council as
12 well, and we look forward to the discussions. You're
13 and important partner in-in all of this.

14 CHAIRPERSON WILLIAMS: So, just really
15 briefly I want to make sure we're clear on my two
16 questions.

17 ASSISTANT COMMISSIONER MARTI: Yes.

18 CHAIRPERSON WILLIAMS: So, if we get cut
19 with Section 8, we-we may have a big issue. That's
20 one, and you're saying you're going to fight.

21 ASSISTANT COMMISSIONER MARTI: Uh-huh.

22 CHAIRPERSON WILLIAMS: Which is great.
23 Hopefully we'll win, and if we don't are we going to
24 still be able to continue to cap what people are
25 spending on maintenance, and the second one, which is

2 you have some great ideas of savings for tenants that
3 are not associated with Section 8. If Section 8 get
4 funded will those savings still continue moving
5 forward? [background comments, pause]

6 ASSISTANT COMMISSIONER DARGA: So we
7 have—yeah, we've had kind of as implodes of federal
8 resources in the past, and we definitely have
9 alternative strategies that we've started to think
10 about a little bit. If we were to get to that point.
11 The—our overriding goal here is to make sure that
12 that maintenance is affordable to the residents and
13 it can sustain operations of the properties long
14 term. So, if for some reason we got to the point we
15 would continue to make sure that we could do that.

16 CHAIRPERSON WILLIAMS: So, we would
17 continue if we got to that point saying that
18 maintenance fees do not exceed 30% of anyone's
19 income, and the savings that you mentioned today will
20 continue?

21 ASSISTANT COMMISSIONER DARGA: The
22 maintenance would continue to be affordable for the
23 residents.

24 CHAIRPERSON WILLIAMS: So I'm saying
25 different. You're saying affordable.

2 ASSISTANT COMMISSIONER DARGA: Yes.

3 CHAIRPERSON WILLIAMS: I'm say 30% of
4 their income.

5 ASSISTANT COMMISSIONER DARGA: Yeah,
6 that's what we mean.

7 CHAIRPERSON WILLIAMS: Okay, I just
8 wanted to make sure.

9 ASSISTANT COMMISSIONER DARGA: Thank you.
10 Thank you for clarifying it. [laughs]

11 CHAIRPERSON WILLIAMS: No, problem. And
12 the savings that you mentioned in terms of fuel--

13 ASSISTANT COMMISSIONER DARGA: The rent
14 to own type program--

15 CHAIRPERSON WILLIAMS: [interposing] And
16 the fuel

17 ASSISTANT COMMISSIONER DARGA: --the
18 purchase price?

19 DEPUTY COMMISSIONER HENDRICKSON: No, the
20 fuel.

21 ASSISTANT COMMISSIONER DARGA: Oh, that's
22 a different issue.

23 DEPUTY COMMISSIONER HENDRICKSON: Yes,
24 okay. So, let me take that. So, that-that savings
25 of \$24,000 as I referenced in my testimony, that's

2 because HPD is going to pick up the current accounts
3 for--

4 CHAIRPERSON WILLIAMS: [interposing] Yes.

5 DEPUTY COMMISSIONER HENDRICKSON: --those
6 that were not. That money is--is not really related
7 to post-sale. That money is going to be there.
8 Okay--

9 CHAIRPERSON WILLIAMS: [interposing]
10 Okay.

11 DEPUTY COMMISSIONER HENDRICKSON: --for
12 the tenant associations every year, and what we're
13 going to suggest and allow the tenant association to
14 do is to use that money to pay for painting, improve
15 lighting, things in the buildings until they wait
16 until they're transitioned to full renovation.

17 CHAIRPERSON WILLIAMS: Okay. Just a
18 couple more questions, and then go to colleagues and
19 come back. There was something that I heard about
20 but I wasn't going to bring it up, but since it's out
21 in the open, I do want to get some--some discussions
22 about the staff turnover. I know there's been a lot
23 of turnover.

24 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

2 CHAIRPERSON WILLIAMS: I'm trying to
3 understand why and particularly in the past two or
4 three years there's been a lot of turnover. It's
5 rapidly. So, what's going on there and what's
6 occurring.

7 DEPUTY COMMISSIONER HENDRICKSON: Well, I
8 mean I think, you know, in city government, you know,
9 people start and, you know, I think have expectations
10 and sometimes things just do not work out, and I
11 think from my perspective rather than, you know,
12 prolong something that doesn't seem to be working,
13 we, you know, terminate it so people have left.
14 We've had a lot of retirees as well in the TIL
15 program. I mean, some of those staff have been there
16 for more than 30 years. So again, when staff has to
17 leave, we just are looking to make sure we bring in
18 more capable staff, staff that are more committed,
19 and I think with our new team with Winju and bringing
20 in the new director, I think we're going to really
21 have a very focused team. You know, for the first
22 time having an Assistant Commissioner that's focused
23 on nothing but TIL, and she also has to the peer
24 component of HPD at her disposal to ensure that we
25 can prioritize the peers. I'm encouraged by that.

2 CHAIRPERSON WILLIAMS: So, I know the-the
3 article mentioned two employees, Director Ricard H.
4 Devilla (sic).

5 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

6 CHAIRPERSON WILLIAMS: I think lasted
7 less than a year. I think the person who was before
8 him lasted less than a year, and then the person that
9 reported to them Michael Besse, I don't know how long
10 he was there, but also left. And that just seems--
11 there's--there's something going on in those--in those
12 positions. Is there anything in particular going on
13 in those positions? Why are people not lasting for
14 that long, and they seem to be directly related to
15 the communications that will go back and forth to the
16 tenant?

17 DEPUTY COMMISSIONER HENDRICKSON: Yeah.

18 I mean I think I would say some of those staff
19 members that you referred to some left voluntarily.
20 Okay, they decided to leave for--for new
21 opportunities, which, you know, that we--we encourage.

22 CHAIRPERSON WILLIAMS: I would just say--

23 DEPUTY COMMISSIONER HENDRICKSON:

24 [interposing] Yes.

25

2 CHAIRPERSON WILLIAMS: You can say they
3 left voluntarily, but if they're giving quotes to
4 the--to the article, they probably didn't leave
5 pleasantly voluntarily. There is probably something
6 that they noticed was an issue.

7 DEPUTY COMMISSIONER HENDRICKSON: Well--
8 well, all I could say is, you know, the--the pro--
9 program, you know, which, you know, as you--as you
10 know and are expressing it so--so well has stalled and
11 it's been challenging. Okay, it's a difficult
12 program. You have to have the ability to really be
13 able to communicate well with residents, multi-task.
14 There's a lot of things going on that need to get
15 done, and accomplished and I would say to you that
16 some of them did not--just not--did not live up to
17 those expectations, and yes, some left voluntarily,
18 and you know, if they have complaints about the
19 program, they're entitled to do that, but we think
20 the program is a great program. Okay, and providing
21 the ability for residents to own their homes.
22 Couldn't be anything better, and I've been involved
23 with the program from a while, and I think it is one
24 of the best programs that the city has ever had.

2 CHAIRPERSON WILLIAMS: I think it's
3 supposed to be one of the best programs that the city
4 has ever had, and I'm sure that as of today it's one
5 of the best cities at the program out of the city's-
6 the programs the city has had. But, just moving onto
7 the vacancies. Is there--my understanding is that if
8 someone is in a vacant--in a vacancy it's because they
9 should have been moved from another apartment while
10 awaiting some rehabilitation. Are they--the only
11 people in a new vacancy should be people who are
12 currently in the portfolio of TIL, or have purchased.
13 Is there anyone in the vacant apartments that don't
14 fit those criteria?

15 DEPUTY COMMISSIONER HENDRICKSON: When
16 there are people that have gone to the vacant units
17 and squatted for example, okay, the tenant
18 association is responsible--because they're managing
19 the building day-to-day--for initiating legal action
20 and beginning possession. So, you are indeed correct
21 that vacant units are either used for relocation
22 within the portfolio or are going to be left vacant
23 until they get the renovation done, and we then sell
24 them through ANCP program.

2 CHAIRPERSON WILLIAMS: Are you aware of
3 any vacant units that are occupied by people that are
4 not in the TIL portfolio?

5 DEPUTY COMMISSIONER HENDRICKSON: I'm not
6 aware of that. I--I will say to you I think there
7 are a few squatter cases that are being followed up
8 on by the tenant associations. I would have to get
9 back to you to quantify that number of how many
10 squatters in there, and where the legal action has
11 actually been initiated.

12 CHAIRPERSON WILLIAMS: And the only--so
13 the only ones--the only incidents you are aware of are
14 squatters that you have no information about?

15 DEPUTY COMMISSIONER HENDRICKSON: For
16 the--for the most part yes.

17 CHAIRPERSON WILLIAMS: Okay. Thank you
18 very much. I'm going to give five minutes for my
19 colleagues each to ask questions and then if we need
20 a second round we can--we can see. Mendez, Rosenthal,
21 and Levine will ask questions for five minutes each.

22 COUNCIL MEMBER MENDEZ: Thank. So, I'm
23 going to ask all my questions up front taking up my
24 five minutes to ask questions, not my five minutes

2 for you to answer them, okay. [laughter] So
3 starting writing down now.

4 DEPUTY COMMISSIONER HENDRICKSON: Whoa.

5 COUNCIL MEMBER MENDEZ: Mayoral Order 120
6 of 2008 requires language access, and for things to
7 be in six predominant languages. Have you been
8 complying with that order, Mayoral Order, and if not
9 in all six languages, which ones and what are you
10 planning to do to comply in TIL and ANCP with Mayoral
11 Order 120. TIL buildings that have gone through the
12 co-op conversion and are HDFCs I've been in all of
13 these meetings on, you know, your propose regulatory
14 agreement, and I found that some of those TILs were
15 troubled financially. Can you tells us more about
16 the long-term and the short-term financial
17 viabilities of those TIL buildings, and what, if
18 anything, can we do to ensure that they are
19 financially viable long term?

20 RFQs, you do RFQs for developers. What
21 is it that you're looking for when it comes to
22 developers who are applying previously for TIL to
23 develop the TILs and now ANCP, and do-do they have a
24 track record with HPD, and in what programs? You
25 know, this was a question when you came to me with

2 ANCP. I was like well, why did it change, what was
3 the reason? How do you know when—when you're in
4 which program?

5 What are the landmarks to get you to for
6 lack of better word, but one that was used in a
7 meeting with my TILs to graduate from TIL into ANCP.
8 And what were you objectives with HPD in designing
9 this ANCP program. More recently with the change
10 from TIL to ANCP, there is—because we've talking a
11 lot about my buildings, there will be private debt.
12 That was not the case before. Can you tell us why?
13 I think I have some reasons why that would be, but I
14 want to hear it from you why we are now having the
15 TIL buildings incur this private debt.

16 How will restricting—next question—how
17 will restructuring of the TIL Program help the TIL
18 tenants in ANCP short-term and long term? And will
19 the changes as we move forward and we see that maybe
20 some things quite aren't working right, are you, HPD,
21 willing to tweak and make changes to the program as
22 needed. And the corrective action plan, what is it?
23 Because that's mystified me sometimes. How does it
24 get implemented? What's the oversight with the
25 implementation of the Corrective Action Program? And

2 what happens, and I think I've got the answer to that
3 one. You failed to comply with the Corrective Action
4 Program.

5 There's been some discussion—am I up with
6 my five minutes yet? There's been some discussion
7 about doing yearly rental increases, which actually I
8 think is probably a good thing. My concern is about
9 very low-income tenants particularly seniors who are
10 on a fixed income for people who may already be at
11 30% or more of income paying rent to their income.
12 Will some kind of waiver or plan be put in place so
13 that those people are just at 30%, and those who can
14 afford to pay more could pay more like we have at
15 NYCHA at the federal level, and I am sorry. I've
16 been in and out. I'm multi-tasking. I don't know if
17 it's in your testimony. I couldn't find it, but I
18 have two buildings that I 2006 the tenants were
19 relocated. We've been working on trying to get them
20 back, and get the buildings fixed. Besides my
21 tenants, how many tenants in this city [bell] have
22 been relocated, and so what's that number, and are
23 you working as aggressive with the other council
24 members to get those tenants back into their homes

2 after all these years? Thank you very much, Mr.
3 Chair.

4 CHAIRPERSON WILLIAMS: Thank you. So
5 that's a packed five minutes of questions. You're
6 allowed to respond, but we won't be able to do any
7 cross back and forth because all of her time is used
8 up already.

9 COUNCIL MEMBER MENDEZ: [bell] And I just
10 want to say that if you can't get me all the answers
11 now, I do expect them in writing at some point in the
12 very near future and as well as to the Chair of this
13 committee. Thank you.

14 ASSISTANT COMMISSIONER DARGA: Thank you
15 very much. So, I think I will start with some of the
16 questions related of ANP—the ANCP structure and then
17 maybe Anne-Marie can jump in with some of the
18 questions regarding the TIL—the TIL Program. So, I
19 think you asked about why the shift—what we were
20 trying to achieve—how—what—what were the goals, and
21 long-term viability questions. So, the main goal of
22 the program was to create a pathway to affordable
23 homeownership for tenants and to put the buildings,
24 which are often in poor condition, on sound financial
25 and physical footing. The cost of rehabilitating

2 these properties, you know, became fairly
3 unsustainable and we wanted to make sure we had a way
4 to actually renovate the properties. Retooling the
5 program really allowed us to make good on the
6 commitment to rehab these properties, and ensure
7 long-term affordable homeownership. So, specifically
8 with regard to sustainability, as I mentioned before,
9 our goal in setting maintenance is to make sure that
10 it's first and foremost affordable for the residents,
11 and second that it covers the ongoing expenses
12 including into the future. One of the changes in the
13 ANCP program is that we do actually require now that
14 maintenance increases by 2% a year. The point there
15 is to cover the increasing costs of operations over
16 time. So, operations—operating costs actually don't
17 stay stagnant. They do go up. So we want to make
18 sure that the—the—the cooperative can main—stay
19 viable. The way we address the affordability longer
20 term I think specifically you asked about senior
21 populations, et cetera. HDFC co-operators that don't
22 have Section 8, are potentially eligible for SCRIE.
23 If they qualify for Section 8, their income is set at
24 30% of income. They go through an annual
25 certification process.

2 COUNCIL MEMBER MENDEZ: I'm sorry, please
3 repeat that. So, if you are a senior-

4 CHAIRPERSON WILLIAMS: [interposing]
5 Council Member, I think this panel-I think can do it.

6 COUNCIL MEMBER MENDEZ: [interposing] I
7 just need clarification.

8 CHAIRPERSON WILLIAMS: No, no, we can't
9 do it. It's too much time. So, if you can just
10 repeat it that will be good, but it's-it's too much.
11 So, thank you, Council Member.

12 COUNCIL MEMBER MENDEZ: But this is
13 something that's different. I don't-I don't know co-
14 operators can apply for SCRIE:

15 CHAIRPERSON WILLIAMS: I understand, but
16 you asked all of the questions. So I just want to
17 get some answers.

18 ASSISTANT COMMISSIONER DARGA: So, HDFC
19 cooperatives are actually eligible for SCRIE. I know
20 that's not normally what we talk about for rental
21 affordability, but actually an HGFC co-op is also an
22 option. So, additional things that came up, how do
23 we select developers? Clearly, that's a concern.
24 That was a shift in the program. We actually issued
25 an RFQ to qualify developers. The way that we do so

2 is to look at existing experience in developing
3 affordable housing including a track records with HPD
4 as well as experience a track record in property
5 management. I also heard questions about why there's
6 private debt, and I think that's partially about
7 probably the maintenance affordability issues. We
8 have had some questions around that, and I think that
9 maybe a point of that could use clarification.
10 Maintenance is set to cover all operating expenses.
11 What that means is that includes the cost of the
12 insurance, repairs and maintenance, utilities. Not
13 property taxes because we provide a full Article 11
14 exemption this program, but it also covers the cost
15 of funding reserves, right. So, the property has
16 reserves long term as well as any debt service. So,
17 that 60% AMI amount that I had had mentioned earlier
18 is—covers all of that, and again we—we help ensure
19 viability for folks at different income levels by
20 providing the Section 8. I heard a—a couple other
21 questions around sustainability. I think it' worth
22 noting that there are provisions of the regulatory
23 agreement itself that we hope ensures long-term
24 affordability. There is a tax provision in the
25 regulatory agreement that means that some of the

2 money from future sales goes back into the
3 cooperative, and some of it goes down to pay down
4 the—the debt over time. We also require professional
5 property management, which we think will be a benefit
6 to the cooperatives long term. And then finally, I
7 think I heard a question as well about the landmarks
8 for residents like how they know they're in one
9 program or another, and it seems like there is some
10 confusion around that issue. So, right now all 148
11 buildings are in TIL. Once we get to the—the point
12 of having a pre-engagement meeting with the residents
13 of the cooperative that's the point when we are
14 talking to you about moving forward into the
15 Development Program. The Development program to
16 actually do the renovations is ANCP. That's—so that
17 pre-engagement meeting is the first step. There's—
18 there's probably a dozen meetings that take place
19 over the span of the development period, the pre-
20 development and to the development. That is the
21 first one. The next meeting would be a kickoff
22 meeting where the—identified developer comes to meet
23 you. There's a series of meetings in the pre-
24 development stage including around design and design
25 review. We do some status updates. There's a pre-

2 closing meeting to talk about the construction
3 process, the final determined maintenance and scope
4 of work. During construction, there are status
5 updates and then prior to the actual construction is
6 completed and prior to the actual cooperative
7 conversion there is another set of conversations to
8 make sure everybody is ready for that co-op
9 conversion to take place. I think I covered
10 everything, but if I missed anything we're—I'm happy
11 to address any follow-ups.

12 CHAIRPERSON WILLIAMS: And thank you.
13 Apparently, the Councilwoman had to leave early.

14 ASSISTANT COMMISSIONER DARGA: Okay.

15 CHAIRPERSON WILLIAMS: But it was some
16 very good questions. So, I'm glad she aske them and
17 I thank you for the answers. Council Member
18 Rosenthal and Council Member Levine.

19 COUNCIL MEMBER ROSENTHAL: Thank you so
20 much, and in many ways you started to answer the
21 questions that I have as well.

22 ASSISTANT COMMISSIONER DARGA: Okay.

23 COUNCIL MEMBER ROSENTHAL: But the thing
24 that is most striking to me is that if you want to
25 preserve 120,000 of affordable housing, it strikes me

2 that your own—that these properties are the lowest
3 hanging fruit and, you know, it would strike me, and
4 I—I hope you have the names and contact information
5 of every single one of those individuals who have
6 been placed elsewhere from their TIL buildings, and
7 the names and contact information of every single one
8 of the tenants back in their TIL buildings, and that
9 you're close regular contact with them, and, I didn't
10 quite hear confirmation of that. But, secondly, I
11 have to say again you lay out what sounds really
12 good, but we already have evidence that in the
13 building that Ms. Jones was mentioned that she lived
14 in, which is a TIL building and she was able to move
15 back in. It must have been one of the six that were
16 renovated, she's already having a leak in her roof
17 that, you know. So the developer didn't do a good
18 job, and now that homeownership situation leaves the
19 tenants in that building having to not only carry the
20 mortgage, but now have to pay for upkeep on shoddy
21 work. So, I don't understand how tenants are
22 protected from that, and I just want to go back to my
23 last point. You've got such low-hanging fruit. We
24 know that between 10 and 30% of the people in our
25 homeless shelters and family shelters are there

2 because of evictions. These people are, you know, I
3 don't know. I don't want to make a gross
4 generalization, but these are the people--this would
5 be called winning preservation. If you kept--if you
6 guys renovated these buildings, if you put money in
7 the budget for that, the Mayor said he just put more
8 money in the budget in the Capital Budget for
9 preservation. I hope it's dedicated for this because
10 this is the easiest low-hanging fruit you have, and I
11 don't understand why you wouldn't want to run to
12 declare victory with not only the tenants here, but
13 there a room full of tenants in the other room who
14 are scratching their heads, and I'm scratching my
15 head with them. I don't like the idea of a private
16 mortgage. I wish you guys would just pay for it and
17 do it, and do make sure the workers do a good job.
18 That's that leg up that these tenants need, and I'm
19 not confident with Section 8 that, you know, they're
20 not going to--if they lose Section 8, I'm not
21 confident they are going to be able to be protected
22 in any way. The lowest hanging fruit. I'm sorry,
23 I'm just going to say it again that these families
24 that are in the TIL buildings or are waiting to move
25 back into their buildings are the easiest homes that

2 we can protect in the--in the--in our quest for
3 affordable housing. I'm 100% with the Administration
4 to preserve 120,000 units. It--you're--you're staring
5 in the face of, you know, 14--you said there were 14--
6 41 occupied, 1,400 that are already occupied. Let's
7 make sure that those people that in those buildings
8 that they're already obtainable that the roofs are
9 not leaking, that the boilers work, and for the 890
10 vacant, why aren't just fixing now? This has to be
11 our first line of a defense. So somewhere rambling in
12 there were some questions, and I appreciate your
13 working harder on this.

14 ASSISTANT COMMISSIONER DARGA: Thank you.
15 Okay, so maybe we'll start with the--the--kind of the
16 commitment to preservation, the bigger question about
17 this being an opportunity. So we absolutely committed
18 to this portfolio. We have committed resources and
19 we'll definitely continue to do so. The way--just for
20 background a little bit, the way that we determine
21 the amount of city investment in these properties--

22 COUNCIL MEMBER ROSENTHAL: [interposing]
23 I'm sorry. Just real quickly, because I'm not going
24 to be able to rebut.

25 ASSISTANT COMMISSIONER DARGA: Sure.

2 COUNCIL MEMBER ROSENTHAL: So, do you
3 have the list of names and contact information for
4 every single individual who—who you moved out of
5 their home?

6 DEPUTY COMMISSIONER HENDRICKSON: Yes,
7 Council Member, we do.

8 COUNCIL MEMBER ROSENTHAL: You're
9 confident?

10 DEPUTY COMMISSIONER HENDRICKSON: We are
11 confident.

12 COUNCIL MEMBER ROSENTHAL: Are you in
13 touch with them? Has anybody emailed you back,
14 written you back?

15 DEPUTY COMMISSIONER HENDRICKSON: I would
16 have to confirm what the correspondence has been
17 [bell] but, there are 130 households that have been—
18 they have been relocated. We have the information
19 for each and every one of those households, and we
20 know exactly where they have been placed. Okay. so
21 we are in communication. We totally agree that we
22 can improve communication and that's what we're
23 striving to do with our new partners and planning
24 approach. I—I won't answer just covering your
25 questions for the roof to cellars that's the whole

2 point of trying to make sure that we improve quality
3 for the tenants while they wait for their full
4 renovation. So that is definitely a pivotal part of
5 the plan. I want to just answer the question and I
6 will let Kim answer on warehousing the vacant units
7 because, you know, I think there's this misnomer that
8 we're holding them for some kind of mysterious
9 reason, and there's a reason to hold the vacancies.

10 COUNCIL MEMBER ROSENTHAL: [off mic]

11 DEPUTY COMMISSIONER HENDRICKSON: Exactly
12 and they need to be able to contribute to paying down
13 the private debt. You know, if we have to use a
14 mortgage in--in ANCP, we just still would--

15 COUNCIL MEMBER ROSENTHAL: [on mic] So,
16 guess what I'm saying is why do we not go--

17 CHAIRPERSON WILLIAMS: [interposing]
18 Council Member.

19 COUNCIL MEMBER ROSENTHAL: --the private
20 debt route.

21 CHAIRPERSON WILLIAMS: Council Member--
22 Council Member we're going to have to--

23 COUNCIL MEMBER ROSENTHAL: Why don't you
24 guys do this?

2 CHAIRPERSON WILLIAMS: We got to do the
3 same thing we did with—Thank you.

4 DEPUTY COMMISSIONER HENDRICKSON: I did
5 it. Oh, okay, but—but, Council Member we—we are
6 exploring ways to improve the program, and we
7 definitely welcome your thoughts on that. So, again,
8 we want to get ANCP moving and—and get it—the
9 buildings into the renovation pipeline as quickly as
10 possible. We're exploring all options there, but
11 again, in light of the fact that we do believe that
12 some sort of private debt will be needed, we do need
13 to keep those vacancies so it offsets the cost to the
14 existing shareholders—to the existing residents.
15 Really. We don't want them to have to bear any
16 additional costs.

17 ASSISTANT COMMISSIONER DARGA: Okay, do
18 you want me to talk a little bit about it.

19 DEPUTY COMMISSIONER HENDRICKSON: Yes,
20 uh-huh.

21 ASSISTANT COMMISSIONER DARGA: So, just
22 stepping back how we finance the properties, and we
23 start with the building's needs. The renovation cost,
24 the relocation costs, which in this program are
25 extensive. Rehabilitation costs on average to—ends

1 up being over \$300,000 a unit, and our goal is really
2 to efficiently finance these properties and ensure
3 long-term viability. So, we've really been trying to
4 figure out additional sources that we can bring to do
5 that extensive renovation, and those sources include
6 private down, as well as AAHC grant fund that come
7 through the state, and then the sales proceeds from
8 vacant units as well. The maximum subsidy in this
9 program just for context is one of the highest that we
10 have in the agency, and our average subsidy so far
11 has been slightly above what our term sheet actually
12 says, and we're—we'll continue to evaluate those
13 levels as we move forward with the additional
14 properties. In terms of private debt, unlike
15 properties that were conveyed in the early years of
16 TIL, the renovation costs here are fairly extensive.
17 As I said, over \$300,000 a unit, and the private debt
18 not only helps cover the cost of renovations, it's
19 actually not as significant a source as the city
20 contribution here, but it also—also helps cover the
21 cost to bridge until the State AAHC Grant funds as
22 well as the sales proceeds are available, and it
23 covers the costs of items that are not capitally
24 eligible. I mean since we rely on city capital funds
25

2 to actually renovate the properties, some of the
3 costs like tenant training, the reserves are not
4 actually eligible. So that source is actually really
5 useful in making that these properties are set up to
6 be sustainable long term. And I just—I—I think I
7 addressed most of your questions, but I—I'm not quite
8 sure. So, if I missed something I'm happy to do--

9 DEPUTY COMMISSIONER HENDRICKSON: I think
10 there's one piece that we would like because the
11 building that I think Ms. Jones spoke about was 235
12 West 116th Street.

13 COUNCIL MEMBER ROSENTHAL: [off mic]
14 [interposing] Yes, that hasn't been fixed yet.

15 ASSISTANT COMMISSIONER DARGA: Oh, I can--
16 I can speak to that.

17 DEPUTY COMMISSIONER HENDRICKSON: Sure,
18 sure.

19 ASSISTANT COMMISSIONER DARGA: So that
20 property actually was conveyed into private ownership
21 through the Multi-Family Preservation Loan Program,
22 which is the rental program. The re—the rehab of the
23 property is basically at completion. IF there are
24 issues to the building, we definitely want to know
25 because we have not converted to permanent financing.

2 At this point in time, final walk-throughs should be
3 happening. So, if-if any of the residents that live
4 in that property are having issues they should reach
5 out to our program staff, and so that we can make
6 sure the contractor addresses those issues before the
7 conversion takes place.

8 COUNCIL MEMBER ROSENTHAL: So I have the
9 pictures.

10 CHAIRPERSON WILLIAMS: Alright, thank
11 you.

12 COUNCIL MEMBER ROSENTHAL: I'm going to
13 save my questions for a second round,

14 CHAIRPERSON WILLIAMS: Sure. Thank you
15 Council Member.

16 COUNCIL MEMBER ROSENTHAL: Thank you.

17 CHAIRPERSON WILLIAMS: Council Member
18 Levine.

19 COUNCIL MEMBER LEVINE: Thank you, Chair
20 Williams. Thank you to the Administration. I-I just
21 have to acknowledge on behalf of the tenants a point
22 that you have largely conceded, though it bears
23 repeating that what's happened over the last two
24 decades is just so unfair. The families who were
25 promised by our city that they would have decent

2 housing, affordable homeownership, and what they've
3 endured now for in some cases 20 years is just—is
4 just unacceptable, and we have to stop at nothing to
5 make it right. I—I appreciate you acknowledging the
6 failures of the past, and I appreciate some of the
7 changes you have announced today. So I'm going to
8 ask a few questions quickly. If could answer quickly
9 so we can be efficient [laughter] in our time, but
10 the changes you announced paying for the oil, the
11 roof to cellar inspections. When are they in effect.
12 Is this immediate?

13 DEPUTY COMMISSIONER HENDRICKSON: Yes,
14 the roof—well, the—paying for the fuel and utilities
15 will probably happen I would think in the next few
16 day. We are actually picking up the accounts and
17 we're actively working to have that done. So I will
18 say to you that would probably in place n the next
19 week or two.

20 COUNCIL MEMBER LEVINE: Okay.

21 DEPUTY COMMISSIONER HENDRICKSON: And the
22 money is in place, and we're going to rapidly move to
23 expand that.

24 COUNCIL MEMBER LEVINE: And the
25 inspections?

2 DEPUTY COMMISSIONER HENDRICKSON: The
3 inspections I would say are going to happen in May
4 and June, okay. The May is right around the corner.

5 COUNCIL MEMBER LEVINE: The whole
6 portfolio.

7 DEPUTY COMMISSIONER HENDRICKSON: Well,
8 again, there's 100 and—at least 110 buildings that
9 need to get done because the ANCP don't need a roof
10 to sell it because they actually have a private
11 architect and engineer in there evaluating
12 conditions. So, we will look at resources. I have
13 staff—units of staff. The season will be finished.
14 So I will borrowing inspectors to get that done as
15 quickly as possible.

16 COUNCIL MEMBER LEVINE: Okay, okay. So
17 there is a media—media report of a DOI investigation.
18 You probably can't comment on the particulars of the
19 investigation, but there is a substantive question,
20 which is whether any TA funds have stolen. Do you
21 have reports of this? Can you comment on—on the
22 prevalence of this, and what you've done to remedy
23 it?

24 DEPUTY COMMISSIONER HENDRICKSON: Okay,
25 well, I think, Council Member, you said it first is

2 we can't really comment on any allegations about, you
3 know, money being taken, DOI. They--that's their role
4 to conduct an investigation and they have the--they
5 have the ability to complete it, and then they will
6 come out with their findings on what they--what they
7 need to do, but they're the appropriate agency for
8 doing that follow-up. So I'm not--

9 COUNCIL MEMBER LEVINE: [interposing] If--
10 if--if it is true, then someone has to go to jail
11 because this is the money of very hard working men
12 and women who have spent 20 years paying in little by
13 little.

14 DEPUTY COMMISSIONER HENDRICKSON: I would
15 agree.

16 COUNCIL MEMBER LEVINE: Alright, well, I--
17 It's fine to see we agree on that.

18 ASSISTANT COMMISSIONER DARGA: Uh-huh.

19 COUNCIL MEMBER LEVINE: The--the major
20 change ASCP is just the conditions of a mortgage,
21 which is then passed off to a tenants--

22 ASSISTANT COMMISSIONER DARGA: Uh-huh

23 COUNCIL MEMBER LEVINE: --and I think you
24 can understand that that's a big deal. That now
25 tenants are on the hook for that mortgage, and

2 they're under real constraints on the level of
3 maintenance because it's tied to you targeting 40 to
4 60% of AMI. What happens if that's not sufficient to
5 make the mortgage--mortgage payments?

6 ASSISTANT COMMISSIONER DARGA: So the--the
7 mortgage part--payments are factored into setting
8 maintenance, and the way we look at this is we look
9 at the--the revenue, which is the maintenance, and we
10 look at the expenses, including all operations,
11 contributing to reserves any private permanent or
12 city debt service that is required and that means it
13 covers of it. So, the--if the property continues, is
14 run well over the long term, that's--

15 COUNCIL MEMBER LEVINE: [interposing]
16 Just--just to jump in because my--my time is short. I--
17 I understand you're calculating beforehand what you
18 expect--

19 ASSISTANT COMMISSIONER DARGA: Uh-huh.

20 COUNCIL MEMBER LEVINE: --would be
21 sufficient cashflow, but things change, and someone
22 can lose their job--

23 ASSISTANT COMMISSIONER DARGA: Right.

24 COUNCIL MEMBER LEVINE: --or tenants
25 could rotate, a senior could retire. There's all

2 sorts of reasons why the income of the building could
3 drop.

4 ASSISTANT COMMISSIONER DARGA: Right.

5 COUNCIL MEMBER LEVINE: That happens in
6 all kinds of buildings.

7 ASSISTANT COMMISSIONER DARGA: Right.

8 COUNCIL MEMBER LEVINE: So what happens
9 is there is there foreclosures? Does the bank take
10 over? What happens to the building in that case?

11 ASSISTANT COMMISSIONER DARGA: Well,
12 that's a--that's a good question. We actually--one of
13 the things that we do with the private debt is size
14 the reserve upfront. As I mentioned, we actually
15 with city capital can't fund that, and then on an
16 ongoing basis from--there's contributions into a
17 reserve account. Also, a portion of sales proceeds,
18 is--after payment of the private debt actually goes
19 into a reserve account as well. So, the point here
20 and what we've tried to do is really set these up so
21 there's a financial structure that is sustainable
22 long term.

23 COUNCIL MEMBER LEVINE: Right, but to-to
24 get to Council Member Rosenthal's question, why not
25 just use city money to close that gap so the

2 residents get the building with no mortgage?

3 [background comments, pause] I don't think we're
4 talking about billions of dollars, actually. If you
5 add it all up--

6 ASSISTANT COMMISSIONER DARGA:

7 [interposing] Okay.

8 COUNCIL MEMBER LEVINE: --relative to the
9 scale of the housing, its modes. [bell]

10 ASSISTANT COMMISSIONER DARGA: Okay, so
11 the--the cost of renovating these buildings is over
12 \$300,000 per unit. So just backing up, the--there was
13 a prior program that we had before--until in the early
14 thousands was the renovations were done in city
15 ownership. We don't have the infrastructure to do
16 that city ownership today. That would be staff,
17 design, relocation, resources, et cetera. So moving
18 into that structure it's really just not viable at
19 this point in time. What we have tried to do is to
20 make this as affordable for folks as possible to
21 purchase their unit, and I--we did address today a way
22 to help folks that make that make under 80% AMI be
23 able to afford the purchase price. So that's not a
24 barrier to doing so, and the residents will pay 30%
25 of their income, and in order to efficiently finance

2 these properties, we're bringing in the sources that
3 we can.

4 COUNCIL MEMBER LEVINE: My-my time is up.
5 I really didn't hear an answer to the question I
6 posed, which is why the city doesn't pay. \$300,000
7 might sound like a lot, but if we were to build new
8 homes for these families, it's going to cost a lot
9 more to that. This has actually cost-effective. It
10 keeps people in their homes. It's good for
11 neighborhoods. This is a smart investment for the
12 city.

13 CHAIRPERSON WILLIAMS: [interposing]
14 Thank you, Council Member.

15 COUNCIL MEMBER LEVINE: And we should
16 spend appropriately.

17 CHAIRPERSON WILLIAMS: Thank you, Council
18 Member. I do want to actually give an opportunity to
19 answer that. Is-is there a particular reason why you
20 just can't cover the costs? Is there-I know
21 sometimes there's a so-called nominal fees to make
22 sure people stay engaged, but what's the reason? It
23 doesn't seem like an additional huge cost to just--

24 ASSISTANT COMMISSIONER DARGA: No, it is--
25 there--the cost of renovations is--it is very

2 expensive. There are costs that we can't actually
3 cover with city capital funds. So we need to bring
4 in other sources to help do that, and we don't have
5 the--

6 CHAIRPERSON WILLIAMS: How much is the--
7 how much do you expect to get from the sales from the
8 ones that were \$250 and the ones that are \$2,500 now,
9 assuming that you are going to assist some who can't
10 afford it? How much revenue do you think that's
11 going to bring in? [background comments]

12 ASSISTANT COMMISSIONER DARGA: Okay, so
13 the vacant sales--you're talking about the vacant--the
14 proceeds from the vacant sales?

15 CHAIRPERSON WILLIAMS: No, I'm talking
16 about the ones that were mentioned, and ones that
17 just cover the costs, the people who are in the TIL
18 program right now?

19 ASSISTANT COMMISSIONER DARGA: Can you--?

20 DEPUTY COMMISSIONER HENDRICKSON: The
21 \$2,500?

22 CHAIRPERSON WILLIAMS: Yes.

23 DEPUTY COMMISSIONER HENDRICKSON:

24 [background comments]

2 ASSISTANT COMMISSIONER DARGA: Oh, oh
3 that's what the Rent to Own Program actually does. So
4 what--the way it works is--

5 CHAIRPERSON WILLIAMS: No, I'm--I'm--I
6 guess what I'm asking

7 ASSISTANT COMMISSIONER DARGA: Yes.

8 CHAIRPERSON WILLIAMS: --and I think my
9 colleagues asked the \$2,500 why can't you cover that
10 cost?

11 ASSISTANT COMMISSIONER DARGA: We are
12 actually. That's what we proposed today, and that
13 we're exploring it. The basic idea is that resident
14 right now are making rent payments. A portion of
15 those rent payments--

16 CHAIRPERSON WILLIAMS: [interposing]
17 You're going to--the--Rent to Own.

18 ASSISTANT COMMISSIONER DARGA: Will be
19 set aside so that when they get to the point of
20 cooperative conversions, the money is available.

21 CHAIRPERSON WILLIAMS: So, you're going
22 to cover the costs of the \$2,500?

23 ASSISTANT COMMISSIONER DARGA: That is
24 essentially what we're saying?

2 CHAIRPERSON WILLIAMS: That's kind of a
3 big announcement so as you--

4 ASSISTANT COMMISSIONER DARGA: We're--
5 we're--we're pretty excited about.

6 DEPUTY COMMISSIONER HENDRICKSON: It is a
7 big announcement.

8 ASSISTANT COMMISSIONER DARGA: We're--
9 we're pretty excited about, and we hope that it
10 addresses some of the questions that have been raised
11 recently around the applicably of it. (sic)

12 CHAIRPERSON WILLIAMS: [interposing] So
13 without raising additional rents, that Rent to Own
14 program will help them pay and you will cover the
15 cost of \$2,500 basically without raising their rent?

16 ASSISTANT COMMISSIONER DARGA: Yes, for
17 low-income residents, we--this program will allow them
18 to purchase their unit. They still have to come up
19 with their \$250, which is what everybody is--had the
20 expectation of all along, but the intent here is that
21 as long as they're paying rent, right, during the
22 construction stage, which they--which has to happen
23 anyway, in order to become a cooperative, there will
24 be a source for that payment.

2 CHAIRPERSON WILLIAMS: And the definition
3 of low-income.

4 ASSISTANT COMMISSIONER DARGA: I'm sorry,
5 what was that?

6 CHAIRPERSON WILLIAMS: The definition of-
7 -?

8 ASSISTANT COMMISSIONER DARGA:
9 [interposing] Or under 80% of Area Median Income, the
10 federal definition.

11 CHAIRPERSON WILLIAMS: Okay, and that's
12 been sounding awesome. That's news worthy. So, I
13 guess that's happening here.

14 ASSISTANT COMMISSIONER DARGA: It's very
15 exciting.

16 CHAIRPERSON WILLIAMS: Okay, just-just a
17 couple of things I want to follow up with. So, Ms.
18 Jones who live in 235 West 116th Street, I think you
19 mentioned she's in MPLP program. Why don't they know
20 that?

21 ASSISTANT COMMISSIONER DARGA: To be-I'm
22 a little confused myself. I-like I said, I was
23 actually the Director of the program at the time. I-
24 I know that we sent mailings out to the residents.
25 We had tenant meetings and so it should have been

2 clear to residents that that's what it was, and
3 before we were actually engaged through MPLP, there
4 were notification to residents about being terminated
5 from the TIL program, and there's a number of
6 notifications that go out before in fact, that
7 transition happened. So, I-I am def-I'm-I'm confused
8 as well, and we could look into it.

9 CHAIRPERSON WILLIAMS: Do-do those where
10 in the MPLP program-MPLP program, can they ever
11 change back and say they want to purchase? Does she
12 and her building have the ability to now say I want
13 to be part of the ANCP program and purchase my
14 building-my unit?

15 ASSISTANT COMMISSIONER DARGA: Properties
16 transferred into MPLP will not go back into ANCP. The
17 idea there is that they become affordable rental
18 properties, and by affordable rental we mean that all
19 residents are rent stabilizes leases that the rents
20 are affordable to residents. As we discussed, 30% of
21 income, and one of the differences in rental
22 properties we can actually set multiple tiers of
23 rents, and those properties are owned by an
24 affordable housing developer owner.

2 CHAIRPERSON WILLIAMS: What-the-sorry. I
3 lost my train of thought. Do you-what was the reason
4 that here building was put in MPLP?

5 ASSISTANT COMMISSIONER DARGA: I think we
6 would need to go back and check the specific
7 circumstances for that property.

8 CHAIRPERSON WILLIAMS: And I'd also like
9 to know why folks were evicted so--

10 ASSISTANT COMMISSIONER DARGA: We could
11 also double check that.

12 CHAIRPERSON WILLIAMS: How many-how many
13 units have-were-how many buildings have been removed
14 from the program and why?

15 DEPUTY COMMISSIONER HENDRICKSON: So we
16 don't have total-total numbers on how many were-were
17 removed from the program. Most recently, you know,
18 and I think Council Mendez was asking about the
19 Corrective Action Program. You know, what we're
20 trying to do is again set buildings up for long-term
21 owner-ownership, and that means you do mean to meet
22 certain programmatic requirements in terms of paying
23 your rent, monthly financial reporting, having the
24 elections, operating democratically. I just want to
25 speak to Council Member Levine's point of making sure

2 vacant apartments are secure and no one gets in
3 there. So they don't have to be referred over to any
4 sort of DOI or any sort of investigations or anything
5 like that, but— I'm just going to lose my train of
6 thought for a minute. Come back to. What—what did
7 you ask me again? I'm sorry, sir. I lost my train
8 of thought for a bit.

9 ASSISTANT COMMISSIONER DARGA: How many
10 were removed.

11 DEPUTY COMMISSIONER HENDRICKSON: How
12 many were removed.

13 CHAIRPERSON WILLIAMS: How many moved
14 here.

15 DEPUTY COMMISSIONER HENDRICKSON: Okay,
16 so these are—these are terminations. Now, so now
17 there have been some recent terminations from the
18 program, and that's really been due to the fact that
19 folks haven't met the programmatic requirements.
20 They weren't collecting the rent, and I just want to
21 point out the rents in—in TIL buildings are very low.
22 Okay, they were restructured one time when they came
23 into the program, right, and they were never raised
24 again. And granted, we know conditions are such that
25 they should be raised again. So, I'm—I'm comfortable

1 with. However, you know, we do expect, you know, in
2 order to set something up for long-term ownership if
3 you're not paying your rent in city ownership, why
4 would you pay your maintenance once you become a co-
5 op? So, we really want that to be a very big
6 requirement and expect 90% rent collection. We
7 expect annual election, you know, for the building to
8 operate democratically, and we really need those
9 month-monthly financial reports. It would give us an
10 eye into the building's income and expenses, and I
11 think I said in my testimony we've been making sure
12 we're having trainings. We have our training
13 contractors both in the room who plan to testify, and
14 we at HPD have been doing our own personal training
15 on the Excel spreadsheet hands-on training. So,
16 we've just conducted a series of those recently, and
17 we plan to do more on the weekends to accommodate,
18 you know residents who work and-and things of that
19 nature, but right now there have been five buildings
20 that have been terminated from the program. One
21 building actually during this correction action
22 review agreed that they really wanted to be more of
23 an affordable long-term rental as opposed to being a
24 cooperative, and the other buildings that were
25

2 removed from the program, the four, were because they
3 did not meet the programmatic requirements. Those
4 buildings have been returned to Central Management
5 and HPD will be the one that's the landlord
6 essentially to collecting rent, and making repairs
7 until they can transition into the MPLP program and
8 become affordable long-term rental property.

9 CHAIRPERSON WILLIAMS: I think you
10 mentioned how many buildings are in the pipeline for
11 ANCP. How many buildings have been transferred fully
12 to ANCP?

13 ASSISTANT COMMISSIONER DARGA: As of this
14 week, last week it was 35 and now its 39 buildings
15 have an assigned developer. At this point in time,
16 we expect another nine in the next month or two.

17 CHAIRPERSON WILLIAMS: And how many units
18 it that?

19 ASSISTANT COMMISSIONER DARGA: I believe
20 it's about 500 units.

21 CHAIRPERSON WILLIAMS: Have any of them
22 been sold to tenants yet?

23 ASSISTANT COMMISSIONER DARGA: No, the
24 way this process works it's first you have a
25 developer that comes on board. They get—they

2 basically are responsible for getting all the
3 approvals necessary to commence construction. Then
4 you're in the construction stage. That construction
5 stage typically takes about 18 to 24 months depending
6 on the extent of the construction work, and then at
7 that point in time the residents would get ready to
8 do the conversion.

9 CHAIRPERSON WILLIAMS: How much funding—
10 funding is dedicated to ANCP and what is the source
11 of funding?

12 ASSISTANT COMMISSIONER DARGA: There's
13 \$70 million per year in the budget for the next five
14 years, which—I'm sorry. You had a two-part question.
15 How much money and then what was the other?

16 CHAIRPERSON WILLIAMS: The source—the
17 source.

18 ASSISTANT COMMISSIONER DARGA: Oh, the
19 City Capital Fund, uh-huh.

20 CHAIRPERSON WILLIAMS: So, with the—which
21 is sounding great you're going to be covering the
22 fuel and I think the electricity.

23 ASSISTANT COMMISSIONER DARGA: Uh-huh.

24 CHAIRPERSON WILLIAMS: Do you cover any
25 of the fuel now?

2 DEPUTY COMMISSIONER HENDRICKSON: Yes, we
3 cover—we cover the fuel for I think at least 90
4 buildings right now.

5 CHAIRPERSON WILLIAMS: So it's not—that's
6 not all completely new. You're just going to add one
7 it?

8 DEPUTY COMMISSIONER HENDRICKSON: Yeah,
9 we're going to just—right, exactly. The idea is to
10 pick up all 148 buildings.

11 CHAIRPERSON WILLIAMS: I see and you said
12 it's going to be 24,000 per building?

13 DONNA CHIU: We've—we've estimate that's
14 going to be the annual savings that the tenant
15 association will be able to recognize.

16 CHAIRPERSON WILLIAMS: I think there's
17 some of those that have commercial spaces that
18 they're not allowed to rent. Can you speak about
19 that a little bit?

20 DEPUTY COMMISSIONER HENDRICKSON:
21 Typically, we do not rent the commercials nor the
22 vacant units, and again, for like—for the reasons
23 that, you know, Kim articulated that that type of
24 revenue, you know, will be needed and necessary to
25 help support that private debt, and—and to be frank,

2 you know, for commercials to get—typically a
3 commercial wants a long-term lease in order to
4 invest, in order to bring services to the community,
5 and that's something we just are not really allowed
6 to do during city ownership. We would prefer that
7 the building get renovated, and then we get into a
8 long-term lease with a viable commercial tenant.

9 CHAIRPERSON WILLIAMS: You mentioned that
10 you have track of all lf the families. So I
11 understood that there were about 250 families at one
12 point we had lost track of. Is that true or that
13 never occurred?

14 DEPUTY COMMISSIONER HENDRICKSON: Again,
15 so I'm not familiar with that number. I know we—
16 there's 130 households now that have been relocated,
17 and as I said, we have information and contact
18 information for each one of them.

19 CHAIRPERSON WILLIAMS: Have we ever at
20 any point lost track of people we had moved out?

21 DEPUTY COMMISSIONER HENDRICKSON: Well,
22 again, you know, as I've just been admitting to—to
23 challenges and issues, perhaps. I—I don't—I'm not
24 quite aware of losing track of—of families, but
25 again, there definitely have been issue with

2 relocation, and we are working to make sure that we
3 have the type of process and procedures that will
4 track each and every resident moving forward.

5 CHAIRPERSON WILLIAMS: Alright, so
6 normally you just accept everything that's said, but
7 I'm going to turn that into a yes. [laughter] There
8 have been families that have been lost.

9 DEPUTY COMMISSIONER HENDRICKSON:
10 [laughs] That--that we've lost track of families?

11 CHAIRPERSON WILLIAMS: Yes.

12 DEPUTY COMMISSIONER HENDRICKSON: You
13 take the yes and again and take and please take the
14 point that we will definitely try to ensure that does
15 not happen again.

16 CHAIRPERSON WILLIAMS: Alright, do you
17 know if there are any--so no--there are no families who
18 are not tracked now who have--who are--have been moved
19 out? Have we caught everyone, everyone is back in?

20 DEPUTY COMMISSIONER HENDRICKSON: I--I am
21 pretty confident that we have caught everyone, and,
22 you know, and what we've been doing is using the
23 fund--the monthly financial reporting, okay, to assist
24 us with that because some of the tenant associations
25 have been kind enough to post tenants from other

2 buildings. So, we've updated the financial report to
3 indicate when they have someone who's a relocate.

4 CHAIRPERSON WILLIAMS: Okay, and so lastly
5 before I go back to my colleagues, in the article
6 that was referenced, and I don't want to ask
7 specifically about DOI investigation, but it was
8 interesting of what was alleged about people who were
9 submitting false reports, and it was supposed to be
10 the buildings that weren't. I want to understand
11 what the staffing structure now is going to be. What
12 was it last year? So, please just break down what
13 the staffing structure is for the TIL program, was
14 for the TIL Program.

15 DEPUTY COMMISSIONER HENDRICKSON: Sure,
16 the staffing structure was such that there as
17 director of the program, a deputy director, a
18 building supervisor and a financial supervisor, and
19 they are the ones that supervise the individual
20 financial reviewers and building coordinators. The
21 compliance—the Deputy Director of Compliance has a
22 staff that kind of follows up on the Corrective
23 Action Plan, provides the training needs for-for
24 folks, tracks the relocation issues. So that's kind
25 of the structure. It all reported up Assistant

2 Commissioner who had more than one program underneath
3 here and hence the reason that we made the change to
4 move it over to Ms. Beloff (sp?) so she now has more
5 of a considered focus on just TIL and the repairs.

6 CHAIRPERSON WILLIAMS: So, according to
7 this article--

8 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

9 CHAIRPERSON WILLIAMS: --at one point
10 Ricardo El Defilio (sp?) was a TIL Director?

11 DEPUTY COMMISSIONER HENDRICKSON: Yes.

12 CHAIRPERSON WILLIAMS: And Michael Besse
13 (sp?) was a building supervisor.

14 DEPUTY COMMISSIONER HENDRICKSON: Yes.

15 CHAIRPERSON WILLIAMS: And so that under--
16 who was the coordinator it would be under?

17 DEPUTY COMMISSIONER HENDRICKSON: The
18 coordinators, the building coordinators would have
19 been under Michael Besse, and the Financial-Financial
20 Reviewers are under someone--a different person who
21 was--is part of the staff.

22 CHAIRPERSON WILLIAMS: So, if the
23 coordinator, the coordinators would make reports or
24 visit buildings, they would report to the building
25 supervisor?

2 DEPUTY COMMISSIONER HENDRICKSON: Yes.

3 CHAIRPERSON WILLIAMS: And--and I guess
4 the director reports to you?

5 DEPUTY COMMISSIONER HENDRICKSON: No, the
6 director reported to an assistant commissioner as
7 well who also had other programs under her purview.

8 CHAIRPERSON WILLIAMS: And the assistant
9 commissioner reported to you?

10 DEPUTY COMMISSIONER HENDRICKSON: The
11 assistant commissioner reports to me.

12 CHAIRPERSON WILLIAMS: So were there any
13 complaints of coordinators not doing their job, not
14 going to buildings and not filing proper reports?

15 DEPUTY COMMISSIONER HENDRICKSON: I was
16 not aware of that.

17 CHAIRPERSON WILLIAMS: So--so no one had
18 told you about any of those issues?

19 DEPUTY COMMISSIONER HENDRICKSON: I was
20 not aware of that.

21 CHAIRPERSON WILLIAMS: But, so if--if
22 there were squatters, if people were in there that
23 shouldn't be or renting it out when they shouldn't
24 be--

2 DEPUTY COMMISSIONER HENDRICKSON:

3 [interposing] Uh-huh.

4 CHAIRPERSON WILLIAMS: --their first
5 lines that catch would be the building coordinators?

6 DEPUTY COMMISSIONER HENDRICKSON: Yeah,
7 typically the building or-or-yeah, the building
8 coordinators because they're doing the-the
9 inspections of the-of the units.

10 CHAIRPERSON WILLIAMS: So, if everything
11 was functioning properly, HPD would have found that
12 out, and so either-they were either derelict in
13 finding it out, or they never did the inspections.

14 DEPUTY COMMISSIONER HENDRICKSON: Well, I
15 think there were some times where some people who
16 have been traveling okay and the idea was and the
17 thought was maybe they weren't, you know, being kind
18 of a permanent resident, and then it was later kind
19 of discovered that no the person is traveling. Okay,
20 they-that they-they use their, you know, they're not
21 at the apartment all the time because of their job,
22 but they were the tenant of record, and we were able
23 to verify that they were paying their rent. Rent
24 receipts were coming in their name. So we concluded

25

2 that there was no subletting or anything like that.

3 This was a legal tenant of record.

4 CHAIRPERSON WILLIAMS: Alright, I just
5 want to be clear on this because I agree that it
6 seems as if criminal behavior was occurring here with
7 this—with this program. It seems to me—you mentioned
8 anecdotally and you thought maybe at least in a few
9 cases that there was some shenanigans going on with
10 things that were occurring some of those units, but
11 it—it seems to me if there are coor—so they alleged
12 that some of the coordinators submitted reports
13 showed that they were at the building when they
14 actually hanging—they were cleaning in Riverside
15 Park. But it just seems to me if there are people in
16 those buildings and we're hearing anecdotally that
17 there are, and that there was not just mismanagement,
18 but malfeasance going on, that the coordinators would
19 have been the ones to catch that. So, what I'm
20 saying if it did occur, and the coordinators were the
21 ones supposed to catch it, that they didn't do their
22 job properly when—when they were at the buildings, or
23 they never went to the buildings. And, either the
24 building supervisor knew about it and didn't say
25 anything, or the Deputy Director knew about it and

2 didn't say anything, the director knew about it and
3 didn't' say anything. Or, a minimum nobody followed
4 up with those coordinator to see what was going on.
5 So, it seems like there's a long line of management
6 that didn't occur properly during time. Like
7 somebody should have caught this, and I'm wondering
8 if what the—that's what the high turnover was all
9 about if people were trying to make sense of what
10 wasn't making sense and that was the reason that
11 folks left.

12 DEPUTY COMMISSIONER HENDRICKSON: Again,
13 sir, some of these investigations are still ongoing.

14 CHAIRPERSON WILLIAMS: Sure.

15 DEPUTY COMMISSIONER HENDRICKSON: Okay.
16 So I would respectfully ask that let them conclude
17 and, you know, what I do want to say is that, you
18 know, we take any allegations of fraud, you know, or
19 anything of sort of suspicious activity seriously.
20 Okay, many times we are seeing in the financial
21 reports that the financial reviewers are seeing
22 things and making immediate referrals over to DOI.
23 We've actually done additional training okay for
24 employees to be able to kind of spot areas of fraud
25 and make referrals, but at the end of the day the

2 Department of Investigation will do their due
3 diligence, do their investigation and then come back
4 and let us know what their conclusion is.

5 CHAIRPERSON WILLIAMS: I just want to ask
6 in a different way because I don't want to ask
7 specific things that are going on.

8 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

9 CHAIRPERSON WILLIAMS: In the staff
10 instruction you mentioned please explain to me how
11 the supervisory role works. So if the coordinators
12 go out and inspect the building, does the building
13 supervisor ever go follow up to see if the building
14 was inspected? Does the Deputy Director go see them.
15 What's the--how does the management happen?

16 DEPUTY COMMISSIONER HENDRICKSON: Well,
17 the building--you know, the building coordinators do
18 report directly into the supervisor and, you know,
19 the supervisor may decide to spot check. I mean
20 there are--you know, when people go to the field,
21 there's a field report, okay, that they have to
22 produce. There's a sheet that they sign--sign out to
23 indicate when they're going to the field. So, we do
24 have I think, you know, channels to try to track, you
25 know, when people are in the field and are they

2 actually, you know, doing the work that they are
3 supposed to do? And as I said, if someone thought
4 that something wasn't being done properly, they had
5 an obligation to report it over to DOI for further
6 investigation.

7 CHAIRPERSON WILLIAMS: I see. So, I just
8 want to--so the quality--you believe that there was
9 quality assurance in the line of management?

10 DEPUTY COMMISSIONER HENDRICKSON: I do
11 believe there was quality assurance in--in the line of
12 management and, you know, again I go on--

13 CHAIRPERSON WILLIAMS: [interposing] So
14 just--if you can talk about that just a little more.
15 What was the quality assurance in the--

16 DEPUTY COMMISSIONER HENDRICKSON:
17 [interposing] Well--well, again, you know, there's--you
18 know, the field reporting sheets I think is--is very,
19 you know, important. You know, all the building--the
20 sign--the sign-in sheets that we use to make sure that
21 people are indicating where they're going to be and
22 what they're doing, you know. Look, there's always
23 ways to improve. [background comments] Okay. You
24 know, there's always ways to improve. You know,
25 processes in ensuring that compliance is happening at

2 every level. So, you know, while I do believe it was
3 being done, I do think there can be improvements,
4 okay, and we're looking forward to implementing
5 improvements in terms of that type of thing.

6 CHAIRPERSON WILLIAMS: Okay. I just—I
7 just want to repeat basically what you said there
8 wasn't—there wasn't really quality assurance. You
9 mentioned the sheets that should have been filled
10 out, but you didn't mention who was making sure the
11 sheets were filled out properly.

12 DEPUTY COMMISSIONER HENDRICKSON: Well,
13 the building supervisor is responsible for the
14 reviewing the—the field sheets, okay, and—and
15 ensuring that, you know, the reports are being turned
16 in and if for any reasons they felt that something
17 was going on, they an opportunity—they have an
18 obligation to refer it over to Disciplinary or to
19 DOI.

20 CHAIRPERSON WILLIAMS: I assume first
21 they would send it up the chain before they did that?

22 DEPUTY COMMISSIONER HENDRICKSON: Well,
23 no, I mean actually we are trained that, you know,
24 when—when you find something okay, you report it to
25 DOI. You do not tell anybody else about it.

2 CHAIRPERSON WILLIAMS: I see.

3 DEPUTY COMMISSIONER HENDRICKSON: Okay,
4 that's exactly what we've been trained to do.

5 CHAIRPERSON WILLIAMS: So, if the
6 building supervisors thought the coordinators were
7 not doing their job, they would not send it up to the
8 Deputy Director?

9 DEPUTY COMMISSIONER HENDRICKSON: I'm
10 sorry. Say that again, if the building coordinator--

11 CHAIRPERSON WILLIAMS: If the building
12 supervisor--

13 DEPUTY COMMISSIONER HENDRICKSON:
14 [interposing] thought--

15 CHAIRPERSON WILLIAMS: --thought the
16 building coordinator were not doing their job, they
17 would not go to the Deputy Director, they would go
18 directly to DOI?

19 DEPUTY COMMISSIONER HENDRICKSON: Well,
20 again depending on what we're speaking about. If
21 we're talking about poor performance or something
22 like that, that's one thing, okay, but it is saying
23 that they believe someone might be stealing time or
24 doing something like that, again, that's--that's a
25 referral to either HPD's Disciplinary Unit or to-to

2 DOI. You know, again I-I say that, you know, I don't
3 want to, you know, I don't want to dwell on this. I
4 mean the Department of Investigation is still
5 actively doing the investigations, and we are trying
6 to make sure we put in the structure, you know, that
7 has more checks and balance. Okay, and that's why we
8 are staffing to get the Director on board, the
9 Assistant Commissioner on board--

10 CHAIRPERSON WILLIAMS: Sure.

11 DEPUTY COMMISSIONER HENDRICKSON: --and
12 then we're going to evaluate the rest of the
13 structure to ensure that we are putting a structure
14 in place that makes sense, has checks and balances,
15 and again increases quality control.

16 CHAIRPERSON WILLIAMS: I understand.
17 I've to dwell a little bit, though, because the
18 tenants--it's been decades. So I want to make sure
19 that we ask, but I just want to be clear. So, poor
20 performance and actually, you know, malfeasance and
21 nonfeasance. So, if they are stealing time, if they
22 were not going, if they weren't--if they weren't were
23 they said they would, that would go to DOI.

24 DEPUTY COMMISSIONER HENDRICKSON: That--
25 that would either go to disciplinary or to DOI.

2 CHAIRPERSON WILLIAMS: The poor
3 performance would go up the chain?

4 DEPUTY COMMISSIONER HENDRICKSON:
5 : Poor performance would go up the chain
6 because we're evaluating employees to see that
7 they're performing their jobs properly.

8 CHAIRPERSON WILLIAMS: So, did any of
9 allegations of poor performance go up the chain?

10 DEPUTY COMMISSIONER HENDRICKSON: I
11 believe—I believe so.

12 CHAIRPERSON WILLIAMS: But you're not
13 aware of any?

14 DEPUTY COMMISSIONER HENDRICKSON: Again,
15 if some, you know, I've got anecdotal conversations
16 with my people who have left who've said that, you
17 know, they didn't think that the work was being done
18 so well, and they had reported that to that director
19 of the program who indeed would follow that up with
20 the assistant commissioner.

21 CHAIRPERSON WILLIAMS: I see. Earlier
22 you mentioned what-poor performance not DOI
23 investigation. What poor performance was reported
24 and what corrective actions were taken?

25

2 DEPUTY COMMISSIONER HENDRICKSON: Well,
3 again, I think it was more about, you know, follow-up
4 and attention to details and in terms of making sure
5 that, you know, inspection reports were done, but
6 again, I'm not quite sure if, you know, the Director,
7 you know, the Assistant Commissioner, you know, again
8 we've tried to makes sure we put more trainings in
9 place to make sure people were very clear about their
10 job responsibilities that they have—they tasks and
11 standards and know what the expectations are. So
12 things of that nature would have taken place in terms
13 of corrective measures.

14 CHAIRPERSON WILLIAMS: Sure, understand
15 that although we may not have receive all of it. Is
16 there anybody here who is at the level that would
17 have received complaints about performance, poor
18 performance and corrective actions that were taken?

19 DEPUTY COMMISSIONER HENDRICKSON: Well,
20 again my Assistant Commissioner, who has the program
21 reporting would have gotten any sort of referrals
22 about poor performance and things of that nature.

23 CHAIRPERSON WILLIAMS: That's not the
24 Assistant Commissioner who is here?

2 DEPUTY COMMISSIONER HENDRICKSON: No, no,
3 they—they don't work for me, they work with me.

4 CHAIRPERSON WILLIAMS: Is the Assistant
5 Commissioner here?

6 DEPUTY COMMISSIONER HENDRICKSON: No,
7 she's not.

8 CHAIRPERSON WILLIAMS: Okay. I think
9 that would have been good have the Assistant
10 Commissioner here if they had some of the answers
11 that we needed.

12 DEPUTY COMMISSIONER HENDRICKSON: Well,
13 again, that—the Commissioner is no, you know the new
14 Assistant Commissioner is here, okay.

15 CHAIRPERSON WILLIAMS: I see.

16 DEPUTY COMMISSIONER HENDRICKSON: And
17 again, the idea is that we have a new team coming on
18 board, okay, we have a new process coming in place,
19 and I think it's important to focus on that to—so we
20 continue to move the program ahead and—and get these
21 buildings—

22 CHAIRPERSON WILLIAMS: [interposing] So,
23 all of the people who could answer are no longer here
24 and some of them are quoted in the Post.

2 DEPUTY COMMISSIONER HENDRICKSON: That's
3 true.

4 CHAIRPERSON WILLIAMS: Alright, that's
5 very interesting. Okay. Thank you very much. I'm
6 going to go to my colleagues for three minutes of
7 questions each.

8 COUNCIL MEMBER ROSENTHAL: That's cold.

9 CHAIRPERSON WILLIAMS: No, we always do
10 that and we're done with it. (sic)

11 COUNCIL MEMBER ROSENTHAL: [off mic] And
12 you were just sitting there--[on mic] Okay, so I'm
13 going to give my three minutes and so I'm going to
14 just shoot out my questions. I'm sorry, and
15 partially because they weren't answered last time.
16 Can the 130 families waiting to come back in--

17 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

18 COUNCIL MEMBER ROSENTHAL: --afford the
19 \$300,000 per unit cost? Number one. Number two, how
20 does that \$300,000 per unit compare to other
21 preservation programs. Three, if Section 8, if
22 you're assuming these people will get Section 8,
23 you'll help them get Section 8, if it was dropped,
24 would the tenant be eligible for SCRIE, DRIE or I
25 guess if it's homeownership C or D. Four, how much--

2 you mentioned something about there are costs the
3 city can't cover. So, what are those? How much of
4 the \$300,000 per unit does the city plan to cover?
5 How much is going to be private debt, and lastly I
6 would ask that you not dismiss the question so
7 quickly. If Ms. Jones' building wanted to go into
8 homeownership and can show that they've altogether,
9 you know, been paying rents and been on time and
10 could manage the building, why not let them go back
11 into homeownership? Thank you. That's in under
12 three minutes. [background comments] [laughter]

13 ASSISTANT COMMISSIONER DARGA: I don't
14 think I can answer all of that in three minutes, but
15 I'll try. Okay, so the 130 families--so what of the
16 \$300,000 is affordable and how does that compare to
17 other preservation programs. So--

18 COUNCIL MEMBER ROSENTHAL: 130,000 people
19 who had to leave their homes because the buildings
20 were in disrepair. They were in a homeownership
21 program. Now, they're being--now they're--they're
22 going to be the first 130 of the 800 that are about
23 to be renovated, right? Can they afford it?

24 ASSISTANT COMMISSIONER DARGA: Okay so
25 the answer to that is yes they can afford it because

2 the maintenance is set so that they can afford the
3 payments going forward. Okay. The \$300,000 per unit
4 in cost is one of the most expensive, if not the most
5 expensive program in terms of costs that we have on
6 the preservation side. The average subsidy that we
7 put into a preservation project is closer to \$20,000
8 per unit in direct subsidy. Here we—the term sheet
9 says \$110,000 and more often we're putting \$150,000
10 in. In some cases well more than that combined with
11 Reso A funds being provided through some of the—the
12 Council Members as well as the Borough Presidents.
13 The—the debt, private debt I think is part of your
14 question and how that kind of—what—what role that
15 plays in financing the project. The private debt is
16 able to cover some of the capital ineligible costs
17 [bell] like reserves, operating reserves as well as
18 tenant training [bell] and the—

19 COUNCIL MEMBER ROSENTHAL: [off mic]

20 ASSISTANT COMMISSIONER DARGA: Right and
21 actually the private debt at the end of the day is
22 not the majority source. It's city financing. It's
23 about I think—I don't—the— No. Proportionally, do
24 you know?

2 COUNCIL MEMBER ROSENTHAL: The bill is
3 silent. (sic) I can't comment.

4 ASSISTANT COMMISSIONER DARGA: Okay, so
5 the--the city contribution is about half of the costs
6 and then I think another--another half of that is
7 grant an sales proceeds, and then half of that
8 remaining amount is the private debt. So about 50%--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 Let's get real numbers on that.

11 ASSISTANT COMMISSIONER DARGA: Sure. We
12 can get you averages.

13 CHAIRPERSON WILLIAMS: Okay.

14 COUNCIL MEMBER ROSENTHAL: [off mic]
15 Where--where do we want that? (sic)

16 ASSISTANT COMMISSIONER DARGA: Oh, yeah,
17 I'm sorry. You also asked about SCRIE, DRIE, Section
18 8. Okay, our primary tool is Section 8, right and
19 we--we think that's great, that's nice particularly
20 because the share for the residents is 30% and if a
21 household income changes over time, it remains 30%.

22 COUNCIL MEMBER ROSENTHAL: Including
23 going down?

24 ASSISTANT COMMISSIONER DARGA: Including
25 if income goes down you still pay 30%. If income

2 goes up, you pay 30% until such time as you don't
3 need the income eligibility criteria for Section 8,
4 which is for homeownership 80% of Area Median Income.
5 SCRIE is available for HDFCs. So, for households
6 that make—and I don't think this is going to actually
7 happen for most of these properties, but if, in fact,
8 Section 8 was not available, SCRIE is a possible
9 resource to address the increases in maintenance over
10 time.

11 COUNCIL MEMBER ROSENTHAL: And Ms. Jones'
12 building?

13 CHAIRPERSON WILLIAMS: Alright.

14 COUNCIL MEMBER ROSENTHAL: Thank you.

15 ASSISTANT COMMISSIONER DARGA: That
16 property is currently owned by a private owner. It
17 was conveyed through city disposition process,
18 approved by City Council. We can't actually take the
19 property back at this point in time and convey it to
20 somebody else.

21 CHAIRPERSON WILLIAMS: Thank you, and
22 thank you Council Member. Council Member Levine.

23 COUNCIL MEMBER LEVINE: Thank you, Mr.
24 Chair. So, you're going to be meeting with buildings
25 and laying out the options of going into the MPLP,

2 NCAP. What happens if a building is says we want to
3 be homeowners. So, forget MLP-MPLP, but we don't
4 think that the-what you're offering on ANCP is-is
5 acceptable, and we would like to remain until-until
6 we can work out a better option. Is that-is that on
7 the table or is TIL--?

8 ASSISTANT COMMISSIONER DARGA: Well,
9 okay. So, I think we all acknowledge here that the
10 renovation of the properties has taken too long, and
11 we want to complete the renovations of these
12 properties and have the residents become cooperative
13 homeowners as soon as possible. Slowing that down, is
14 not going to achieve those purposes. We understand
15 there's been concerns around communication and I
16 think you've heard from Anne-Marie as well as my self
17 and through the testimony today that we are really
18 trying to improve communication with residents. I
19 know that one of the major concerns again is that
20 it's taking too long. We are really doing as much as
21 we can--

22 COUNCIL MEMBER LEVINE: [interposing]
23 Only because my time is short, I-I think I'm hearing
24 a no that they can't actually stay until what?

2 ASSISTANT COMMISSIONER DARGA: We just—we
3 don't believe that that meets the goals that we're
4 trying to achieve at this point in time.

5 COUNCIL MEMBER LEVINE: So these—these
6 meeting you're having I think over the summer with
7 residents it's—it's a real fork in the road for them
8 and there's no option to—there's no third option is
9 what you're saying?

10 ASSISTANT COMMISSIONER DARGA: The—the
11 two options currently for properties in TIL are ANCP
12 and MPLP.

13 COUNCIL MEMBER LEVINE: Well, so let me
14 ask—let me ask more broadly. Are you—you've—you've
15 made a number of important concessions to day on the
16 structure of ANCP and the chair has I think has
17 expressed the fact that that these are really
18 significant. Is this the end of our discussions here
19 or are you open to additional changes in the program?

20 ASSISTANT COMMISSIONER DARGA: We are
21 definitely open to continuing to listen.

22 COUNCIL MEMBER LEVINE: That's good to
23 hear.

24

25

2 ASSISTANT COMMISSIONER DARGA: And if it's
3 something that we can do, I think we're open to
4 exploring it.

5 COUNCIL MEMBER LEVINE: Okay, only
6 because my time is short. So for the vacant units,
7 the income guidelines of who can move in seem
8 incredible like 110% above Area Median Income, 110,
9 120%. That could be a six figure salary for a family
10 of four. Do I have these—is my information correct
11 that--?

12 ASSISTANT COMMISSIONER DARGA: The—the
13 sales prices for vacant units is up to 120% of Area
14 Median Income.

15 COUNCIL MEMBER LEVINE: And what is that
16 for a family of four?

17 ASSISTANT COMMISSIONER DARGA: I have
18 that here somewhere. [background comments]
19 [laughter] Actually, I think we have 120. Okay,
20 hang on one second. Give me one second. I may have
21 it. [off mic] If I don't have it I'll give it—we'll
22 pass it on. [bell] I do. I'm sorry. Okay, I don't
23 have it for a family of four. I have it for a family
24 of three. So the income for a family of three would
25 be up to \$97,000.

2 COUNCIL MEMBER LEVINE: Okay. So, a
3 family of four?

4 ASSISTANT COMMISSIONER DARGA: I don't
5 have that in my table. I have a family of three.

6 COUNCIL MEMBER LEVINE: But that's—that's
7 not low income, and it—the mission of this housing
8 was for people who wouldn't have other options.

9 ASSISTANT COMMISSIONER DARGA: Uh-huh.
10 Okay.

11 COUNCIL MEMBER LEVINE: So, we're—we're
12 losing something there. We're losing housing for
13 people at the lowest end of the economic spectrum.

14 ASSISTANT COMMISSIONER DARGA: So just
15 one note on that. So, 120% of Area Median Income is
16 consistent with other HDFCs. It's—since 2003, it's
17 been the program for TIL, and so, yeah.

18 DEPUTY COMMISSIONER HENDRICKSON: Yeah,
19 yeah, I think we just want to make the point we're
20 not deviating okay from what has already been
21 structured for the HDFC co-ops. It's been 120% AMI—
22 I'm sorry, it's been 120% AMI since 2003 in the
23 Regulatory Agreement. Now, again, the—I think
24 because there's private debt, you know, we've really
25 got to try to achieve that in order to again make

2 sure the building is affordable long term, and keep
3 maintenance as low as possible for the existing
4 residents. It was different before when 120% because
5 they didn't have any debt on the building and they
6 were able to go to lower AMIs, but in the—in the
7 structure we have private debt we want it maximized
8 in order to keep existing residents as low as
9 possible.

10 COUNCIL MEMBER LEVINE: Alright, we'll my
11 time is up.

12 CHAIRPERSON WILLIAMS: Thank you.
13 [coughs] I do want to follow up on that. The magic
14 word is up to. So, I—I want to understand that up to
15 means that it can be 40, 60, 30% of AMI. What is the
16 criteria used for people who want to get—to purchase
17 the—the apartment?

18 ASSISTANT COMMISSIONER DARGA: Okay. So
19 vacant units go—so, two things. Generally, we start
20 at 120% AMI. That's partially in order to bring
21 sales proceeds in from the sale of vacant to help
22 fund the renovation costs of the buildings. We also—
23 those—those units go through the HPD marketing
24 process so the eligibility is base on folks that
25

2 apply to the process that make in-within the income
3 guidelines posted.

4 CHAIRPERSON WILLIAMS: So a lot of times
5 with some of these you have to have the AMIs at a
6 certain level or else the-it's because there's less
7 subsidies will be needed to match it. But that
8 doesn't seem the issue here because there's not
9 particularly additional subsidies needed for that one
10 particular apartment. So, I mean it's just set up
11 differently. So, I just want to understand why-how
12 many people on the lower spectrum are going to be in
13 there or how-is it that it definitely concerns
14 income. If they make a low income are they-are they
15 X'd out? Like what is-if someone comes at 60% of
16 AMI, someone comes at 120% of AMI how do you decide
17 in between those two families?

18 DEPUTY COMMISSIONER HENDRICKSON: Well,
19 well, I think the-the point about it going through
20 HPD's lottery okay there's to be an ad-there's going
21 to be an advertisement. Okay, it's going to be clear
22 on what those-what those parameters are in terms of
23 low to high, but I can't see if an apartment is
24 selling at a price of 120% AMI, it's going to have
25 that same income bracket that Kim spoke about, the 90

2 something thousand dollars. It's going to be spelled
3 out in the advertisement. So, if someone is making--

4 CHAIRPERSON WILLIAMS: [interposing]

5 Well, I--

6 DEPUTY COMMISSIONER HENDRICKSON: --

7 \$30,000, they're not going to be eligible to apply
8 for that apartment.

9 CHAIRPERSON WILLIAMS: So, I just want to
10 be clear because one, we need a hearing just on the
11 HPD lottery system. That a whole other conversation.
12 [laughter] But two, it says up to so that it's not
13 up to. It is' 97. So the people under \$97,000 can't
14 apply basically. Is that correct?

15 ASSISTANT COMMISSIONER DARGA: Actually,
16 Lisa, do you want to clarify this?

17 ASSISTANT COMMISSIONER TALMA: Hi. I'm
18 Lisa Talma. So, when we're setting the sales prices
19 for the vacant units initially in the underwriting,
20 se are not setting them at what would be affordable
21 to a family at 120% AMI. We set the prices lower
22 than that. The--an eligible family to purchase into
23 the co-op could go up to 120% AMI. As Anne-Marie was
24 saying, with respect to the marketing, it is clear in
25 the marketing ad the low range of what an eligible

2 family could be making in income. What we've found
3 is that tends to be around the 70 to 80% of AMI mark
4 for the income.

5 CHAIRPERSON WILLIAMS: I'm sorry, repeat
6 that. I'm sorry.

7 ASSISTANT COMMISSIONER TALMA: The part
8 about the marketing? As Anne-Marie was saying in
9 the—in the marketing, the advertisement would be
10 clear as to what the low end of income can be for an
11 eligible family to purchase into the co-op. The low
12 end tends to be around 70 to 80% of AMI. The other
13 thing I would say is that in setting the initial
14 sales prices, like I was saying, we don't go—we don't
15 set something that's only affordable to some family
16 at 120% AMI. We go lower than that. In certain
17 areas of the city we would—we would be on the low
18 range closer to an 80% AMI. In other areas of the
19 city we might be closer to 110% AMI. It—it varies.

20 CHAIRPERSON WILLIAMS: [off mic] Not
21 every area of the city—[on mic] Not every area of the
22 city is 110% AMI. Someone at 70 can't purchase that
23 apartment?

24 ASSISTANT COMMISSIONER TALMA: No,
25 someone at 70 could purchase that apartment.

2 CHAIRPERSON WILLIAMS: What makes you
3 choose between the 110% AMI and the 70% AMI?

4 ASSISTANT COMMISSIONER TALMA: It's a
5 variety of-of considerations. Part of it is the-how
6 much of a discount to the local market that would be.
7 So, we're trying to make sure that there is a
8 discount to the market.

9 CHAIRPERSON WILLIAMS: I have a feeling
10 that there's more than the 120% AMI to get access in
11 the 70% AMI, but I-we-I do want to-how many-how many
12 of the vacant apartments have been sold? None so
13 far?

14 ASSISTANT COMMISSIONER DARGA: None of
15 the properties in ANCP have gotten to the-the first
16 ones are just getting to that point now.

17 CHAIRPERSON WILLIAMS: And I'm concerned.
18 I understand what you're saying about the market, but
19 I do want to make sure that even people at the lower
20 end in those markets have access, and I don't know
21 what the differentiation-the-the deciding factor is,
22 and I do want to hear more about that.

23 DEPUTY COMMISSIONER HENDRICKSON: Council
24 Member, let me-let me just take that and say what we
25 can do is follow up on your question--

2 CHAIRPERSON WILLIAMS: Sure

3 DEPUTY COMMISSIONER HENDRICKSON: --and
4 get you some information about how the lottery
5 actually works and how it randomizes, and how the
6 selection process happens. So, I will follow up and
7 get you detailed information about that so you're
8 clear about how the selection process--okay, how
9 applicants will be interviewed because they're called
10 in the order of their lottery number.

11 CHAIRPERSON WILLIAMS: Thank you. I
12 appreciate that. I just have I think three more
13 questions. One is there's a lot of conjecture (sic)
14 actually--obviously about people's access to their
15 belongings. I'm glad that--I believe you have correct
16 that and are providing information. It's my
17 understanding by both mail and certified to make sure
18 people they do have access. So, if you can speak
19 about this a little bit and access to their
20 belongings in part and in whole. Thank you.

21 DEPUTY COMMISSIONER HENDRICKSON: First,
22 let me say thank you for giving me the opportunity to
23 clarify. They've always had access, and I do
24 apologize for any sort of miscommunication. So, we
25 did send a letter to each and every resident that has

2 been—that has things in storage to clarify how they
3 can access their belongings, and to your second
4 question they have the right to go to the facility,
5 take some things out. Okay, and visit it again. I
6 think we are recommending that they only once a
7 month, and if they need to go more often, we can make
8 some sort of special arrangements, or if they
9 actually feel like they really are going to need to
10 access their belongings on a regular basis, we would
11 suggest maybe they take it out of that—our storage,
12 put it into their own, and we could work with them on
13 a rent concession. So there would bear no additional
14 costs.

15 CHAIRPERSON WILLIAMS: Okay, so that—that
16 part sounds very good, and that—so but for right now
17 for where it is, they have access once a month--

18 DEPUTY COMMISSIONER HENDRICKSON: Uh-huh.

19 CHAIRPERSON WILLIAMS: --and if they need
20 additional, they can reach out to you to get
21 additional?

22 DEPUTY COMMISSIONER HENDRICKSON: They
23 can reach out to their building coordinator if they
24 need, you know, to do additional. We do have

2 frequently asked questions on our website, and we
3 also did send that, you know, to every resident so--

4 CHAIRPERSON WILLIAMS: Did the--the FAQ
5 say they can get part of whole?

6 DEPUTY COMMISSIONER HENDRICKSON: Well, I
7 think you--you and I spoke about that. What it says
8 is tenants may visit the storage facility once per
9 month unless there are special circumstances
10 requiring more frequent access, which you can
11 discuss. So, I think when we spoke, we were going to
12 just add something in here to be very clear that they
13 have the right to take some things out. Okay, leave
14 the rest of it behind, and then come back again when
15 they're ready to get more things.

16 CHAIRPERSON WILLIAMS: But that's not in
17 yet?

18 DEPUTY COMMISSIONER HENDRICKSON: Not--not
19 in yet. We just talked about a week ago. So we want
20 to update our frequently asked questions, get that on
21 the website, and then get that back out to every
22 resident so they are comfortable and understand that
23 they do have that ability.

24

25

2 CHAIRPERSON WILLIAMS: And that once a
3 month do they have to talk to somebody or can they
4 just go straight to--

5 DEPUTY COMMISSIONER HENDRICKSON: No, we--
6 we still and actually, what I can do for you, sir, is
7 leave you a copy of the letter--

8 CHAIRPERSON WILLIAMS: [interposing] Sure

9 DEPUTY COMMISSIONER HENDRICKSON: --that
10 we gave, okay because it's clear about the
11 instructions in terms of how they would arrange to be
12 at the storage facility.

13 CHAIRPERSON WILLIAMS: And if they--just
14 for clarity, if they need to visit multiple times in
15 a month they can switch to a facility where they can
16 do that at no extra cost to them.

17 DEPUTY COMMISSIONER HENDRICKSON:
18 Exactly, and we'll work with them on a rent
19 concession so that if they have to put it--this is
20 mass storage. Okay, if they feel like they want to
21 put it into their own personal storage, you know,
22 they're happy to do that, and we will work with them
23 on a rent concession.

24 CHAIRPERSON WILLIAMS: Thank you, and
25 just to follow up, I think what Council Member

2 Rosenthal was trying to ask about our Mrs. Jones'
3 building, even though the building cannot go back in,
4 can the human beings that live in the apartment have
5 access to another place that is TIL or go into ANCP?

6 [background comments, pause]

7 ASSISTANT COMMISSIONER DARGA: So they
8 could apply through lottery for homeownership.

9 CHAIRPERSON WILLIAMS: [interposing] So
10 they--there is just the TIL or public one? (sic)

11 ASSISTANT COMMISSIONER DARGA: The
12 building was terminated from the TIL program. So
13 they don't have an opportunity to become an ANCP
14 property at this point in time.

15 CHAIRPERSON WILLIAMS: Okay. Thank you.
16 Just really quickly. Council Member Mendez wanted to
17 make sure that there--she said she had to run to
18 another meeting, and she apologized that she had run
19 out. It is a very important meeting. She did leave
20 the questions with her Chief of Staff and she's
21 expecting and I'm expecting that those questions will
22 be answered, and I appreciate the questions that she
23 asked. We do know that are some tenants still even
24 outside. So, now that they've been in the overflow,
25 they're outside. Hopefully we can get them in as we

2 speak. I appreciate the conversations we've had, and
3 the progress thus far. It should have happened
4 sooner, a lot sooner, but we're here now. My
5 assumption is that some of the tenants will be
6 testifying probably in opposition to some things
7 you've said. So, my hope is that some people will be
8 sticking around to hear what they say, but this so
9 far has been at least measured success because
10 there's been acknowledgement of problems, and very
11 real solutions set forth. Now, we've got to make
12 sure the solutions come forward, and then I'm just
13 very happy that I think the institutions are working
14 in this from the Council to the media, and most
15 importantly to the tenants themselves getting
16 together and getting their voices heard. And I want
17 to congratulate the tenants and thank you for
18 addressing what has been a concern for—for many, many
19 years. So, thank so much for your testimony. We
20 definitely need to stay on track on what's going on
21 here. I'm going to let folks take a five-minute
22 breather. Oh, let's get the—let's get it on here.
23 [background comments] So, we're going to have
24 Manhattan Borough President Gale Brewer and on behalf
25 of the Public Advocate Bic Hahfam (sp?). I am going

2 to, which I don't usually do, but this has been a
3 very long hearing. So, I'm going to see if the
4 elected official panel can do their testimonies in
5 five minutes, please because we want to move.

6 [background comments] Thank you and then I'm going to
7 take a—just a five-minute breather so people can
8 stretch their legs, but I will call what the panel
9 will be after that. [gavel]

10 GALE BREWER: I'm ready. [background
11 comments]

12 CHAIRPERSON WILLIAMS: Do you—can you
13 please both raise your right hand. Do you affirm—do
14 you affirm to tell the truth, the whole truth, and
15 answer honestly questions that the Council Members
16 may ask?

17 GALE BREWER: I do.

18 CHAIRPERSON WILLIAMS: You each have five
19 minutes and you can begin in the order of your
20 preference.

21 GALE BREWER: Thank you very much. I am
22 Gale Brewer, Manhattan Borough President. I want to
23 thank the Chair, Chair Williams and the committee.
24 I've been listening in the overflow room, you're
25 getting a lot of accolades on this really important

2 tenant interim lease question, and the Affordable
3 Neighborhood Cooperative Program, ANCP although I
4 still call it the other name. It was established,
5 TIL, in 1978 by Phillip St. George. I was in the
6 room, and I know the Rent to Own affordable
7 homeownership program during a time when the city was
8 seeking to shed ownership of its portfolio of tax
9 foreclosed in rem properties. That's what happened
10 in '78. So, it's been 40 years. It created 9,700
11 homeownership units in Manhattan alone and over
12 17,000 citywide, and most of that—most of that has
13 been what I consider the HDFC co-op units through the
14 TIL program. Today, we're facing a slightly
15 different situation. We have 148 TIL buildings
16 totaling, as we heard earlier, 2,331 units citywide
17 remain in the program to be converted. I would like
18 to see HDFC, but I know we're also facing the ANCP.
19 In 2008, the housing market crashed with a bit of a
20 halt to TIL. It was without financing. HPD was
21 unable to move ahead with some of its programs on
22 capital, but a different situation now. The city's
23 OMB recommended HPD to discontinue or restructure TIL
24 and that's where we're—what we're facing now. While
25 ANCP is far from perfect, I—I commend HPD for

2 adhering to two of the core goals of the program:
3 Commitment to homeownership for low-income New
4 Yorkers and commitment to full rehab to ensure
5 residents begin their tenure as shareholders,
6 although we have to make sure as we heard earlier
7 it's not always structurally sound. So, how do you
8 get there? TIL problems. I've seen many TIL
9 buildings that were deemed financially unfit to move
10 ahead because they have been left languishing in TIL
11 too long. Over the years, tenants moved out or
12 passed away, but HPD would not permit tenant leaders
13 to fill the vacancies. In 2016, out of approximately
14 the 2,500 units in the TIL program, almost 900 units
15 were vacant. That's lot and, of course, that they
16 were needed to facilitate tenant relocation. I don't
17 believe that. Relocation alone does not warrant such
18 a high percentage of vacancy, and it doesn't address
19 why HPD would not allow short-term leases in the
20 buildings, and warehousing is insufficient and bad no
21 matter where or what particularly in this situation.
22 Failed TIL buildings do not move into ANCP but are
23 placed into a multi-family preservation program.
24 Buildings in this track would not become a co-op, but
25 would remain an affordable rental building under

2 third-party ownership or management. For these
3 failed TILs rather than relying on SCRIE and Section
4 8, those are good programs. To guarantee tenants
5 continue in the building to afford their units, I
6 want to suggest a possibility of allowing tenants to
7 enter into a Community Land Trust, a CLT. Many of
8 the recently formed CLTs throughout our city are
9 committed to sustained, deeply affordable housing for
10 households in the lowest income brackets. They can
11 be the ideal mechanism to ensure that TIL remains a
12 program for truly low-income. East Harlem El Barrio
13 CTL has expressed interest to HPD in doing this, and
14 has developed a financial model. And for TIL
15 buildings that are never going to become HDFCs, CLTs
16 are a good option. I don't know that it came up
17 today, but I suggest it. TIL to move into ANCP have
18 the opportunity to become co-ops. It is good for HPD
19 to ensure that that an HDFC starts off in the best
20 physical position. I am supportive of having mission
21 driven non-profits such as community developed
22 corporations as rehab partners for these buildings,
23 but I must admit I'm not for the for-profit being
24 involved. ANC's model of rehab requires loans to be
25 taken out to sustain rehab. We heard earlier that

1 this results in a new HDFC being encumbered with a
2 mortgage on the building from the beginning, and I
3 think that's a problem. It is higher maintenance
4 even though we hear that Section 8, if there is
5 Section 8, will cover them. I've working with the
6 tenants of the very famous or infamous 615 West 150th
7 Street, the most wonderful group of tenants. They're
8 elderly and they're on fixed incomes, and without
9 Section 8, they wouldn't be able to afford the
10 projected maintenance when the HDFC becomes a
11 reality, if it does, calculated at 60% of AMI. For
12 buildings like this, affordability is a challenge.
13 [bell] So I want to state just a few more things
14 really quickly. First of all, capital grants. The
15 Borough President and the Council Member could help
16 to put some capital grants in so that these buildings
17 would not be taken out a mortgage. That would make a
18 big difference, and I want to suggest that. You
19 want to make sure that there is no mortgage. I
20 really feel very strongly. The second issue I want
21 to say is this 110 or 120% AMI for the vacancies is a
22 huge problem. The issue is that, one, not only is it
23 a challenge because we're not producing low-income
24 housing, but the other problem is those tenants, and
25

2 I know because I'm from the Upper West Side, I have
3 14 TILs/HDFCs in my district and each situation when
4 the 110 person or this AMI comes into the building
5 they take over the board of directors, and they are
6 often fixing up the lobby, and doing things that end
7 up keeping out the lower-income tenants. It happens
8 ever single time, and so what I want, and it was
9 actually my idea, is to work with the Department of
10 Human Services and bring families who are working and
11 are homeless into these buildings figuring out a way
12 of using capital and perhaps foundation or other ways
13 to produce needed reserve fund, which I know cannot
14 be funded with capital dollars. So, I wan to just
15 say that this ANCP does not have to stick to the
16 model that would create building inhabitants at two
17 tiers of income. We have to be very creative today
18 as we think about a different kind of ANCP program to
19 really offer homeownership opportunities for the
20 truly low-income in a way that is lasting, and that
21 does not create two tiers and it's an inequitable
22 housing situation. Thank you very much, Mr. Chair.

23 BIC HAFAM: [off mic] Good afternoon.

24 [on mic] Good afternoon. My name Bic Hafam (sp?) is
25 Policy Director for New York City Public Advocate

2 Letitia James, and I'm here today to submit testimony
3 on her behalf. We'd like to thank the chair, Council
4 Member Williams and his staff as well as the
5 committee staff for holding—the committee for holding
6 this hearing on this vitally important issue. The
7 Public Advocate would also like to convey hear
8 apologies for inability to be here in person. She's
9 attended the funeral services for firefighter William
10 Tilly, who lost his life in a tragic fire in Queens.
11 The—in order to save time, I'm going to sort of
12 expedite the testimony and go to the main
13 recommendations and concerns about the program that
14 we've heard today already by some of the tenants. We
15 are very concerned with how slowly the TIL buildings
16 have been able to be converted, and about the
17 affordability of the units moving forward. The
18 Public Advocate believes that the city must ensure
19 that all of the TIL buildings receive sufficient
20 funding to timely rehabilitate—rehabilitate the
21 buildings for conversions to low-income cooperatives.
22 As was promised to its tenants and the community when
23 these tenants agreed to give up the rent stabilized
24 leases, and the buildings entered the TIL program.
25 HPD should be adequately staffing the TIL program and

2 training and overseeing its workers to ensure that
3 the tenant associations and buildings receive the
4 support they need to move forward and HPD should be
5 developing an effective system to track the progress
6 and status of the building so that it can address
7 delays and remove any barriers to affordable housing
8 conversion. The housing advocates that have
9 contacted our office and we've spoken to have
10 expressed concerns that HPD's training of the tenant
11 associations is not adequately preparing them for the
12 reality of what takes to own and run a building in
13 2017. So, we recommend that HPD take a serious look
14 at its training programs and make sure that its
15 adequate—adequately preparing the tenants. HPD also
16 has to ensure that TIL employees are providing all
17 the services needed, and it's good to see that they—
18 HPD has agreed to provide the training appropriate
19 languages, which we had heard up to this point they
20 had not been, and that the training is relevant, and
21 we also—our office can share the significant concerns
22 about the corruption that has been alleged within the
23 TIL program and according to a past Department of
24 Investigation report, as well as what we're hearing
25 about a current investigation. We believe that HPD

2 must ensure that it's fully complying with the DOI
3 agreed upon anti-fraud measures that it agreed to
4 several years ago when the investigation—DOI
5 investigation was completed and we have requested the
6 DOI data, the HPD data on whether or not it's been
7 complying with those initiatives. The Affordable
8 Neighborhood Cooperative Program should be postponed
9 until an independent review is conducted to determine
10 all options available to convert the existing TIL
11 buildings into low-income cooperatives. And, we
12 believe that the city should meet its original
13 obligation of 100% permanent affordability. Our
14 office looks forward to working with members of the
15 Council and HPD to ensure that it lives up to the
16 promise of these TIL buildings. And we have included
17 in our testimony a policy brief that our office
18 released today on this issue.

19 CHAIRPERSON WILLIAMS: Thank you very
20 much for the testimony. I did have one question.
21 So, based on what you heard, if the ANCP moves
22 forward, and they cover the \$2,500 rent and they find
23 a way to cover maintenance so that it's not over 30%
24 of anyone's income, Borough President, do you still
25

2 think that a Land Trust would be better, and do you
3 still think that ANCP should be paused?

4 GALE BREWER: Okay, I'm not clear on how
5 the vacancies should want to be filled.

6 CHAIRPERSON WILLIAMS: [interposing] I'm
7 not asking you--so I meant the vacancies aside.

8 GALE BREWER: Yeah, but the vacancies are
9 of concern. So, yes, I think you still need to look
10 at options because we're having--we have my district
11 office and the HDFC and having negotiated all the
12 leases and, you know, I don't know. Thirty years of
13 this. I think that you have to think long term how
14 do you keep it affordable? Who's--who--there--there is
15 just more to have to be thought of long term rather
16 than moving as quickly as I think it's being
17 projected now. Discussions have moved already quite a
18 bit thanks to your hearing and others. So, I do
19 think that [bell] I'm, still not clear as to how you
20 can both run the buildings, keep them viable, and not
21 have no capital money from the--I want no capital
22 money except from the city. I think that's
23 absolutely necessary. There are still pieces that
24 need to be thought of long term on this.

2 BIC HAFAM: We are concerned that the-the
3 affordability on these buildings under ANCP have a
4 30-year and what will happen to these affordable
5 units once that 30-year passes similar some of the
6 concerns that come up with the Mitchell-Lama
7 buildings and, you know, the 40% of the buildings
8 that are currently vacant we think they need to be
9 for low-income individuals.

10 CHAIRPERSON WILLIAMS: Thank you very
11 much, Madam President--

12 GALE BREWER: [interposing] Thank you
13 very much.

14 CHAIRPERSON WILLIAMS: --for your
15 leadership on the issues. Thank you.

16 BIC HAFAM: Thank you.

17 CHAIRPERSON WILLIAMS: I'm going to do
18 one more panel before I-before we do the break. That
19 panel is going to be Jason Wu from the Legal Aid
20 Society; Norman Siegel, Siegel Teitelbaum and I think
21 it's Evans and Palante. Andrew Riker from UHAB, and
22 Sal D'Avola (sic) from Neighborhood Restore, HDFC.
23 [background comments, pause] After this panel we're
24 going to pause for about five minutes, and then the
25 panel after that we'll begin tenants, Windell Foster,

2 Arlene Toro, and Andrea Lopez, Patricia Jewett, and
3 Gilsida Martack. Again, after this panel we'll have
4 a--about a five-minute recess, and when we come back
5 we'll start with the members of the public and
6 tenants. Primarily Wendell Foster, Arlene Toro,
7 Andrea Lopez, Patricia Jewett, and Grisalve Martack.
8 So we should have Sarah Belveda from Neighborhood
9 Restore, Andy Riker, Norman Siegel, Jason Wu. Can
10 everyone please raise their right hand? [background
11 comments] Sorry. Do you affirm to tell the truth,
12 the whole truth, and nothing but the truth in your
13 testimony before this committee, and to respond
14 honestly to Council Member questions?

15 PANEL MEMBERS: [in unison] Yes.

16 CHAIRPERSON WILLIAMS: Sure. I'm sure
17 we'll have some follow-up questions, but for now
18 we'll have two minutes for everyone to give their
19 testimony, and you can begin in the order of your
20 preference.

21 NORMAN SIEGEL: Let me say that for the
22 record the only Council person on the committee
23 that's here right now is the Chair. The other people
24 are not here. I understands there's 11 Council
25 people, 10 of them are not physically here to hear

2 some testimony. Second, I thank the Chari for this
3 meeting. I come mellowed. I come in good fair. I
4 sit here with the people, and I hear government
5 officials make representations that you should not
6 accept. To begin with, we should not accept HPD's
7 analysis and their premises. We heard HPD's goal was
8 to end the TIL program. You should reject that
9 position. With regard to ANCP, it's a house of
10 cards. It's premised on Section 8. It's delusional,
11 delusional to think that Secretary Carson and
12 President Trump is going to continue Section 8, and
13 if that happens and it disappears, these folks once
14 again will be subject to being out on the street.
15 The irony here is that 40 years ago, and who would
16 have thought that I'd be here publicly commending
17 former Mayor Koch, but I will do that because he had
18 a vision. He had an understanding of the obligation
19 to provide affordable housing, not just for rich
20 folks, but for poor folks and for low-income people.
21 That's what TIL was supposed to be about. Second,
22 there has to be a one-year moratorium, and se do
23 respect especially since HPD used me at a meeting
24 that I attended last week, and make it look like
25 everything was okay. What we asked them to do was to

2 make a commitment for a one-year moratorium where an
3 independent panel would then be able to look at 400-
4 no 400-148 buildings and determine whether or not
5 they could [bell] come HDFCs. And second most
6 important, we asked them to make a commitment to
7 grandfather and grandmother all these folks in who
8 were promised something that has not been delivered.
9 Our report is broken promises. The city has failed
10 these folks, and with due respect with at least the
11 Chair and the other people that were here, these are
12 your constituents. These are the people that you
13 swore when you took an obligation to protect, not
14 just the rich folks, not just the developers [bell]
15 but these folks who are disproportionate people of
16 color and all our low-income and poor people. There
17 is an obligation that we have to do for these folks.
18 They deserve better, they earned it, and they need to
19 protect them and go through this. You can't do this
20 without

21 CHAIRPERSON WILLIAMS: [interposing] We
22 have to do this, but I doubt that we could afford to
23 do it. (sic)

24 NORMAN SIEGEL: --a guarantee for a
25 grandfather and grandmother. I know. I've sat here

2 for 3-1/2 hours. You tell me I got to talk for two
3 minutes and then you're going to have all these folks
4 come up for a minute or two. I know you're going to
5 stay and where are the other people--

6 CHAIRPERSON WILLIAMS: I want to, so--

7 NORMAN SIEGEL: --to hear them--

8 CHAIRPERSON WILLIAMS: --just so--

9 NORMAN SIEGEL: --until 8 o'clock or 9
10 o'clock at night.

11 CHAIRPERSON WILLIAMS: Just so we're
12 clear, it's-it's been more than two minutes and I
13 said I'll have some follow-up questions. So you'll
14 be able to speak. Before we go on, I will, and I've
15 been to many, many hearings, it's-when I was on the
16 other side I thought the same thing. It is
17 impossible to stay for these hearing, all of these
18 hearings. We belong to-we have many, many
19 committees. I can't speak for every Council Member,
20 but as a whole, I know that the absence of Council
21 Members is not absent how important things are. This
22 is as-how-how much time is actually in the day, and
23 we cannot physically give everyone four or five
24 minutes to speak because that's more than eight

2 hours. That will be 'til a week. So, we try our
3 best to do it as fair as possible.

4 NORMAN SIEGEL: And you give HPD two
5 hours and you give these folks who have waited four
6 hours a minute or two.

7 CHAIRPERSON WILLIAMS: And I understand
8 how that makes a good sound bite, but it isn't just
9 as--

10 NORMAN SIEGEL: It's not a sound bite.
11 We're talking about serious Constitutional and civil
12 rights here.

13 CHAIRPERSON WILLIAMS: It is a -it is a
14 physical impossibility to give every tenant the same
15 amount of time as HPD. One, it doesn't make sense
16 because we have to ask a lot of questions about HPD
17 who are administrators, but we're giving every tenant
18 and ability to speak. I wish I could give you all
19 five or ten minutes each to speak. It is impossible.
20 So what we did do, what we did do was make sure, and
21 this is not a norm, but I made sure there were
22 tenants who came up before HPD--

23 NORMAN SIEGEL: [interposing] And that
24 was great.

2 CHAIRPERSON WILLIAMS: --a considerable
3 amount of time. So I just wanted to make sure we put
4 that on the record. I understand what it looks like
5 from over there because I was there, but I am telling
6 you we cannot give all of you 10 or 15 minutes. It
7 just doesn't make sense, and it's impossible with the
8 schedule we have to stay. It's something that media
9 reports on a lot, but we can't stay here for the
10 whole committee. Some people are on multiple
11 committees. Then they report that we're on all those
12 committees. Then some people have meetings and they
13 report we're not going to meetings. So, I can't
14 speak for every Council Member. I just don't know
15 what they're doing, but I just know generally
16 speaking the blanket comments don't fit. But I will
17 have some additional questions. I thank you for your
18 testimony, and we can move onto the next person to
19 testify.

20 JASON WU: Good afternoon. Thank you,
21 Chair Williams, and the--the Committee for holding
22 this hearing and giving me the opportunity to present
23 testimony today. I am a staff attorney at the Legal
24 Aid Society's Housing Development Unit and along with
25 our Community Development Project we have worked with

2 tenants and tenant organizations to preserve and
3 expand the stock of affordable housing throughout New
4 York City for decades. We provide technical and
5 legal assistance to help tenants successfully convert
6 their buildings to affordable housing cooperatives.

7 I'm here today to highlight some concerns and
8 challenges on behalf of my clients in the communities
9 we serve regarding the TIL program. The key issues I
10 will highlight include the delay in converting TIL
11 buildings to HDFC cooperatives, longstanding quality
12 of life issues for TIL tenants; poor communication
13 from HPD; concerns with the ANCP program, and
14 preservation of long-term affordability of HDFCs. So
15 I'm gong to run through it relatively quickly. I
16 think the first panel did a great job explaining and
17 providing context to a lot of these issues, and I'm
18 going to try to flush some of them out. With respect
19 to the first issue, the delay in converting TIL
20 buildings, we've heard earlier today about the—the
21 time—decades that tenants have waited, seniors, many
22 who passed away while their buildings are still
23 waiting conversion and the issues regarding vacancies
24 in the units, and issues with—with the disrepair that
25 tenants have to live through for that period of time.

2 So, the second issue is—is regarding disrepair and
3 quality—quality of life issues, and although HPD said
4 that they are going to commit to making emergency
5 repairs, I've worked with buildings in the last two
6 years where there's mold, leaks [bell] crumbling
7 walls and ceilings and so much more, and those
8 repairs are never made even though requests have been
9 made for emergency repairs. Regarding mismanagement
10 I can give examples, but the New York Post article
11 corroborates a lot of experiences that my office has
12 had and that my clients have had. I want to say
13 really quickly regarding the compliance issue, when
14 the notices were sent out by HPD, a lot of tenants
15 were wrongfully accused of—of mismanagement, and in
16 my personal experience reaching out to HPD, they've—
17 they were able to acknowledge that they had actually
18 made mistakes. So they had blamed tenants for not
19 holding elections when it was really building
20 coordinators that were not scheduling the elections.
21 They had financial records that were wrong, but then
22 they blamed the tenants for not complying with
23 accurate financial reporting.

24 CHAIRPERSON WILLIAMS: I'm going to have
25 to ask you to give a closing statement.

2 JASON WU: Okay, a quick point around
3 ANCP. It-it models in some ways the third-party
4 transfer program, and there-there are problems with
5 that program as well. Tenants do not have a say in
6 the selection of the developer. There's other issues
7 regarding how ANCP doesn't have formal rules and so
8 they have discretion to do whatever they way
9 basically, and tenants have no way to force HPD to
10 comply with their own policies because they don't
11 know what they are. And then the last issue
12 regarding affordability I echo the sentiments
13 expressed earlier today that household composition
14 changes, household income changes, but when the rents
15 are restructured to \$1,000 or \$1,500, and tenants are
16 seeing increases of \$500 or more in their rent, when
17 the-when the household income changes, what happens
18 then.

19 CHAIRPERSON WILLIAMS: Okay.

20 JASON WU: And so, there is-there isn't a
21 good answer from HPD on that point.

22 CHAIRPERSON WILLIAMS: Thank you.

23 SALVATORE D'AVOLA: Hi. Good afternoon.
24 My name I Salvatore D'avola. I'm the Executive
25 Director of Neighborhood Restore Housing Development

2 Fund Corporation. I'd like to thank Chairman
3 Williams and Member of the City Council Housing and
4 Buildings Committee for allowing me speak today.
5 Neighbor Restore and its affiliate non-profits work
6 closely with the New York City Housing, Preservation
7 and Development agency on developing housing programs
8 that seek to transition physically, and financially
9 distressed properties into affordable community
10 assets. Since 1999, Neighbor Restore successfully
11 preserved over 7,500 units of affordable housing in
12 over 1,200 properties throughout New York City. Our
13 involvement with buildings seeking to become low-
14 income cooperatives dates back the year—the early
15 years of HPD's Third Party Transfer Program, when the
16 city permitted tenants living in foreclosed buildings
17 coming into the program to petition the city putting
18 them on a path toward cooperative ownership. As a
19 tenant petition building an HPD designated community
20 based sponsor manages the building while the
21 neighborhood restores ownership while planning for
22 the future rehabilitation and guiding the tenants
23 either directly or by partnering with an experienced
24 training organization such as UHAB towards achieving
25 the program's milestones for its eventual conversion

1 to a low-income co-op. Tenant petition buildings are
2 rehabilitated with both private and public financing
3 and upon conversion assume both private and public
4 debt. Existing tenants purchase their apartments for
5 \$2,500. Since 2001, 39 tenant petition buildings
6 have successfully converted to cooperative ownership.
7 Given Neighborhood's experience with tenant petition
8 buildings, HPD sought our assistance and involvement
9 when creating the Affordable Neighborhood Cooperative
10 Program. HPD's testimony during this hearing has
11 provided its reasons for the changes to its
12 cooperative ownership program. Therefore, I will not
13 reiterate those reasons in my testimony. Through-
14 through our affiliate Restoring Communities, Housing
15 Development Fund Corporation, we facilitate the
16 rehabilitation and subsequent transfer to cooperative
17 ownership of city-owned buildings, which were
18 previously self-managed by tenants in the TIL
19 program. Restoring Communities collaborates with HPD,
20 private lenders, qualified sponsor developers and
21 existing tenants through its engagement in the
22 rehabilitation and planning of the properties [bell]
23 and their successful conversion to tenant controlled
24 co-ops. As the interim owner during rehabilitation,
25

Restoring Communities acts as HPD's fiduciary by ensuring that sponsor developers carry out their development duties and guide the tenants' preparation and taking control of and operating the properties as low-income cooperatives. Rehabilitation is financed with a combination of private funds, HPD and New York State Affordable Corporation funds. Restoring Communities applies for and acts as a steward of the AHC grant funds awarded to the building. In preparation for the final transfer of the ownership to newly formed cooperatives Restoring Communities, HPD and sponsor developed work diligently to ensure the timeliness and quality workmanship of rehabilitation. Additionally, offering plans are drafted, reviewed, and approved by the New York State Attorney General's Office, and the tenants complete the required cooperative training courses. These newly formed cooperatives are required to have third-party property managers and monitoring agents and an annual increase in their maintenance charges to ensure that the properties remain financially viable to operate and adhere to all the requirements outlined in their regulatory agreements.

2 CHAIRPERSON WILLIAMS: Can I ask you to
3 give a closing sentence.

4 SALVATORE D'AVOLA: Just quickly through
5 the program we've undergone since ANCP inception ahs
6 been for properties that have been transferred to
7 Restoring Communities' ownership, undergone
8 rehabilitation and are preparing—and are preparing
9 for the final transfer.

10 CHAIRPERSON WILLIAMS: Thank you.

11 ANDREW RIKER: My name is Andrew Riker.

12 CHAIRPERSON WILLIAMS: You've to speak
13 into the mic.

14 ANDREW RIKER: My name is Andrew Riker.
15 I'm the Executive Director of UHAB, the Urban
16 Homesteading Assistance Board. For the past 44 years,
17 UHAB has worked to build and strengthen tenant
18 associations in city-owned buildings that they—they
19 prepared to become co-ops, and we provide ongoing
20 assistance to HDO—HDFC cooperatives that went through
21 the TIL program, Third-Party Transfer Program,
22 Community Management Program and many others. While
23 UHAB has been involved in the development and rehab
24 of distressed abandoned buildings since 1973, we know
25 that a successful co-op depends as much on or more on

1 assisting a tenant association to become as strong
2 and effective co-op organization. Successful co-ops
3 are about the people who own and operate them. With
4 this in mind, UHAB was instrumental in the creation
5 of the TIL Program, and the other programs in 1978.
6 From the program's inception until October 2016, we
7 were contracted by HPD to provide the training and
8 technical assistance of to the TIL buildings as well
9 as the HDFCs that were created by them. This is
10 assistance consisted of a classroom training and
11 ongoing technical assistance and it was an important
12 way to develop the co-op association, tenant
13 association to become the eventual co-op. Between
14 2001 and 2016 over 26,000 site visits and technical
15 assistance provisions were-were made in that time.
16 About 100 per building has been the-the amount of
17 assistance buildings have received. We currently
18 provide training under city contract four nights a
19 week to TIL associations to HDFC co-ops and to
20 managers of these buildings. Much of what we would
21 say has been covered, and so I just to stay within my
22 two minutes [bell] will-will just go through the
23 outlines of-of what we want to say, and then expect
24 questions. One is that we believe that in the TIL
25

1 Program as it was originally designed and now in the
2 21st Century the training and technical assistance
3 has to be upgraded to make being in the TIL Program
4 sort of be preparation for becoming a co-op.
5 Secondly, and already addressed, is bilingual
6 support. I think it's essential that materials and
7 support be able to be given bilingually in-in other
8 languages. The lack of communication and
9 transparency has been addressed by the city, and the
10 tenants' involvement in-in the development of their
11 buildings is essential. And then lastly, I think
12 that there's been much discussion about the cost of
13 the vacant units as a way to help bring down the-the
14 cost to the city of-of developing these units. And
15 it is a feature of the program. A number of years
16 ago the city stepped up in the TIL program from the
17 idea of just doing a minimal amount of repairs to do
18 the full rehab. That cost has become quite large,
19 and now we see the development of an ANCP program
20 where choices have been made, and the cost of the
21 vacant units, and ultimately the resale price of
22 every unit in the -in the building is being affected,
23 and I'm really glad that at as low-income advocate
24

2 and organization dedicated to low-income co-ops that
3 this question is coming up.

4 CHAIRPERSON WILLIAMS: Thank you. Thank
5 you all for your testimony. I do have some questions
6 for Ms. Siegel. Thank you for your passion that you
7 have displayed here, and you've helped with these
8 tenants, and anyone can answer these questions, but
9 you were first to bring it up. And with the TIL
10 versus ANCP and the housing part, I'm—I'm actually I
11 don't care what it's called, I just want to make sure
12 that people get as close to what they were promised
13 if not what they were promised. So, they can call it
14 the 1, 2, 3 program what it is. I'm more concerned
15 about what the program actually is, and so it seems
16 to me until—for the tenants that are here they were
17 promised a—an apartment for \$250 and not have to pay
18 maintenance. And if that occurs, I'm not sure does
19 it make a difference between what it's called. So,
20 when I asked questions about ANCP it seemed that what
21 they presented would be that if you still were low-
22 income 80% or less, you would not have to pay the
23 \$2,500 and you would pay 30% of your income in
24 maintenance, which—which is a change, but that seems
25 to be what the primary difference would be outside of

2 selling the vacant units. So, I want to understand
3 which part of the new program would be most
4 problematic.

5 NORMAN SIEGEL: You should reject the new
6 program a least for a year. These buildings by
7 legislation were designated, Mr. Chair, to be
8 exclusively--exclusively for low-income people. The
9 ANCP program, and the way it was seen is now going to
10 allow-- When they started it years ago, they knew
11 where they were going. Why would you not allow
12 people to fill the vacancies?

13 CHAIRPERSON WILLIAMS: So the department
14 issues the vacancy?

15 NORMAN SIEGEL: But what's--what's going
16 to happen these buildings now are going to be come
17 low-income and middle-income buildings. So, they
18 diverted and changed the entire vision of New York
19 City after years recognizing we had a moral and
20 practical obligation to poor folks to make sure that
21 they had decent affordable housing. This program and
22 especially if I'm true about the house of cards, is
23 not going to be money to provide for the difference
24 between what they're paying now and maintenance and
25 co-op additional charges. And you know what's going

2 to happen to a lot of these folks? They're going to
3 be evicted because they're not going to be able to
4 pay to the co-op board. And when that happens, who
5 are you going to blame? Not just HPD, but all the
6 city officials, and when the historians write about
7 this program, we're going to want to know where were
8 you protecting these folks.

9 CHAIRPERSON WILLIAMS: So, when say
10 unable to pay, you're talking about even the--the 30%
11 of the maintenance fees?

12 NORMAN SIEGEL: If they're paying--Jose
13 Santos, hypothetically is paying \$540 right now. When
14 he goes into an ANCP program, there's going to be
15 maintenance of like \$3,000. Who makes up the
16 difference? They sit here and say Section 8. Oh, Be
17 Carson is going to save us. That's delusional.
18 Trump is going to save us? No.

19 CHAIRPERSON WILLIAMS: [interposing] So
20 what I'm--so what I'm getting at--

21 NORMAN SIEGEL: [interposing] No, so there
22 won't be any money, Mr. Chair.

23 CHAIRPERSON WILLIAMS: [interposing]
24 Well, I want to--I want to focus on this because it's
25 important to know.

2 NORMAN SIEGEL: Yes, exactly.

3 CHAIRPERSON WILLIAMS: But, so what I
4 asked them is whether or not they got the Section 8
5 would they continue with what they're saying, but
6 hold on a second. They said yes, but my contention
7 is if we get those cuts, they won't even uphold the
8 TIL as it is now, so whatever they're calling it if
9 there's cuts we're going to have even problems. So
10 I—to me it's—I—I—again, I'm not—I don't care what
11 they call it, I care about the cuts and I care about
12 what the end result is. So even if they don't get
13 the Section 8, and we don't have money, we don't have
14 money for either one of the programs.

15 NORMAN SIEGEL: Right, but you're missing
16 an important point. In those vacancies right now,
17 they were designated for low-income people.

18 CHAIRPERSON WILLIAMS: Got it.

19 NORMAN SIEGEL: So, now they're going to
20 be allowing middle-income people to come--

21 CHAIRPERSON WILLIAMS: [interposing] So,
22 that's another question. So, let's me just separate
23 the vacancy. I want to make sure I'm focusing on the
24 people who are there now, but Andy go ahead, but I
25 too, I'm not disregarding the vacancy part. We do

2 have to make sure it's for low-income, but I won't
3 separate it out. I want to make sure the tenants are
4 who are there now who were promised something get as
5 close to what it is that they promised.

6 NORMAN SIEGEL: Why close? Why not
7 exactly what they were promised?

8 CHAIRPERSON WILLIAMS: They might. I'm
9 going to try to be clear. But-but wait, there are--

10 NORMAN SIEGEL: Do they--do they have it in
11 writing? Do they have a guarantee?

12 CHAIRPERSON WILLIAMS: That's why I used
13 that. I agree with that.

14 ANDREW RIKER: I'd-I'd like to--right.
15 I'd liked to--I mean Section 8 has been a part of the
16 TIL Program since--since the very beginning, and in
17 the--in the early day HPD did just a partial rehab,
18 buildings came out with a--with a carrying charge set
19 at what was needed to run the building. Anybody who
20 couldn't afford that at 30% of their income applied
21 for Section 8, and so it's always been part of--part
22 of the program. The monthly charges are much lower.
23 They average just under 40% of median rather than 60%
24 of median for those buildings. Those buildings also
25 then had to go out and get AD (sic) loans and

2 weatherization or other things to do all the repairs
3 and over time have had to fix up their buildings. At
4 some point, HPD made a commitment partly because of
5 the conditions of the buildings were worsening
6 because of lead and asbestos laws that made it
7 difficult to do partial rehabs to do full rehabs and
8 the cost went up. HPD continued to provide full
9 grants for these buildings, but where are they going
10 in the future.

11 NORMAN SIEGEL: [interposing] But where
12 is it going in the future? You're not addressing the
13 question.

14 ANDREW RIKER: I'm—I'm trying to get
15 there. Section 8 was still part of the formula.
16 Now, we've gotten to where the costs are—are very
17 large and HPD has—has made a decision to include
18 private loans in the equation in order to cover costs
19 beyond what the capital costs can—can cover, and also
20 has chosen the vacancy issue, which is one in there.
21 Section 8 becomes more important. I'm concerned. I
22 think as every housing advocate is concerned about
23 what happens when Section 8 doesn't work, but I can
24 tell you when Section 8 disappeared in the 60 TBT and
25 other buildings that we've worked on, what's happened

2 is HPD has stepped in with capital funds to lower the
3 cost to where everybody could afford their units.
4 So, it is an extreme cost, and it means fewer units
5 get done and, you know, and it will take much longer
6 to do the inventory of the TIL program, but it's a
7 way of-of, you know, making those choices. And, I
8 think we need to have the discussion around making
9 the choices. I think it's a valid choice. I think
10 the change to the program is one that is-is certainly
11 very different and residents have a right to be
12 concerned about it. But the experience of the
13 programs that its modeled on have proven that-that,
14 you know---

15 CHAIRPERSON WILLIAMS: [interposing] Let-
16 let me ask.

17 ANDREW RIKER: --I want to fix those and-
18 -

19 CHAIRPERSON WILLIAMS: In the world of
20 whatever we call it, they don't have to-tenants don't
21 have to pay the \$2,500 and the maintenance fee is-I
22 mean is this magical world capped at 30% of income?

23 ANDREW RIKER: You can't-you can't and I
24 think that-that Siegel is right. You can't cap the
25 maintenance fee at-at 30%. What you can say is that

2 a resident has a Section 8 subsidy and if something
3 happens to that subsidy, if President Trump takes
4 that subsidy away—

5 CHAIRPERSON WILLIAMS: Yes.

6 ANDREW RIKER: --I mean it's not there
7 any more, we have a big problem in the city.

8 CHAIRPERSON WILLIAMS: [interposing] But—

9 ANDREW RIKER: We have a big problem not
10 just for—for the buildings we want to rehab, but we
11 have thousands and thousands of buildings.

12 CHAIRPERSON WILLIAMS: [interposing] My
13 contention is that if we lose that Section 8, we're
14 going to lose a lot of others--

15 ANDREW RIKER: Correct.

16 CHAIRPERSON WILLIAMS: --and we still
17 have problems with TIL.

18 ANDREW RIKER: Correct.

19 CHAIRPERSON WILLIAMS: That's—that's all
20 I'm saying is whether it's TIL or ANCP we have a big
21 problem.

22 NORMAN SIEGEL: [interposing] Not
23 necessarily if you want take what—what Rosenthal and
24 Levine were saying and put the money that we have
25 into rehabbing and I'm sure it cost \$300,000 for each

2 unit. I mean I don't think that's true. That's why
3 I want an independent commission to take this apart.

4 CHAIRPERSON WILLIAMS: I-I-I understand.

5 What I'm saying is this takes money whether it's the-

6 NORMAN SIEGEL: [interposing] But it
7 doesn't take the kind of money that they're talking
8 about.

9 CHAIRPERSON WILLIAMS: Okay.

10 NORMAN SIEGEL: Let me just say one
11 other thing.

12 CHAIRPERSON WILLIAMS: Okay.

13 NORMAN SIEGEL: And I really, I mean I
14 would love to see a program that was 100% grant
15 funded, but the operating costs of a building even
16 without 100% grants will only reach people at 30 to
17 40% AMI. I'd have to get some of the buildings then
18 refinanced with that kind of money without worrying
19 about it.

20 CHAIRPERSON WILLIAMS: Okay.

21 NORMAN SIEGEL: So, why don't they—they
22 sum it up?

23 CHAIRPERSON WILLIAMS: Right. Okay, I-I
24 got it. I guess I'm less concerned about the title,
25

2 the name of the program and what we're discussing
3 now. That's—that what I wanted to say.

4 ANDREW RIKER: Jumaane Williams Housing
5 Program. How about that?

6 CHAIRPERSON WILLIAMS: That sounds—I
7 don't know. [laughter] I got to check with COIB on
8 that name.

9 JASON WU: Can I just—can I just add one
10 quick thing. So there are tenants who live in these
11 buildings that won't be eligible for Section 8 for a
12 number of different reasons, and the restructured
13 rents will be very, very hard for them to pay and -
14 and as I said, there's fluctuations in household
15 income if you have an adult child who the moves out,
16 and Section 8 won't—because HPD doesn't keep Section
17 8 permanently open to--

18 CHAIRPERSON WILLIAMS: [interposing]
19 Well, I want to know what it is. I was very clear in
20 asking that what happened at the-

21 JASON WU: --people in these buildings.
22 So they may offer it at the point of initial
23 restructuring.

24 CHAIRPERSON WILLIAMS: Well, as I was
25 saying, I was very clear in asking what would happen

2 if we lose Section 9. Just--just so I--and--and they
3 said, this is what they testified to: That there
4 they would still--and I'm assuming use funding that's
5 available to make sure that it is capped. Now--

6 NORMAN SIEGEL: [interposing] Get it in
7 writing.

8 CHAIRPERSON WILLIAMS: Well, but let me
9 just say this. We should--we can ask for it in
10 writing and we should, and if the premise is that
11 they're lying about that, they're lying about what's
12 happening with TIL. So, I don't know that saying
13 that we shouldn't helps with the lying part and I
14 just--that's why--but I--I can only ask the question.

15 NORMAN SIEGEL: One other thing.
16 Subpoena their records with regard to the
17 coordinators. When they talked to you before about
18 they have to fill out field reports, subpoena the
19 records. You don't have to wait for DOI. You have
20 an obligation.

21 CHAIRPERSON WILLIAMS: Okay.

22 NORMAN SIEGEL: It's incredible that HPD
23 says I have no recollection. I don't know anything.
24 Everybody goes to the DOI. BS.

25 CHAIRPERSON WILLIAMS: I got it.

2 ANDREW RIKER: One point of—one point
3 that we have to clarify here in underwriting these
4 deals and because there is private financing
5 associated with these deals, you have private lenders
6 who are in the mix, and they are looking at the risk
7 and being adverse in these deals, and so if they—they
8 will raise the question about is there going—if
9 Section 8 is not going to be available into the
10 future, they will ask the city what are you going to
11 do and what is the plan with regard to Section 8.
12 Quite frankly, if Section 8---does not come into the
13 city it is a problem that is across the board, a
14 problem for all affordable housing not just—

15 CHAIRPERSON WILLIAMS: Yes.

16 ANDREW RIKER: the TIL and ANCP program,

17 CHAIRPERSON WILLIAMS: [interposing] I
18 agree.

19 ANDREW RIKER: --but everything else, and
20 so if that happens, it's a larger conversation that
21 the City Council and the Administration would have to
22 figure out.

23 CHAIRPERSON WILLIAMS: Right.

24 ANDREW RIKER: It's not just this
25 program. We're here separate to--

2 CHAIRPERSON WILLIAMS: I got you. I got
3 it.

4 ANDREW RIKER: --and you've got to put it
5 in the context of what we're talking about.

6 NORMAN SIEGEL: [interposing] No, let's--
7 let's put poor people first finally.

8 CHAIRPERSON WILLIAMS: We owe them. I
9 don't disagree. Let me--

10 ANDREW RIKER: I'm not disagreeing with
11 you.

12 CHAIRPERSON WILLIAMS: Sure.

13 NORMAN SIEGEL: Well, it sure sounds like
14 you're disagreeing with him.

15 ANDREW RIKER: No, what I'm saying is
16 it's a larger issue, but what I'm also saying is that
17 because it is private financing in the deals, the
18 lenders who are putting money in the deal and the way
19 they're being underwritten they're going to want a
20 certain assurances--

21 CHAIRPERSON WILLIAMS: Sure.

22 ANDREW RIKER: --and those assurances are
23 going to have to come from the city with regard to
24 that and address that issue of if there is a lack of
25 Section 8 going into this.

2 CHAIRPERSON WILLIAMS: Thank you. Mr.
3 Wu.

4 JASON WU: Right.

5 CHAIRPERSON WILLIAMS: Were you
6 contending that some of the buildings were removed
7 for things like not holding elections, but your
8 contention is that it wasn't their job, it was the
9 building coordinators?

10 JASON WU: I—I don't know if they were
11 removed because I don't represent all of them--

12 CHAIRPERSON WILLIAMS: I see.

13 JASON WU: --but I know that I've had
14 clients who received them--those notices and because I
15 represent them I'm able to help, but there are lot of
16 buildings that don't have representation, and to the
17 extent they're given--

18 CHAIRPERSON WILLIAMS: [interposing] I
19 want to know if there are any buildings that were
20 removed for things like not holding elections that
21 weren't their fault. If you have clients that meet
22 the challenge of removal, I would like to know about
23 that immediately if not sooner, and that goes for
24 anybody who is out there. Please let me know.

2 JASON WU: I'm worried about the-the
3 buildings that don't have representation.

4 CHAIRPERSON WILLIAMS: Okay. Tell me-
5 tell me really quickly-well, I have to head out to
6 another meeting, and Council Member Rosenthal is
7 going to take over, and I'm hoping-he had mentioned
8 something about when finances change, and I want to
9 get more understanding of that meant. HPD I am
10 actually going to call you back up, and I do want to
11 get some information about if-if the tenants have no
12 selection power, and who the developer is, and I do
13 want to ask about the suggestion of a one-year
14 moratorium. So I just want to give you a heads up.

15 NORMAN SIEGEL: Thank you. I can say in
16 the TPT program in the TPT program there are tenant
17 petitions. There-that is not the case as far as I
18 know in ANCP.

19 CHAIRPERSON WILLIAMS: Okay, thank you
20 very much. Thank you council member yeah.

21 [background comments, pause]

22 COUNCIL MEMBER ROSENTHAL: Alright, first
23 of all I want to thank-I'm Helen Rosenthal a member
24 of Housing and Buildings and just sort of sitting in
25 for a short while for the Council Member. First of

1 all, I want to thank all the tenants who have been
2 waiting all afternoon. We're really anxious to hear
3 from you, and thank you for your patience. It's
4 pretty—it shows. It's a testament to what's going
5 here. So thank you for that. So, what I think
6 Jumaane wants to ask is exactly my question, which is
7 if the HPD is assuming that these units can only—
8 they—these buildings can only survive if the units go
9 to people making 120% AMI and they're counting on
10 that in order for the structure to work. Doesn't
11 that mean even though they say up to 120% AMI doesn't
12 that mean by definition that they're going to need
13 these higher income buildings in order for the
14 building to be sustainable? So, why would they take
15 anyone in at 30% or 40% AMI. By definition it
16 strikes me that they have to take people at 120% AMI.
17 Am I wrong?

19 NORMAN SIEGEL: Yeah, you're absolutely
20 correct and that's the—the problem. It's one of the
21 major problems with the ANCP program. As I said
22 before, it was legislated that these buildings were
23 for lower income people—

24 COUNCIL MEMBER ROSENTHAL: Right.

2 MALE SPEAKER: --and we're now changing
3 that vision and the result of this is that these
4 buildings will not only have middle-income people,
5 but if you look at the people that are here, they are
6 disproportionately people of color, and you're now
7 going to have racial, cultural, economic differences
8 in a co-op building, and where is the planning for
9 that.

10 COUNCIL MEMBER ROSENTHAL: That's right.

11 NORMAN SIEGEL: And economically the
12 reality is, and I hope I'm wrong, but Section 8 is
13 going to disappear and we saw it happen to the
14 seniors with regard to a few years ago and how HPD
15 "planned for it" and I remember seniors 80 years old
16 who had a one-bedroom that now had to go a studio.

17 COUNCIL MEMBER ROSENTHAL: Yeah.

18 NORMAN SIEGEL: There was so much pain.
19 That's going to be little compared to the other--and
20 the point I want to make we're here to protect the
21 TIL residents. The rest of the city they got
22 advocates, they got money, they got lawyers, and they
23 know how to fight for themselves. These folks they
24 don't have that kind of resources, and that's why

2 especially for you and for Mark and Jumaane that we
3 hear--these are your constituents.

4 COUNCIL MEMBER ROSENTHAL: Absolutely.

5 NORMAN SIEGEL: So, you need--I'm not
6 meaning you personally--

7 COUNCIL MEMBER ROSENTHAL: No, no, no.

8 NORMAN SIEGEL: --because your statements
9 were really good, but Jumaane I know he walked out,
10 he sort of bought in today. He sounded like he was
11 drinking the Kool-Aid.

12 COUNCIL MEMBER ROSENTHAL: Right, I think
13 what we need--I mean if I were asking HPD and we have
14 people taking notes here--and there are transcripts
15 and so, and people from HPD are here. So, maybe
16 they'll take notes. I mean I guess I was
17 dissatisfied when the woman from HPD said we'll get
18 you the averages when I asked about how the financing
19 is going to work. Why or--or how are you financing
20 the \$300,000 unit, and she said we'll get you
21 averages. I think the point is we can't look at it
22 as averages. We have to see how many units are
23 assumed at 120% AMI. How many units at 80%, 60% and
24 40%. I want exact numbers, and I just don't
25 understand why it's difficult given that we're

2 talking about so few units. So, so I think that's
3 one way--

4 NORMAN SIEGEL: Amen, amem.

5 COUNCIL MEMBER ROSENTHAL: --of getting--
6 getting at the question. I also felt--I would also
7 like to better understand--this is my question list to
8 HPD going still--of the \$300,000, \$150,000 was going
9 to be paid for the city. Another quarter of the
10 costs or half the cost by the city, another quarter
11 by rent, and then another quarter by--by the mortgages
12 and maybe the remaining Section 8 or whatever, but
13 yet the mortgages only seemed to be for the reserve,
14 and the cost of the trainings. So, there's two big--
15 we need to see the financing numbers because there's
16 too big of a disconnect between all of the different
17 pieces. They just don't add up to affordability. If
18 it's a de minimus part of the \$300,000 that is
19 private financing, I'd like to know that.

20 NORMAN SIEGEL: Well, you're right and if
21 we went to court we'd ask the judge to enjoin the
22 program until we got all that information.

23 COUNCIL MEMBER ROSENTHAL: That's right.

24 NORMAN SIEGEL: So we need the City
25 Council and this committee to enjoin them to tell

2 them they've got a one year moratorium before they go
3 ahead with ANCP to answer all these questions, and to
4 figure out which of the 148 buildings can make it
5 under the old system, and then we go from there, and
6 if you don't do that--

7 COUNCIL MEMBER ROSENTHAL: [interposing]
8 Right, I would--

9 NORMAN SIEGEL: --I think and I hope I'm
10 wrong, these folks are going to be out on the street.

11 COUNCIL MEMBER ROSENTHAL: --I would make
12 it much shorter than--I mean if they can't--they have a
13 new director, the new assistance commissioner, if
14 they can't get this done in a month, if they haven't--
15 if they don't already have this information, right?
16 They put together a lot of stuff to come here.
17 They're announcing their program. My thought is
18 they're done. They know what they know. I want to
19 see the report today, and these people can't wait. I
20 mean I--I--so I would hesitate on a one-year
21 moratorium.

22 NORMAN SIEGEL: That's negotiable.

23 COUNCIL MEMBER ROSENTHAL: These fixes
24 have to be made now. They have the A-E-what's that
25 program called? None of my colleagues are here for

2 me to ask. But what's that program called where A-E-
3 P where they have to do the emergency repairs. Why
4 aren't those people doing the emergency repairs in-
5 well, Ms. Jones' building to start, but in all of the
6 buildings and then make them habitable.

7 NORMAN SIEGEL: But why can't—why can't -
8 why can't we do an analysis of each one of the 148
9 buildings as quickly as we can to figure out how many
10 of those 148--

11 COUNCIL MEMBER ROSENTHAL: Yeah, we need-
12 -

13 NORMAN SIEGEL: --can make it on their
14 own.

15 COUNCIL MEMBER ROSENTHAL: That's right,
16 that's right.

17 NORMAN SIEGEL: And if you can do that in
18 a month or two, I'm shocked. That's why I think we
19 need a period of time.

20 COUNCIL MEMBER ROSENTHAL: [interposing]
21 This needs the brightest minds. HPD can do this.

22 NORMAN SIEGEL: Well, you have more
23 confidence in HPD than I have at this point, and
24 most of the folks in the room. [laughter]

2 COUNCIL MEMBER ROSENTHAL: Hon, it's a
3 new set of people. We've got to give them a fresh
4 start and--and let them make this work, right, and if
5 it's working on the assumption that these people
6 can't move back into their homes, and on the
7 assumption that the people who are back in their
8 homes--

9 NORMAN SIEGEL: ICE and stay.

10 COUNCIL MEMBER ROSENTHAL: --can't stay
11 there--

12 NORMAN SIEGEL: Amen.

13 COUNCIL MEMBER ROSENTHAL: --then it's
14 not worth, you know, a grain of salt.

15 NORMAN SIEGEL: You got it.

16 COUNCIL MEMBER ROSENTHAL: Alright. Thank
17 you very much. I'm going to call up the next panel.
18 Wendell Foster, Arlene Toro. Hang on one second.
19 [background comments] Angela Lopez, Patricia Jewett.
20 The last name is Delmarte and the first name is
21 either Arissel or Grisell.

22 MALE SPEAKER: Grisdela.

23 COUNCIL MEMBER ROSENTHAL: Griselda. Oh,
24 thank you. Griselda Marte. Thank you. I'm going to
25 ask you to have a seat. I'm going to ask the clear

2 to set the timer at two minutes, and again, I'm going
3 to thank everyone for sitting here for so long. I
4 can't even stay as long as you guys are going to
5 stay. Jumaane is going to come back, and then I'm
6 going to have to go to a couple of events in my
7 district, but I want to thank you for your patience
8 and staying here. Jumaane will be right back.
9 [background comments] Oh, hang on one sec. If
10 somebody has already left. Who's--can you just tell
11 me your name?

12 ARLENE TORO: [of mic] Arlene Toro.

13 COUNCIL MEMBER ROSENTHAL: Arlene Toro is
14 here and--

15 PATRICIA JEWETT: Patricia Jewett.

16 COUNCIL MEMBER ROSENTHAL: Patricia
17 Jewett. Yes, absolutely we'll call up the next set.
18 Okay, Jose Marte and [pause]. Okay, we'll call up
19 the next set of--a few more people. This is maybe
20 Marty Nixon at 615 West 150th Street. If you're
21 here, come on up. Next, Ada Tadaga, Latifa Jones,
22 Barbara Martine. Can that fill the panel? Come and
23 join us. That was Barbara. [background comments]
24 Yeah. [background comments] Sure, sure, sure come on
25 over. [background comments] Okay, I'm going to ask

2 everyone and Elsie—Elsia, can I ask you do people
3 need help with translation or--[background comments]
4 Thank you very much. I appreciate. Whenever you
5 need to jump, come and jump in. Alright, if you
6 could please start and start by--No.

7 PATRICIA JEWETT: No?

8 COUNCIL MEMBER ROSENTHAL: We have a
9 different Council Member sitting there. I know
10 you're going to tell the truth. [laughs]

11 PATRICIA JEWETT: Thank you.

12 COUNCIL MEMBER ROSENTHAL: Of course, if
13 you could just start, start by stating your name and
14 we're going to set the clock going now.

15 PATRICIA JEWETT: Alright. My name is
16 Patricia Jewett, and I live at 1890 Andrews Avenue,
17 Apartment 3-F, Bronx, New York. I have been living
18 in this building since September 1997, right before
19 my 21st birthday about 40 years. When I first moved
20 here, there was a tenant association. The president
21 was Gladys Motto since she lived in Apartment 5-J.
22 Ever since I can remember, Mr. Phillip Shore/RMA, has
23 been the overseer of my building even though Philip
24 Shore/RMA have changed their name so many times.
25 They were Morris Heights Neighborhood—Neighborhood

2 Improvement Association. They were Morris Heights
3 Restoration and Housing Development Fund, Inc. They
4 were Morris Heights Restoration HDFC and now they are
5 Morris Heights Preservation, LP. During the summer
6 of 1980, myself and other tenants participated in a
7 tenant education program. We did this so that we
8 could become owners of our apartment, and we were all
9 very excited to become owners. In fact, I remember
10 taking those classes and that Mrs. Hannah Shore, Mr.
11 Shore's wife, was one of the teachers. There was a
12 celebration. RMA took pictures. Certificates were
13 given out. That was the year I became a mother and
14 had my daughter. In November 1982, a letter from
15 Morris Heights Restoration and Housing Development
16 Fund, Incorporated talked-spoke about purchasing your
17 apartment, and at the same time I received a letter
18 from Morris Heights Neighborhood Improvement
19 Association addressing all the tenants about a tenant
20 association meeting. I remember going to that
21 meeting, and being excited. So were all of my friends
22 and neighbors. We were all ready to become owners,
23 and then we were told everything fell through, and
24 nobody was given in paper. The next thing I know, in
25 1992 our building was going through an Article 8-A

2 loan [bell] and a rent adjustment, and again, Mr.
3 Shore went through some kind of major renovations.
4 In 40 years, I've gone through a lot. My family and
5 I have had countless nights of no heat, no hot water.
6 We've had to deal with rats, mice, roaches. We've
7 had to deal with repairs done poorly or just not done
8 at all. Today the building is under again massive
9 renovations. I could show you pictures. I'm in one
10 of the renovated units. The fifth floor when it
11 rains outside, it rains inside.

12 COUNCIL MEMBER ROSENTHAL: Okay, I'm with
13 you.

14 PATRICIA JEWETT: But my question is
15 what? What happened and why is HPD still giving
16 loans to these entities that are not giving adequate
17 services and repairs.

18 COUNCIL MEMBER ROSENTHAL: Yep, yep.
19 Thank you.

20 PATRICIA JEWETT: Not to mention I could
21 wind up homeless once they reconfigure the rents.

22 COUNCIL MEMBER ROSENTHAL: We're all
23 going to work very hard to make sure that doesn't
24 happen.

25 PATRICIA JEWETT: Well, I got my papers.

2 COUNCIL MEMBER ROSENTHAL: I'm going to
3 ask everyone to--

4 PATRICIA JEWETT: [interposing] I got my
5 original papers that prove that Norman wasn't lying
6 about the legislation.

7 COUNCIL MEMBER ROSENTHAL: Oh, I believe
8 Norman.

9 PATRICIA JEWETT: I have a copy of it
10 right here.

11 COUNCIL MEMBER ROSENTHAL: I'm with you,
12 but hang on. I'm really going to have to ask
13 everyone to stick to the two minutes. We have about
14 50 people waiting.

15 ANNA: My name is Anna. I live on 320
16 West 157th Street.

17 COUNCIL MEMBER ROSENTHAL: [off mic] Is
18 the red light on?

19 FEMALE SPEAKER: No, no.

20 ANNA DEHANNA: Now. My name is Anna
21 Dehanna (sp?). I live at 320 West 157th Street. The
22 tenant association was approved by the Department of
23 Housing, Preservation and Development to be an owner
24 to answer when. Then they decided to change us into
25 third-party transfer. Then, in 2002, we—we choose—

1 UA, chose to be our-our administrator. In 2002, we-
2 we was relocated to different apartments around the
3 city. We came back in 2005 because the renovation
4 was completed. Since 2005, the UA shows that it's
5 the management that we have that we choose, and the
6 city been keeping around and around and around saying
7 that they keep on saying they don't have their
8 booking order, and the city is not doing nothing to
9 really make them complete the process because since
10 2005 until 2017 it's been too long. We've been
11 taking our classes. We took it in 2006, they decide
12 in 2014 that they-we need to do it again. We did it
13 again. We've been doing all what the city says, but
14 the people that are administrating us is not doing
15 their job because they are keeping delaying us,,
16 delaying the process. In the meantime, the city keep
17 on changing, everything keep on changing and our
18 enjoyment keep on going down especially now. So, we
19 want to make-we want to really bring it out and see
20 how HPD could help us to really complete this because
21 they are-they're now putting their attention on for
22 our needs and our-and supporting in our need to
23 become owners. Right now we are on the Edge Pro (sic)
24 package and they are keeping behind because they said
25

2 they need to bring out project, and they are not
3 doing nothing about it. They've been six months
4 already saying that they need to—they want to get
5 back the—the—the [bell] budget process, but they
6 haven't do it. [background comments]

7 ARLENE TORO: Hi, my name is Arlene Toro
8 and I'm one of the tenants of 102 East 98th Street.
9 My testimony is that we've been under HPD program for
10 20 years. They promised us to be—that we're going to
11 buy our own apartment for \$250. That—we don't have
12 any kind of communication with ANCP. We were
13 notified. Well, by word of mouth, we found out that
14 we were in the program of ANCP. No letters, no
15 nothing from this organization. We know—we don't
16 know anything about it. Our building has gone
17 through a lot. Where we live there was an area it was
18 not only it had drug and everything, all kind of bad
19 things happening in the neighborhood, and we came in
20 and we cleaned it Now, that everything is settled in
21 there, now they want to come over and take it. What
22 happened before that HPD has not done anything for
23 us? Our building is fall apart. Then onto the board
24 that we have—they have not collected a single penny
25 in making these meeting of going traveling or making—

2 making these paperworks for HPD. They have not
3 collected a single penny. However, HPD has not
4 stepped up to the program. The TIL program—I'm
5 sorry. The TIL program we had—they have not done
6 anything for us, and this point we don't want to have
7 a mortgage of \$300,000. We can't afford that, oh, we
8 don't want it because that's not what was promised to
9 us. What was promised to us was an apartment for
10 \$250. We were going to buy it. We were going to—the
11 building was going to be sold for a dollar, and
12 that's what we want. We want HPD to step up to plate
13 and give us what it promised us. We have all the
14 paperwork, everything the package. We don't miss
15 anything. Everything is perfect with compliance with
16 everything. Why is that now that they want to change
17 it to another program? Why is it that something when
18 it's starting to work out a little bit for the poor
19 people [bell] they want to change it, and they want
20 to say, oh, you know, what? No, let's try to enrich
21 somebody else. It's not fair to us. We cleaned the
22 area, and I'm sure that a lot of people in here are
23 on fixed income. No one is going to be able to
24 afford \$300,000, okay. It's not fair to us. We
25 don't want it. Okay.

2 LATIFA JONES: Hello, my name is Latifa
3 Jones. I live at 107 West 105th Street, and I've
4 been in the TIL program since 1987. I moved in that
5 building from a shelter with my three kids and I have
6 twins that are born in '86 and they're like 30 years
7 old now. I've been in that apartment for about 30
8 years, and I have become disabled. Now, I'm being
9 told they're going to—I'm going to—I don't even know
10 if I'm going to have a place to live. I feel that
11 there should be an investigation into HPD when they
12 sit at these agencies and give these agencies the
13 right to make these decisions, then they need to have
14 an overseer over the agency to be that long a
15 program, and for me to be in this Council meeting
16 today only shows that there is no checks and balances
17 to see what HPD is doing. They do what they wanted
18 to do, and now we are sitting here as evidence of 20
19 years and 30 years of being basically illegal,
20 illegal just criminal and—and there's probably some
21 criminal aspects in this to rid these people. I have
22 ten people in my building and there's 15 apartments.
23 Five apartments are empty. One was burned and never
24 fixed. We have three people that are sick with the
25 possibility if they go, how are we supposed to

2 maintain that building with rents when we can't rent
3 out the apartment. So, for them not letting us to
4 rent out the apartments to keep the revenue is a set
5 up for failure for nobody, and then they just tell
6 you're not in compliance. You don't have enough
7 money to do this. How are we supposed to file when
8 we're in their hands and they make all the decisions.
9 I believe there should be a proper investigation,
10 criminal or stop and cease. They're telling us in
11 two months how we have to sign these paper rules in
12 the apartment. We're about to close the deal with
13 somebody. You are telling me you want me to sign my
14 life away and me pay a mortgage for somebody who is
15 going to do a shabby job. Then they the told us
16 they're not even going to gut. They said they're
17 going to fix up stuff. So, all the lies. Everything
18 else is there. They need to put a proper
19 investigation [bell] as a result of this meeting of
20 HPD of them illegally trying to evict us in-in a way
21 of using the law trying to evict people, homeless who
22 were homeless like me to be back homeless again. How
23 can I afford that? It's-it's ridiculous to think I
24 could afford a mortgage on the income of being
25 disabled.

2 LATIFA JONES: So I just wanted to say I
3 think there should be an investigation because 30
4 years is too long. I'll be dead before they come and
5 fix this problem.

6 COUNCIL MEMBER ROSENTHAL: Well, I hope
7 that's not true, and

8 LATIFA JONES: The stress, the stress
9 could kill you.

10 COUNCIL MEMBER ROSENTHAL: Stress. Deep,
11 deep yoga.

12 LATIFA JONES: All these people are
13 stressed by that thing.

14 COUNCIL MEMBER ROSENTHAL: I just want to
15 say that each of you has raised a different point,
16 and each of these points are common sense good
17 questions that HPD has to come back with answers.

18 LATIFA JONES: Thank you.

19 COUNCIL MEMBER ROSENTHAL: And I
20 especially, you know, the many of the points you're
21 raising are things that council members have been
22 raising for the last three years. So, they resonate
23 with us, and by your coming here and testifying it
24 validates for us what we're fighting for. So, I

2 really appreciate your coming and waiting. Thank
3 you.

4 LATIFA JONES: Thank you so much for
5 hearing me. Thank you for your time.

6 COUNCIL MEMBER ROSENTHAL: Yep. Okay.
7 Barbara Martine. Yes. Good. Jessie Jess Diaz,
8 Manuel Felix, Carlton Boroughs. [background
9 comments] Thank you and again thank you for your
10 patience. I know it's been a long time. So, we
11 have—please take a seat and 1, 2, 3 and is there one
12 more person coming. Okay great. Great. Thank you.
13 It's me. We're going to start if that's okay. Sir,
14 do you want to begin because you're in my line of
15 sight.

16 CARLTON BOROUGHS: Yes, ma'am.

17 COUNCIL MEMBER ROSENTHAL: Just again
18 state your name and try to stay within the two
19 minutes. Please, tells us about it.

20 CARLTON BOROUGHS: I'll do my best.
21 It's—it's so much to cover. My name is Carlton
22 Boroughs.

23 COUNCIL MEMBER ROSENTHAL: Oh, one
24 second. He'll be right up. Hang on one sec. Sorry.

25 CARLTON BOROUGHS: Can you start it over?

2 COUNCIL MEMBER ROSENTHAL: Yeah, oh,
3 start over. Yes. Please, started the timer over.
4 Don't worry. Okay.

5 CARLTON BOROUGHS: I currently live in
6 the precursor to the ANCP program. I live in the
7 Third-Party Transfer Program tainted with fraud,
8 collusion, unethical behavior on the part of HPD.
9 What I'm living right now is what the people who will
10 buy into the ANC Program will have to live through.
11 We're burdened with \$6 million of debt. We're
12 burdened with shoddy work that was supposed to be
13 done during the renovation and never took place. So
14 my thoughts on the TPT program is that it's utter
15 failure. Residents are deceived into thinking that
16 they are getting a good deal because of the low
17 purchase price. Residents will never be in a
18 positive equitable equity position. The TPT program
19 is labeled a limited equity program. The TPT program
20 should be labeled a no equity program. Note the
21 Regulatory Agreement, maintenance and look at the
22 apartment size and value. After 30 to 40 years
23 residents would have paid close to \$900 to a million
24 dollars in maintenance in apartment maintenance fees.
25 The TPT program is tainted with fraud. No official

2 certification by the city that the work was ever
3 done, violations were never removed, violations still
4 exist and all of these things that should have
5 occurred either before they closed out their loans
6 never occurred, but yet they—they closed on loans
7 where the building doesn't have a certificate of
8 occupancy. The work was never done, and they're
9 foreclosing on us right now. They're—they're—we're
10 in Supreme Court right now where they were able to
11 sell the note during the proceedings to another
12 investor. [bell] The city needs to know about that,
13 and all the astronomical amounts of money that
14 they've spent on shoddy work, one building, \$46
15 million to renovate, and the apartments look like the
16 people that—the condition that they were in when they
17 built them in 1901. So the last person to work on
18 that apartment is no longer alive probably. So, the
19 city needs like this lady requested an investigation
20 into the predatory lending practices of the Pension
21 Fund HPD and all of its partners in crime, the banks
22 included into why is it that they're spending these
23 astronomical amounts of money, \$46 million, \$15
24 million, another \$15 million, another \$16 million, \$7
25 million. All of this money is definitely going to

2 have a negative impact on the city's bottom line at
3 some point. They're going to create a financial
4 crisis right here in New York City because I believe
5 HPD is one of the most corrupt agencies in the city.
6 [background comments]

7 COUNCIL MEMBER ROSENTHAL: Thank you.

8 Sir. Tell that to Paula. (sic) [background comments]

9 JESSIE JESS DIAZ: Hello, everyone. My
10 name is Jessie Jess Diaz and I reside at 503 West
11 140th Street. I am one of the newest and the last to
12 get into the TIL program. I've only been there for
13 about 11 years. I am here today on behalf of my
14 tenants only for the reason why I guess I do feel
15 that the system is corrupted. I don't believe in
16 HPD. I don't believe in politics, and I don't
17 believe in the government. Only for the simple
18 reason why because of the situation we're in. I do
19 believe in our tenants. I'm going to explain why we—
20 I do believe in our tenants. Our tenants I have seen
21 our tenants who died in our—in the building since
22 I've been there, not one, not two, maybe three people
23 already have died in our building. I also do believe
24 that our tenants as a family we try to make the
25 building better. We used our money—I used my money

2 to fix my apartment, the floor, the walls, everything
3 just to make it look comfortable. I'm—I'm a single
4 parent who raised three childs—three girls two girls
5 that is mine and one that I adopted, and at this
6 moment one of them is graduating from Ohio University
7 with two degrees. The other one is going to be a
8 nurse, and the other one is going to try to be a
9 police officer. But what I'm trying to say is that
10 guess what? They all graduating. They're all coming
11 back home again. [laughter] Okay. So guess what?
12 Daddy got to still support them, and my situation in
13 this case scenario I feel we're being treated wrong,
14 not fair. What else can I say? All I know is that
15 our building now looks a little decent and we
16 complied with everything that HPD requested us to do.
17 [bell] All we want is a change, a change that we want
18 to be a homeowner because the system failed us, and
19 that's why we have to create the system.

20 COUNCIL MEMBER ROSENTHAL: Thank you.

21 JESSIE JESS DIAZ: Remember our children
22 is the future.

23 COUNCIL MEMBER ROSENTHAL: Right.

24 JESSIE JESS DIAZ: And please understand
25 this is simple. We're are all business partners

2 here. We have to think of it as a business whether
3 we're not educated or what, we need to get educated.
4 We were having classes at HPD. They no longer exist.
5 I got—I got proof. I got an email. They told me oh,
6 I want to go back into a class and see if I can get—
7 educate myself a little bit more, understand more
8 about the building. No more classes. I get it.

9 COUNCIL MEMBER ROSENTHAL: We're going to
10 have move on, but I hear you—

11 JESSIE JESS DIAZ: Yes.

12 COUNCIL MEMBER ROSENTHAL: --loud and
13 clear. Thank you.

14 JESSIE JESS DIAZ: You're welcome.

15 BARBARA MARTINO: My name is Barbara
16 Martino. I come from the same building, 503 West
17 140th Street. As Jesse said, a lot of what was going
18 on. I've been in the building 64 years. I was born
19 and raised there. My mother died waiting to become a
20 homeowner. We've been in that program over 13 years,
21 and what we want—all we want is become shareholders.
22 We want what they promised to give us. We want what
23 our contracts that we signed stated. We want to
24 become an HDFC. We want something. We want a better
25 future for our children for my grandchildren and, you

2 know, the city hasn't done it. They've back out on
3 us. They're leaving us out in the open. They--before
4 we know it, they might us to a for-profit landlord,
5 and what's going to happen to us. Because they keep
6 changing the program. They keep coming up with new
7 rules and regulations, and we're in t complete
8 compliance but they keep trying to push us back down.
9 So it's like it's designed for failure. [background
10 comments] It's designed for failure. Thank you.

11 MANUEL SITES: Buenos Tardes. [Speaking
12 Spanish]

13 TRANSLATOR: My name is Randall Sites
14 (sic).

15 MANUEL SITES: [Speaking Spanish]

16 TRANSLATOR: 402 West 170th(sic) In
17 Building 2.

18 MANUEL SITES: [Speaking Spanish]

19 TRANSLATOR: I've been living in my
20 building for 21 years.

21 MANUEL SITES: [Speaking Spanish]

22 TRANSLATOR: But before anything I want
23 to thank Palante and the Director Phil Sabatias (sp?)

24 MANUEL SITES: [Speaking Spanish]

2 TRANSLATOR: For the commitment and
3 support that she has given us.

4 MANUEL SITES: [Speaking Spanish]

5 TRANSLATOR: Doing these parts to become
6 owners of our own apartments.

7 MANUEL SITES: [Speaking Spanish]

8 TRANSLATOR: After a lot of talks from
9 HPD.

10 MANUEL SITES: [Speaking Spanish]

11 TRANSLATOR: Very beautiful.

12 MANUEL SITES: [Speaking Spanish]

13 TRANSLATOR: But the end result is
14 nothing, nothing, nothing.

15 MANUEL SITES: [Speaking Spanish]

16 TRANSLATOR: I want to refer Teddy Torres
17 our President in our building.

18 MANUEL SITES: [Speaking Spanish]

19 TRANSLATOR: That gentleman didn't fight
20 in our building for the best thing that we can do in
21 our building.

22 MANUEL SITES: [Speaking Spanish]

23 TRANSLATOR: In order to tread and
24 negative informs from HPD.

25 MANUEL SITES: [Speaking Spanish]

2 TRANSLATOR: Himself in degen-
3 degenerating.

4 MANUEL SITES: [Speaking Spanish]

5 TRANSLATOR: I don't know how HPD tells
6 the community so many lies.

7 MANUEL SITES: [Speaking Spanish]

8 TRANSLATOR: There are old people here.

9 [bell]

10 MANUEL SITES: [Speaking Spanish]

11 TRANSLATOR: Retired people.

12 MANUEL SITES: [Speaking Spanish]

13 TRANSLATOR: Sick people.

14 MANUEL SITES: [Speaking Spanish]

15 TRANSLATOR: There is no respect for
16 them.

17 MANUEL SITES: [Speaking Spanish]

18 TRANSLATOR: Before, HPD used to have a
19 slogan that homeless people who could not make it.

20 MANUEL SITES: [Speaking Spanish]

21 TRANSLATOR: The end result is all
22 opposed to that.

23 MANUEL SITES: [Speaking Spanish]

24 TRANSLATOR: How can this table judge all
25 these people?

2 MANUEL SITES: [Speaking Spanish]

3 TRANSLATOR: Who went on 30 years
4 managing their own building.

5 MANUEL SITES: [Speaking Spanish]

6 TRANSLATOR: And then from HPD they only
7 have one in that corner.

8 MANUEL SITES: [Speaking Spanish]

9 TRANSLATOR: Talking the customs here.

10 MANUEL SITES: [Speaking Spanish]

11 TRANSLATOR: Because they think that you
12 need a PhD to manage this building.

13 MANUEL SITES: [Speaking Spanish]

14 TRANSLATOR: Therefore, we want to buy.
15 We want to become owners, and do more with our lives.

16 MANUEL SITES: [Speaking Spanish]

17 TRANSLATOR: We know that they are
18 participating. It's the same thing that they say
19 sometime later.

20 MANUEL SITES: [Speaking Spanish]

21 TRANSLATOR: He's standing for action.

22 MANUEL SITES: [Speaking Spanish]

23 TRANSLATOR: Thank you very much.

24 COUNCIL MEMBER ROSENTHAL: Muchas

25 gracias, senior. Beautiful, beautiful. I mean I just

2 have to say your tenants are lucky to have you
3 obviously.

4 TRANSLATOR: And I'm very fortunate, and
5 I am, but Williams he wasn't here for a moment. I
6 love the button you've got on your shirt that
7 justice--

8 COUNCIL MEMBER ROSENTHAL: Yes.

9 TRANSLATOR: --that's what we're about.
10 We just want justice.

11 COUNCIL MEMBER ROSENTHAL: That's right.

12 TRANSLATOR: Just do the right thing for
13 us. That's all I'm asking. This is simple. Simple.
14 They want to make it complicated. We aren't
15 complicated. Simple TIL. Keep it TIL. We ain't
16 trying to have NAPCPA. Well, we don't want that. We
17 want TIL, T-I-L. It's simple.

18 COUNCIL MEMBER ROSENTHAL: You're turning
19 into a rap song. It's good.

20 TRANSLATOR: Well, guess what--

21 COUNCIL MEMBER ROSENTHAL: No, no, no. I
22 gotta go, I gotta go. We have to go on.

23 TRANSLATOR: I'm a--I'm a famous producer.
24 I had to stop my music career to become a single
25 parent. Yes, I did it all. Made money, did

2 everything. At the end of the day, there's nothing
3 to show off but my children of my success. They
4 graduated from college. That's all I got. That's
5 bigger than money.

6 COUNCIL MEMBER ROSENTHAL: You and me
7 both. You and me both, brother. Thank you so much.

8 TRANSLATOR: [interposing] But I do want
9 my apartment. I want my apartment, yo. I want my
10 apartment. We all want the apartment. We want to be
11 homeowners.

12 COUNCIL MEMBER ROSENTHAL: Thank you.

13 TRANSLATOR: Business partners.

14 COUNCIL MEMBER ROSENTHAL: Thank you all
15 again. [background comments, pause]

16 CHAIRPERSON WILLIAMS: Thank you very
17 much, Council Member Rosenthal and you have come
18 testify. As I mentioned, I would like to call HPD
19 back up, and so whoever is representing HPD, please
20 back up. [background comments, pause] Are you going
21 to be speaking also?

22 FEMALE SPEAKER: I came to.

23 CHAIRPERSON WILLIAMS: Just you? Can you
24 please raise your right hand? Do you affirm to tell

2 the truth, the whole truth, and nothing answer
3 honestly to Council Member questions?

4 Yes.

5 CHAIRPERSON WILLIAMS: Thank you very
6 much. Can you state your name?

7 SARAH MALLORY: Sure. So my name is Sarah
8 Mallory. I'm from HPD. I kind of want to preface by
9 saying that I apologize. Our senior staff had to
10 leave and I'm not authorized to speak today, but I am
11 here to take questions, and so I would love to take
12 the questions that you're asking, and then get back
13 to you with more comprehensive response.

14 CHAIRPERSON WILLIAMS: Okay. So, when I
15 left, I was introduced to Assistant Commission Winju
16 Billa. She as here when I left. Why did she leave?

17 SARAH MALLORY: She had to leave. I
18 don't know.

19 CHAIRPERSON WILLIAMS: She seemed to
20 leave at the point when I asked for HPD to come back
21 up.

22 SARAH MALLORY: I believe it was after
23 that.

24 CHAIRPERSON WILLIAMS: So, I just want to
25 put on the record that she were. She was introduced

2 as the commissioner, and my anticipation was she—she
3 would be her, and now I come back and she's gone.
4 So, I'm not happy about that at all, but I don't want
5 to be introduced to somebody who is going to be doing
6 this, and seems to conveniently leave when there's a
7 question to be asked to leave somebody who's going to
8 say that they can't the question. Even if she
9 couldn't answer the question, she should come up here
10 and say that. I think it's disrespectful to this
11 committee and disrespectful to this hearing and to
12 this Council. I would not have minded if she had to
13 leaver earlier. That's fine, but to leave at the
14 point when I specifically said I want to ask HPD a
15 question is disrespectful and it shouldn't happen.
16 Now, HPD wasn't here at the last hearing when this
17 came up, and all this appalling stuff came forward,
18 and there was nobody here from the Administration and
19 I was very upset about that. I was happy that
20 somebody stayed here. I happy they introduced the
21 Assistant Commissioner. I'm not too happy with the
22 discussions that we've had so far on some of the
23 things I'm trying to get—trying to get changed, and
24 as I mentioned, I want to be clear had she left when
25 everyone else left, then that would make sense, but

2 for her to leave at the point that I asked a
3 question, is completely unacceptable, and I want you
4 to bring that back to whomever you need to bring it
5 back to.

6 SARAH MALLORY: I'll bring all comments
7 back, yes.

8 CHAIRPERSON WILLIAMS: My questions were
9 (1) I wanted to know what the thoughts are for a one-
10 year moratorium on anything to do with ANCP in moving
11 forward to it. That seems that that could be
12 something that—that is thought about, and the second
13 was would the tenants have any input in the selection
14 into the ANCP program? If not, why not and how we
15 can make that happen. But—but don't do that again,
16 and think that I'm not going to notice what's—what's
17 happening. Thank you. [pause] I'm furious at that.
18 I'm furious at that. [background comments] It was
19 disrespectful to all of these tenants that are
20 sitting here. [background comments] Jose Vasquez and
21 Palante Harlem, Russell Fowler. Thank you.
22 [background comments] I wish you would have taken
23 that, sir. I think this is Donna Gray, 138 West
24 137th Street. I see she might be in the other room.
25 [background comments] Donna A. Gray. Okay. Ella

2 Edwards, TIL Tenant Association. That's 374-76
3 Prospect Place. Ella Edwards if you're here.

4 ELLA EDWARDS: [off mic] I am here.

5 CHAIRPERSON WILLIAMS: Okay, well, just
6 in time. Yvette Ribbons, 161 West 140th Street and
7 Pasquale Tusan, 17 West 106th Street, Pasquale
8 Tusan. We'll give some time for folks to come up.
9 So Donna Gray, is she here? She's here. Do we know
10 if Ella Edwards is here?

11 ELLA EDWARDS: [off mic] Yes.

12 CHAIRPERSON WILLIAMS: Please come up.
13 Are you, Ms. Gray?

14 DONNA GRAY: Yes.

15 CHAIRPERSON WILLIAMS: Can you please.
16 Yvette Ribbons. Does anyone if Yvette Ribbons is
17 present?

18 FEMALE SPEAKER: She had to leave.

19 CHAIRPERSON WILLIAMS: She had to leave.
20 Pasquale Tusan. Does anybody know if Pasquale
21 Tusan is here?

22 MALE SPEAKER: He had to leave.

23 CHAIRPERSON WILLIAMS: Is Clarence
24 Parker, Jr. here? Clarence Parker, Jr., 138 West

2 117th Street. Clarence Parker, Jr. Cordell Claire.

3 [background comments] Cal Snyder.

4 MALE SPEAKER: Cal is here.

5 CHAIRPERSON WILLIAMS: Okay.

6 MALE SPEAKER: He went to get somebody,
7 but he's here.

8 CHAIRPERSON WILLIAMS: Who was he going
9 to get? [background comments] Clarence Parker is not
10 here? So, Clarence Parker is not here, and is
11 Pasquale Tusan here? Pasquale Tusan. No, Pasquale
12 Tusan. Alright. Can you each please raise your
13 right hand? Do you all affirm to tell the truth, and
14 to answer honestly Council Member questions?

15 PANEL MEMBERS: I do.

16 CHAIRPERSON WILLIAMS: Thank you, and you
17 can begin in the order of your preference. You each
18 have two minutes to give your testimony. [pause]

19 ELLA EDWARDS: The—alright. Good evening,
20 City Council. My name is Ella Edwards and I'm from
21 374 Prospect Place Tenant Association, and most of
22 everything was covered what I wanted to talk about
23 today, but there is still another main issue that's
24 in our building. Our building have several broken
25 beams. The roof needs repairing. Water seeps in,

2 and I was listening to HPD saying that once we start
3 paying for the oil and stuff that we can make repairs
4 in the building, but I think it's too dangerous of
5 the tenant association to try to make any repairs in
6 that building because right now if you go to the
7 building my apartment is still being held up by beams
8 in the basement from the 1990s where a gas pipe
9 exploded. And not only that, you go to the top of
10 the roof, you could take a camera and look to see how
11 the building is split down the walls, and that's how
12 water is coming in from the front and side of back
13 apartments. And, also in the vacant apartments above
14 me, the sewage had busted about three to five years
15 ago. HPD kept saying there was a cap put in, capital
16 jobs that they was going to make the repairments, but
17 they still didn't do it, and once we have a lot of
18 heavy rains and everything coming the apartment, it's
19 still--the water drains down between my bathroom, the
20 kitchen and it smells that way. And, I still have
21 pictures and everything on my phone. You could see
22 everything that I'm telling you is the truth. And
23 not only that, we sent letters, pictures to Prackler
24 Irving Political Office regarding the condition of
25 our building for Washington, DC, New York and Albany,

2 and even though we received a letter back from
3 President Obama, he was telling us that we should
4 contact Albany regarding that, and that's what we was
5 asking also that HPD should be under investigation.
6 And just today, I was at 100 Lowell Street (sic) and
7 I told them about this week when the heavy rain
8 started, one of the gutters fell off from the
9 building in the alley, and the first thing [bell] our
10 building coordinator told me, he say, Well, you all
11 have enough money in the bank. Fix it. And--and--and
12 this is just the problem, and the building it's in a
13 bad condition, and people we've been living that way
14 because HPD is always threatening you if you tell and
15 report everything like that, the building can go and
16 be condemned. And we still looking for that promise
17 of a dollar and a dream, and that's it.

18 CHAIRPERSON WILLIAMS: Thank you. You
19 said have things on your phone?

20 ELLA EDWARDS: Yeah, I have a lot of
21 pictures.

22 CHAIRPERSON WILLIAMS: Can you pull it up
23 and--and give it to the sergeant. I'd actually like
24 to see it. Than you. The next person can--

2 DONNA GRAY: Yes. Hi, my name is Donna
3 Gray—my name is Donna Gray. I'm from 138 West 137th
4 Street, and my buildings went into the TIL program
5 September 2000. When the building first came to the
6 program, 18 tenants occupied this 20-unit building.
7 At that particular time, HPD stated that if we were
8 successful, HPD would start the renovation process in
9 three years, but during those three years no rentals
10 would be permitted. If people moved out or died, the
11 apartment would have to remain vacant. At that time,
12 this was not an unreasonable move since it would only
13 be for three years. Almost 17 years later, HPD has
14 constantly refused to abide by their own rules, but
15 we are expected to continue the no-renting rule.
16 This is ridiculous. We have had tenants die, move
17 and be removed by HPD. We are now down to five
18 tenants, and one succession, which HPD not only
19 refuses to approve, but will not explain the refusal.
20 What is more, HPD will not even acknowledge the
21 appeal. Under these circumstances, how doe HPD
22 expect us to successfully manage this property?
23 Renting is the only source of our income. Years ago,
24 HPD stopped us from opening CD or savings accounts.
25 Thus, there isn't any other source of income for us.

2 The purpose of TIL Program is to be—enable all
3 participants to eventually stand independent of HPD
4 but this cannot be accomplished if we are continually
5 denied the tools to do it with. By HPD continuing to
6 refuse us rental permission, it is essentially [bell]
7 setting us up to fail. Is that now the goal of HPD?
8 Failure for also program participants by refusing to
9 grant them the tools to succeed. I think I speak for
10 all the TIL buildings when I say there needs to be an
11 amendment to this rule or have it abolished
12 completely. We cannot be expected to properly manage
13 these properties and be successful in this program
14 without the ability to rent. In conclusion, this
15 rule needs to looked at. Thank you.

16 CHAIRPERSON WILLIAMS: Thank you.

17 ELSIE VASQUEZ: Hi. My name is Elsie
18 Vasquez. I'm the Founder and Executive Director for
19 Palante Harlem. I want to thank the Council and
20 Jumaane you specifically for putting this together.
21 This is something that our organization has been
22 pushing for—for several years now. And, you know,
23 the reasons why we're here is because this is abuse.
24 Palante means move forward, but is an acronym. It
25 stands for People Against Landlord Abuse and Tenant

2 Exploitation. In this case, the TIL tenants are
3 being exploited. They're being asked to manage
4 literally free of the labor law issues. They manage
5 the buildings. They hold jobs. They have to do
6 financial reports every month. They have to get bids
7 out, and at the end of the day, HPD continues to show
8 a carrot saying you have to do X, Y and Z in order
9 for you to become a homeowner. And the reality is
10 that HPD, the Asset Management Division of HPD,
11 because the other side of HPD, which I adore, is the
12 Code Enforcement. Those guys save lives, but the
13 Asset Management is actually killing our people. Our
14 people are living in the deplorable conditions. On
15 our website, there are videos, stories, tenant
16 stories about what they are going through. With
17 Prospect Place, tears came out of my eye when I saw
18 one of the seniors how that she's been relocated
19 temporarily for nine years. What she used to go
20 through to get through her apartment that is
21 temporary supposedly for eight years, and yet they're
22 killing them. They are honestly killing our people,
23 and these are people of color. These are people who
24 live in these neighborhoods when no one would dare
25 walk around those neighborhoods. These were

2 undesirable neighborhoods. Today, these are the
3 gentrifying neighborhoods, and these people were told
4 \$250--\$250 you have to sell to manage. You have to
5 take training classes. The city for over 25 years
6 has been investing \$3.8 million on training [bell] on
7 the same training, the same people. How many times
8 do you need the same training, and yet they were
9 asked you have to sign this document, give away your
10 rent stabilization rights--you have rights, you have
11 succession rights--to into this month-to-month lease
12 so that you could be a homeowner. And then guess
13 what happened? What happened to two years expanded
14 to four, four expanded to ten, ten expanded to 20,
15 and lot of folks have died, but did he have
16 succession rights. So, a lot of these families were
17 also evicted. The children of the original
18 leaseholders have been evicted and up until 2014,
19 when we started working and really figuring out how
20 do we put HPD to the test. We managed to get
21 succession rights. Palante has been able to preserve
22 all of these--all of these units through that forum.
23 Now, we're on this next step and this is where we
24 need your help. We look forward to working with the
25 New York City Council. We need justice delivered for

2 these tenants. The city has plenty of money.

3 There's plenty of money in the city level, in the
4 state level there are now--there's so much money.

5 CHAIRPERSON WILLIAMS: I'm going to have
6 to ask you to give a closing sentence.

7 ELSIE VASQUEZ: Yes, I'm sorry. I get
8 very passionate about this. So, we're here because
9 we need a commitment from the New York City Council
10 to put money on TIL. We also need an immediate and
11 the reason immediate obviously an emergency word
12 because HPD is trying to transfer these buildings to
13 a third-party transfers and if this happens, we're
14 not going to be able to get these guys justice. And
15 if you guys cannot help then we will go to court and
16 we're going to show everybody. [laughter]

17 FEMALE SPEAKER: Go, Jumaane.

18 CHAIRPERSON WILLIAMS: If I was you, I
19 would have been in court probably. I mean I'm not
20 opposed to it if that's the tool you got to take.

21 [laughter]

22 CAL SNYDER: My name is Cal Snyder. I
23 work with Normal Siegel to help Palante. You know, I
24 think we can see that from the testimony today HPD
25 provided that now that it has something that it

2 really wants to do with these buildings. It wants to
3 push this ANCP program on the tenants faster than
4 they're prepared to go, and this follows HPD's
5 deliberate effort to stall the HDFC program for
6 decades. At the same time, it has been pretending to
7 the tenants that it was really going to come through
8 for them, and we know now that for 20 years that has
9 been essentially a lie, and since 2008 it's been a
10 complete fiction. Since that time, 2008 almost 10
11 years. We know that HPD knew that it would never
12 have the funding to create HDFCs out of these TIL
13 buildings, and it's just left the tenants languish
14 there, and the buildings decayed every since.
15 They're not prepared, the tenants, they're not
16 prepared to go ahead for at least a decade because
17 HPD has maintained the fiction the TIL Program was
18 real, and that the agency really meant what it said,
19 and that was not all--had not already abandoned its
20 promise to them, which it clearly had done. It is
21 positive that HPD now has planned an outreach program
22 to correct its past failures, but really the past is
23 not repairable, and the past is not negotiable.
24 HPD's plan is not just to address a lack of
25 coordination as it claimed today. What HPD's new

2 plan of outreach is, is really a sales program.
3 Let's not make any mistake about that. Everything
4 they talked about today is an effort to persuade the
5 tenants who have been waiting all this time to buy a
6 mortgage they can't afford [bell] and to rely on a
7 suspect federal subsidy that is likely to not ever be
8 there for them. And for that reason, we need to be
9 very, very skeptical of the promises that HPD is
10 making. The time for promises has long since passed.
11 The tenants deserve full accountability and honesty
12 about their rights, about the choices that they face,
13 and the rights that they have, and it's HPD's
14 responsibility now to deliver on that, and stop the
15 smoke screen of promises that they won't fulfill.
16 Thank you.

17 CHAIRPERSON WILLIAMS: I want to thank
18 all of you for your testimony and your patience. I
19 know hard it is to sit here. I guess we're almost-
20 it's 4-1/2 or 5 hours we're going on to testify for a
21 few minutes, and I really appreciate that. I've got
22 to give a special shutout to Ms. Vasquez for all of
23 your work in Palante and helping bring this to the
24 forefront. You're amazing and so are your tenants.
25 So, thank you so much. Appreciate it.

2 ELSIE VASQUEZ: And thank you.

3 [background comments, pause]

4 CHAIRPERSON WILLIAMS: Wilma Cabral. Do

5 we know if Wilma Cabral is here? Gone? Okay.

6 Beverly Pavone. Beverly. Okay. I think this is John

7 Montalvo, 158 [pause] South 158th South Fourth

8 Street, John Montalvo. Thomas Lopez-Pierre, Joy

9 Clark. Is Joy Clark here? [background comments]

10 John Montalvo.

11 JOHN MONTALVO: Yes, sir, right here.

12 CHAIRPERSON WILLIAMS: Oh, Montalvo is

13 here. Pierre, Joy Clark. Do we know if Joy Clark is

14 here? [pause] And Tammy Smith. [background

15 comments] Joy Clark is her. Okay. So we have

16 Beverly Pavone, John Montalvo, Thomas Lopez-Pierre

17 and Joy Clark. Is Tammy Smith here? [background

18 comments] Is that Tammy Smith. Oh, can we just get

19 another chair? Can you each please raise your right

20 hand? Do you affirm to tell the truth, the whole

21 truth, and nothing but the truth in your testimony

22 before this committee, and to respond honestly to

23 Council Member questions?

24 PANEL MEMBERS: Yes.

25

2 CHAIRPERSON WILLIAMS: Give me one
3 second. I'm going to call up the next five people
4 just so they're—they are ready if they are here. So
5 if these five people are here, please prepare to come
6 up after this panel. Deborah Johnson, 14 West 28th
7 Street; Rosa Rodriguez, 79 Post Avenue; Myra I think
8 it's Villasis, 1214 Broadway; Luiz Rodriguez, 44
9 Convent Avenue; and Barry Weinberg, 604 Riverside
10 Driver. Please get prepared to come onto the next
11 panel. You each have two minutes to give your
12 testimony and you can begin in the order of your
13 preference. [background comments]

14 TAMMY SMITH: [off mic] Hello, my name is
15 Tammy Smith. I'm the Treasurer—[on mic] of 158
16 Balfour Street Tenant Association. My TA—my TA
17 joined the TIL program in November of 2000. Since
18 that time, we manage our building to keep—we took the
19 required classes, we paid the rent, we paid the bills
20 on time. These were all the requirements of the TIL
21 program and, in turn, we were told we would own or
22 building. My TA was relocated from my building in
23 March of 2008 due to a foundation problem, and we
24 were told that our building would be renovated in 18
25 to 24 months. It has now been nine years, and we

2 have not returned to the building. Over the years,
3 we have inquired—inquired as to when we would be
4 renovated as we were told we were one of the top five
5 buildings to be renovated when we relocated. The
6 only response we have ever received over the years is
7 as soon as New York receives their fiscal budget, we
8 would be relocated. We were told up until September
9 2016 when we informed in a TA meeting with Vivian
10 Louie, Assistant Commissioner of Property Management
11 and Rick Chevez (sp?) the TIL Director at the time
12 that HPD TIL program, which we were a part of, would
13 no longer exist. They stated that HPD discontinued
14 the program and our only option was to finance
15 through the ANC Program. Vivian Louie also stated
16 that once we signed into the ANC program, she had no
17 idea when our building would be rehabbed. Our
18 building is 158 South Fourth Street in Williamsburg,
19 Brooklyn. She said that they needed to rehab the
20 bigger buildings that were waiting in the TIL Program
21 because it would look better on paper as opposed to
22 doing our small building, and we needed to sign up
23 for the ANCP program. We were never given any
24 written documents on this program. We were just told
25 we had no choice by the ANC program. Last year, HPD

2 took steps [bell] to kick out of the TIL program by
3 falsely putting us—our TA probation due to we had not
4 had a yearly election. We had had the election, in
5 fact, with our TIL coordinators Miles Agnes. We gave
6 them—we gave them proof that we the—the election, and
7 they still left us on probation. Come around 2017,
8 we had another election, and once again we were sent
9 a letter that we were on probation due to we did not
10 have an election. We had elections both in 2016 and
11 2017 at HPD TIL 100 Gold Street in their location.

12 CHAIRPERSON WILLIAMS: Can I ask you to
13 give closing sentence?

14 TAMMY SMITH: It has become clear to me
15 that HPD attempts to eliminate the TIL program is not
16 about having enough money. There is more than 140
17 buildings left in this program. It is about
18 gentrification of our neighborhoods. My building has
19 been in the program for 16 plus years. At the time
20 we signed into the program our neighborhoods were
21 less desirable, literally crime, drugs and
22 prostitution. However, we stood strong and we
23 managed our TIL program. At this time, however, the
24 neighborhood has improved, crime has decreased and
25 drugs have not disappeared by practically gone away.

2 And with the new era of gentrification, I see that
3 HPD is trying to push us out of the neighborhood and
4 not abide by their original TIL contract.

5 CHAIRPERSON WILLIAMS: Thank you very
6 much.

7 BEVERLY PAVONE: [off mic] Hello. I'm
8 [background comments, pause] [on mic] Hello, my name
9 is Beverly Pavone, and I'm from 2 East 127th Street
10 Tenant Association. I spoke at the hearing that you
11 had on March 15th, and I appreciate the Council
12 giving us this time to voice our—our concerns about
13 our building. Our building has been in the TIL
14 program since 1997 of November and we just like
15 everyone here as you heard have gone through all the
16 steps of what was needed in order to say compliant.
17 When they came up with these new compliance laws,
18 they've been making a lot of mistakes about us being
19 non-compliance, and that has somehow hindered us
20 being, you know, going forward. I would like to
21 address the—the concerns about the warehousing of
22 apartments. Under HPD's Guidelines, and even under
23 their Declaration of Purpose and Bylaws, it states
24 that while under the city ownership the association
25 shall meet lease—let lease the building from the

2 Department of HPD and the city of New York Tenant
3 Interim Lease Program. The association duties under
4 the lease shall include, but not be—but not—or not
5 limited to promoting tenant cooperation and
6 participation in all aspects of building management,
7 which we do. Collect rents, which we do. Least
8 vacant apartments to new tenants subject to HPD
9 approval in accordance with the TIL program
10 relocation policies, and initiate legal actions,
11 which we can't do. This is something that's in their
12 bylaws, and they want us to go by these bylaws, but
13 yet this specific portion Section 2-C of Article 2,
14 HPD has held [bell] us against—held us from not doing
15 that, which is as you heard, has been very
16 detrimental to the tenant association. So, within
17 the bylaws we should be able to do that, and I think
18 we should have—have that right immediately. Thank
19 you.

20 JOHN MONTALVO: My name is John Montalvo.
21 I'm here representing my parents. I also live in 158
22 with them. They moved into 1128 Manhattan Avenue.
23 No windows opened, no sink in the bathroom, the floor
24 is no good. They live on the third floor. They used
25 to walk up and down, but they can't no more. They're

1 both on walkers. It's hard for them to get down.
2
3 It's hard for them to get up. I take care of them,
4 and I also take care of myself, and it's not fair.
5 They promised them nine ago for them to move in and
6 they still haven't moved in. I think that if HPD
7 wants to, they could take our place, and see how it
8 feels for them not to have a place for them to live,
9 and treat them like dogs. Thank you.

10 JOY CLARK: My name is Joy Clark. I'm
11 the President of the 158 Southwest Street Tenant
12 Association. Let me just say much of what HPD told
13 you earlier was 100% incorrect, and they were aware
14 that they were giving you false information. When we
15 speak to HPD regarding our buildout at 158, there is
16 no talk of renovation. There's of boarding it up,
17 and having no idea of when we be-go home. We were
18 relocated nine years ago with the intention of coming
19 back in two-two-within two years. Any time we ask
20 them when we will be able to go home, they can't tell
21 us. I have emails I've sent them regarding issues in
22 my current apartments, leaks coming down near
23 electrical fixture in 2015, 2016. Still no answer
24 about what's going on with these leaks coming through
25 the building and the electrical fixtures which is a

2 fire hazard. March 20th, I walk into my bedroom, my
3 bed—the ceiling is on the floor. Okay, and I'm not
4 talking about just the plaster, I mean I'm seeing
5 rotted wood. I go into the bathroom, the negligee
6 and that same electrical fuse—fixture is now also
7 hanging down, and they're aware of it. You need
8 emails of me constantly telling them that this is an
9 issue. I have the emails. Every new director gets
10 an email. Every new director act like he does not
11 know what's going on. Are they not keeping files on
12 these buildings to know what's going on? Why do
13 every single person I speak to from HPD brand new I'm
14 starting from scratch. As soon as I feel like I'm
15 making headway, he's out there doing to somebody else
16 looking at me like I'm crazy. Okay, so it's just
17 disrespectful what they're doing to us. Okay, and
18 they're doing to purposely. The point of what they
19 were doing is for us to fail and to get us out of
20 this building. There's no ANCP. There's no TIL.
21 They want us on the street so these developers could
22 and make money. We were outright told by Vivian
23 Louie that our building is not profitable because
24 they're aren't enough vacant for re-sale and no
25 developer is going to take our building because they

2 can't make money off of it. So, who is making the
3 decisions on how these buildings are being renovated?
4 Is it the developer or the HPD? Okay, come on,
5 somebody has to answer somebody. You need to clean
6 house over there at HPD [bell]. They all need to be
7 let go. You've been working here for 15 years and
8 you collected a paycheck doing what? Fifteen years
9 and nothing to show. Anybody else would have been
10 fired by now. No, they just keep recycling them.
11 They need to get out. You are not going to
12 accomplish anything with that current board that you
13 have. They need to fire incompetent people hired in
14 that position. There needs to be oversight on top on
15 them. They need to answer for what they did, and
16 they're not. They're snakes in there. They'll smile
17 at your face, and behind your back they're plotting
18 on how they're going to get you out of that building.
19 Enough is enough and they need to answer for it.
20 There's no reason why I have emails where I've been
21 emailing for years. I either get no response or BS
22 response and, you know, it's just a runaround. Okay,
23 we paid to have our building, which they told us in
24 2008 when we moved there, you are not to go anywhere
25 near that building. We are now paying for a building

2 that we don't even live in clean out. That's taking
3 money out our TA. They want to diminish our money
4 down so low to where we can't afford or have any
5 money when we move back in. So, of course, you're
6 going to fail. Of course, your building is going to—
7 your apartment is going to be taken from you. It's a
8 mess. They need—no negotiations. Get rid of them.
9 Still have to stay in place. We cannot afford
10 \$300,000 apartments. What type of gold are they
11 putting in these apartments? There are brownstones I
12 could pay them less.

13 CHAIRPERSON WILLIAMS: I'm going to have
14 to ask you to give a closing sentence.

15 JOY CLARK: So, we've developed a museum.
16 That's good, and we already decided.

17 CHAIRPERSON WILLIAMS: Thank you.

18 THOMAS LOPEZ-PIERRE: Good evening, Mr.
19 Chairman. My name is Thomas Lopez-Pierre, and I'm a
20 tenant activist, and I'm also a candidate for City
21 Council in the Upper Manhattan. I'm challenging
22 Councilman Mark Levine who I'm disappointed is not
23 here to hear my comments. I've made many public
24 statements about what I believe is ethnic cleansing
25 taking place in Harlem and other communities of color

2 throughout New York City. Today only confirms what
3 I've been saying is I've seen person of color after
4 person of color come her and complain about what they
5 believe to be a corrupt system. I do not believe
6 that HPD is corrupt. I do not believe that HPD is
7 doing anything wrong. I believe the purpose of that
8 organization is to do exactly what it's doing, and
9 this is deplace—displace the Black and Latino people
10 in this community. They serve the bastions of our
11 elected officials. They serve the Council and they
12 serve the Mayor, and if we look at our elected
13 officials, I'll Use Mark Levine as an example, we see
14 that he has taken over \$100,000 in campaign
15 contributions from real estate interests, and we're
16 surprised that these developers are waiting to get
17 their hands on these properties, and we're surprised
18 that Levine has run out of this meeting. He's
19 probably going to go meet with one—with one of his
20 campaign contributors. This is disgusting. They
21 want these properties. My fear is that this program
22 is set up for failure. The debt that they are
23 applying to these buildings the tenants will not be
24 able to serve. These—the mortgage notes will be sold
25 to predatory equity and then they will be brought in

2 and pushed out. These tenants many of them are
3 making the mistake to think that they're tenants, but
4 they won't be tenants. They'll be shareholders and
5 they will get foreclosed on, not evicted. They have
6 to understand the concept. They will not be evicted.
7 They will be foreclosed on, and these developers are
8 sitting and waiting to get their hands. I hate to
9 say it, but if you look at Riverside Drive in my
10 neighborhood from let's 125th Street to 158th Street,
11 you see white person after white person after white
12 person buying HDFC co-ops. Why? Because they're the
13 only ones that can afford to pay all cash because no
14 banks are willing to give our people mortgages, and
15 these prices are not affordable to our people. We
16 have to keep real. This is about the displacement of
17 Black and Latino people. We've seen this before.
18 They kicked out of Central Park. They kicked us out
19 of Lincoln Center. [bell] I'll be done in a moment.
20 They kicked us out of Lincoln Center. That used to
21 be the Old Harlem and in the new Harlem, they're
22 trying to kick us out now, and unless we elected
23 political leaders, people like you, Mr. Chairman, who
24 are committed to our community, we need more 216
25 members so that we can vote in policies that will

2 protect Black and Latino tenants, Black and Latino
3 community members and keep out the predatory equity
4 that is coming to our community. Now that it's
5 "getting fashionable" and they are here to push us
6 out. They are not here to be our friends, and we
7 have to understand that, and I will end by saying
8 that I encourage everybody to vote. This election is
9 important. This Mayor needs to know, and I invite
10 you to visit my website thomaslopezpierre.com,
11 thomaslopezepierre.com or find me on Twitter and vote
12 Lopez Pierre. Vote Lopez Pierre. Thank you for
13 having me this evening.

14 CHAIRPERSON WILLIAMS: So I just do—the
15 one thing I want to say that, and I said before, I
16 think one of them is seated---I can't speak for any
17 one particular council member, but I can say that the
18 absence of any council member does not mean that that
19 person is not interested in the topic, and I guess
20 that would also include Council Member Levine. I
21 can't begin to speculate why he isn't here, but I can
22 say I—when I was on the other side, I used to get
23 annoyed when Council Members weren't here. Being on
24 this side I definitely understand you cannot be in
25 two places at—at one time, and you definitely cannot

2 be in 12 places at one time. And so, it is
3 impossible for us stay in hearing for 4, 5 or 6 hours
4 long, and then tend to—Because then they'll be asking
5 the same question at the other hearing, and then if
6 you have meeting with constituents all you have are
7 meetings. It's simply impossible. So, I don't know
8 about any specific, but Councilman as I said, I don't
9 want people to take the absence of any one Council
10 Member to mean that they were not interested. I am
11 happy that I'm here, and I'll be at the remainder and
12 make sure that everybody who testifies who wants to
13 testify has an opportunity to testify. Yes.

14 MALE SPEAKER: I have a picture if they
15 want to—

16 CHAIRPERSON WILLIAMS: Sure, you can give
17 it to the sergeant-at-arms. I want to thank all of
18 you for your testimony. Oh, no, ma'am. You said
19 someone told you that the bigger buildings were going
20 to be first?

21 TAMMY SMITH: Yes, she said—I was Vivian
22 Louie the Assistant Deputy Commissioner. I told her
23 that our building had been in the program. We've
24 never been on probation, and when moved out of the

2 building they said that we were up for renovation in
3 the next five buildings. [background comments]

4 CHAIRPERSON WILLIAMS: Sorry, is this the
5 only one I'm supposed to look. I don't want to-

6 MALE SPEAKER: Yeah, no that's the only
7 one.

8 CHAIRPERSON WILLIAMS: Okay. [laughter] I
9 don't want to get in trouble.

10 TAMMY SMITH: And when we went to the
11 meeting with her to ask her when our building would
12 be rehabbed, and she told us the only option we had
13 was the ANC program and that because we were a small
14 unit, we have four units in our building. It's a
15 brownstone, they would not be rehabbing us any time
16 soon even though we were relocated for nine years,
17 and she couldn't tell us when we would be relocated.
18 That the city is operated to do the bigger buildings
19 first because it looks better paper for them.

20 CHAIRPERSON SALAMANCA: Is-is-is Ms.
21 Louie still there?

22 TAMMY SMITH: She wasn't here today when
23 she should have been sitting next to Anne-Marie so I
24 take it just like everybody else, every ten months

2 they get rid of people so they are not held
3 accountable for the lies.

4 CHAIRPERSON WILLIAMS: Did they ever
5 leave that in writing?

6 TAMMY SMITH: No.

7 JOY CLARK: [off mic] They won't give you
8 that.

9 JOY CLARK: They won't give us anything
10 in writing. We even asked for information about the
11 ANCP program in writing and they won't give us
12 anything.

13 CHAIRPERSON WILLIAMS: I think you had
14 some comments about Ms. Louie also. Do you have any
15 of that I writing also?

16 JOY CLARK: No, they won't give you
17 anything in writing.

18 CHAIRPERSON WILLIAMS: Well, you—you were
19 not taken out because of no elections. You were put
20 on probation is that correct?

21 TAMMY SMITH: They-no, we were falsely
22 put on probation.

23 JOY CLARK: Falsely.

24 TAMMY SMITH: Falsely.

25

2 CHAIRPERSON WILLIAMS: Like what does
3 mean. What are the--what are the effects of being on
4 probation?

5 TAMMY SMITH: The effects of being on
6 probably you got to read all the TIL Guidelines and
7 I--

8 CHAIRPERSON WILLIAMS: Tell me what are
9 the negative effects of being on probation?

10 TAMMY SMITH: You can be kicked out of
11 the TIL program.

12 JOY CLARK: [interposing] The TIL
13 program.

14 CHAIRPERSON WILLIAMS: Have you been
15 kicked--kicked out of the TIL program.

16 JOY CLARK: No, because we fought them--

17 TAMMY SMITH: No, because we fought.

18 JOY CLARK: --and showed proof that we
19 exact--had our elections within a year two years in a
20 row, and that they-- We had our elections two years
21 in row timely. We had to fight to show that how they
22 didn't know that we didn't have the elections when we
23 had elections at 200 Gold Street with our HPD
24 representative there. So, I don't know what type of--

2 CHAIRPERSON WILLIAMS: Do you—do you have
3 —do you have the letter saying that you were put on
4 probation just because you didn't have--

5 JOY CLARK: Yes, yes.

6 CHAIRPERSON WILLIAMS: And you have proof
7 that you had the lectures in the 100 Wall Street.

8 JOY CLARK: Yes, yes, yes.

9 CHAIRPERSON WILLIAMS: Do you have any of
10 that with you today?

11 JOY CLARK: Not with me today, but we
12 need to give it to you, we definitely we can.

13 CHAIRPERSON WILLIAMS: Yeah, Mike.

14 MIKE TOOMEY: Yes, Council Member.

15 CHAIRPERSON WILLIAMS: When they're
16 leaving can you give them your card? I'd like to see
17 both of those.

18 TAMMY SMITH: Yeah and they did it again
19 this year.

20 JOY CLARK: This year again.

21 CHAIRPERSON WILLIAMS: And you had—both
22 times you had the elections at HPD?

23 TAMMY SMITH: Yes.

24 JOY CLARK: Yes, yes.

25 CHAIRPERSON WILLIAMS: Okay. thank you.

2 JOY CLARK: With their-with a
3 representative of HPD there in the building.

4 TAMMY SMITH: Our building coordinator.

5 CHAIRPERSON WILLIAMS: With the-

6 JOY CLARK: I'm the coordinator. That's
7 why have to be there.

8 TAMMY SMITH: [interposing] They have to
9 be at the meetings. They have to be there.

10 JOY CLARK: One year we had--

11 CHAIRPERSON WILLIAMS: And what building
12 is this?

13 TAMMY SMITH: 158 South Fourth Street.

14 JOY CLARK: 158 South Forth Street. One
15 year it was the coordinator and the UHAB person
16 representative. The UHAB person is to be there. I
17 think they said at one point UHAB wasn't working with
18 the any more. So, the following year it was just the
19 representative for HPD, and they still say that we
20 were non-compliant. That's my bedroom.

21 CHAIRPERSON WILLIAMS: Is it still like
22 that?

23 JOY CLARK: It's still like that.

24 CHAIRPERSON WILLIAMS: Wow.

2 JOY CLARK: And I have emailed them. I
3 have sent them from 2015 and that's probably not the
4 earliest, though.

5 CHAIRPERSON WILLIAMS: How long has it
6 been there?

7 JOY CLARK: Well, the--that's been like
8 that since March, early March, but the problem as far
9 as the leak the caused that has been coming down
10 since 2015. So they're aware. They're letting
11 things get to that point. That could have been a \$20
12 fix, but once it hit the floor, it's a \$500 fix.
13 Stop letting things get to this point.

14 CHAIRPERSON WILLIAMS: Alright, can I
15 keep going. I don't want to--

16 JOY CLARK: I think you can keep going.
17 There's nothing there, but you come to a point where
18 you can't even [laughter]--you'll--you'll come to a
19 point where you don't see any more. You'll see the
20 ceilings that fell down in the bathroom and then you
21 won't--probably see is like personal photos.

22 CHAIRPERSON WILLIAMS: Great hairdo.

23 JOY CLARK: Thank you. [laughter] Yeah.

24 [background comments]

2 CHAIRPERSON WILLIAMS: Can we please—
3 those of you who have that documentation Mike Toomey
4 over there he's going to meet you over there before
5 you leave.

6 TAMMY SMITH: Okay.

7 CHAIRPERSON WILLIAMS: He's got his card.
8 I'd really like to get that information.

9 JOY CLARK: Thank you.

10 CHAIRPERSON WILLIAMS: Yes.

11 TAMMY SMITH: Councilman/

12 CHAIRPERSON WILLIAMS: Yes.

13 BEVERLY PAVONE: That's—that's widespread
14 within HPD regarding compliances. We also for my
15 building were put on probation saying that one, we
16 didn't have elections when we did have elections, and
17 the way the elections is run is that someone from HPD
18 and UHAB has to be there.

19 CHAIRPERSON WILLIAMS: Were they—were
20 they suggesting that the—the elections weren't done
21 properly, or they're saying you didn't have them.

22 TAMMY SMITH: We didn't have it at all.

23 JOY CLARK: We didn't have them at all.

24 TAMMY SMITH: And then regarding the
25 financial reports that's another issue where it was

2 a-it was a thing where Vivian Louie and them had a
3 program where you could not submit your financial
4 report one month unless you did the prior month, but
5 in order for us to do that, we would have to give
6 that to them at least by the 15th of the month. We
7 have to wait until they do the-the-their portion in
8 order for us to get the next month to work on. So,
9 they were having problems at HPD, which was holding
10 up us being able to do the financial report, and yet,
11 they held us accountable for not putting in our
12 reports in on a timely basis.

13 CHAIRPERSON WILLIAMS: And you have
14 documentation of that also?

15 TAMMY SMITH: Oh, yes, we do.

16 CHAIRPERSON WILLIAMS: I'd like to see
17 that also.

18 TAMMY SMITH: Yes.

19 CHAIRPERSON WILLIAMS: And what building
20 are you?

21 BEVERLY PAVONE: 2 East 127th Street in
22 Harlem.

23 CHAIRPERSON WILLIAMS: HPD, can you
24 please make sure you document those two buildings.
25 Say your building again.

2 BEVERLY PAVONE: 2 East 127th Street,
3 Harlem.

4 CHAIRPERSON WILLIAMS: 2 East 120-

5 BEVERLY PAVONE: 7th.

6 CHAIRPERSON WILLIAMS: 7th and you were
7 held accountable for financial documentation that you
8 couldn't get because HPD didn't do their part.

9 TAMMY SMITH: Right, right. They had a
10 program where they held—they would not before the
11 next month.

12 CHAIRPERSON WILLIAMS: Okay.

13 TAMMY SMITH: Until they finished the
14 portion, and sent it back to us and then they give us
15 the other month.

16 CHAIRPERSON WILLIAMS: And your building
17 one more time. The same building.

18 TAMMY SMITH: Yes, 158th South Fourth
19 Street.

20 JOY CLARK: [interposing] Yes, 158th South
21 Fourth Street.

22 CHAIRPERSON WILLIAMS: 158 South Fourth
23 Street, and you were put on probation for having—
24 supposedly not having—

25 JOY CLARK: Elections, elections, yes

2 CHAIRPERSON WILLIAMS: --when you had the
3 elections in HPD with someone at HPD present.

4 TAMMY SMITH: Yes.

5 JOY CLARK: Right.

6 CHAIRPERSON WILLIAMS: Okay. Do-do-do
7 you know if the Assistance Commissioner, Vivian Louie
8 is still there?

9 SARAH MALLORY: [off mic] No, I don't.

10 CHAIRPERSON WILLIAMS: Okay. Thank you
11 very much, all for your testimony.

12 JOY CLARK: Thank you.

13 TAMMY SMITH: Thank you.

14 THOMAS LOPEZ-PIERRE: Thank you, Mr.
15 Chairman. [background comments] Deborah Johnson. Is
16 Deborah Johnson here? Does anybody what we're close
17 to? (sic) [background comments] Deborah Johnson, 415
18 West 28th Street, Louisa Rodriguez. Lisa. Barry
19 Weinberg. Is Barry Weinberg here? That's you. Myra
20 Billas, 1214--it looks like Old Broadway.

21 FEMALE SPEAKER: Oh, she's here.

22 CHAIRPERSON WILLIAMS: Oh, she's here.

23 Okay. Rosa Rodriguez. Wendell Foster.

24 FEMALE SPEAKER: He left.

2 CHAIRPERSON WILLIAMS: He left. Angela
3 Lopez, Erazelda Marte. Is Erazelda Marte or it's
4 Grizelda, Grizelda, 615 West 50th Street. Where are
5 you headed? [background comments] And Deborah
6 Johnson. We still don't have Deborah, is that right
7 and Grizelda Marte is not here. Is somebody—is
8 somebody going to have a translator. Is that what's
9 happening.

10 MALE SPEAKER: He's on his way.

11 MALE SPEAKER: Yes, he's on his way.

12 CHAIRPERSON WILLIAMS: So we have Lisa
13 Rodriguez, Barry Weinberg and Myra Avila.

14 MYRA AVILA: Yes.

15 CHAIRPERSON WILLIAMS: Rosa Rodriguez and
16 Angela Lopez.

17 BARRY WEINBERG: Any thing I need to say.

18 CHAIRPERSON WILLIAMS: A translator.
19 Alright. Can you each raise your right hand and do
20 you need to—do you need sit next to her?

21 FEMALE SPEAKER: No.

22 CHAIRPERSON WILLIAMS: Okay. So, okay—
23 can you translate so I know she knows what she's
24 commenting? Alright. Do you affirm to tell the
25 truth, the whole truth, and nothing but the truth in

2 your testimony before the committee, and to respond
3 honestly to Council Member questions?

4 BARRY WEINBERG: Yes.

5 CHAIRPERSON WILLIAMS: You understood.

6 FEMALE SPEAKER: Yes, I did. Oh, we're
7 good alright.

8 BARRY WEINBERG: Now, Luis is good.
9 Who's the translator? Oh, you are the translator.
10 Oh, does understand what--? Yes, okay. [background
11 comments] You'll each have two minutes to give your
12 testimony, and you can begin in the order of your
13 preference. [background comments]

14 LISA RODRIGUEZ: Thank you. First, I
15 must thank your for giving us this opportunity. My
16 name is Lisa Rodriguez. I'm from 615 West 150th
17 Street. We enter the Tenant Interim Lease Program in
18 1996. At that time, tenants were promised, you know,
19 what you have heard already, that if we can manage
20 the building for a certain number of years, we would
21 be able to buy our units for \$250. In 2007, at a TA
22 meeting with HPD's Victor Hernandez, then the Chief
23 Program Director and Rufus Harvey, the Building
24 Coordinator, Mr. Hernandez assured the building that
25 we were scheduled for renovations in Fiscal Year 2008

1 meaning any time between July 1, 2007 and June 30,
2 2008. Consistent with that—consistent with that they
3 had the budget, they started the relocation process
4 in 2008. That year, 15 families were relocated.
5 Their belongings were placed in a storage facility
6 paid by HPD to which tenants had no access, and
7 didn't know the location of the facility. Once, a
8 question was asked about the location and HPD's
9 answer was that tenants would have to retrieve all of
10 their belongings if they were go to the facility.
11 After we mentioned that issue on the 3/15/17 hearing
12 about the 2018 budget at the City Council Housing
13 Committee Room, I received a letter dated April 18,
14 2017 signed by A.A. Hendrickson informing the
15 location of the storage facility and giving
16 information on how to get access to it. Out of the
17 15 families who located in 2008, three were relocated
18 to TIL buildings. Nine are still living at HDFC. It
19 used to be 12, but two passed away and 1 was re-
20 relocated t a TIL building in 2011. The relocated
21 families paid their usual TIL rents to the TA, to our
22 TA. [bell] Oh, which then the TA paid the host
23 building. The rent at the HDFC is three to four
24 times higher than the TIL rent. The TA pays the
25

2 HDFCs and gets reimbursed every two months by HPD,
3 the difference between the TIL rent and the HDFC
4 rent. The monthly payments to the host HDFCs for
5 relocated tenants from 615 West 150th currently
6 amounts to \$9,699.12 totaling \$116,389.44 per year.
7 Up to March 2017, a total of \$1,133,863.24 have been
8 paid to HDFCs in rent subsidies for relocated tenants
9 only from this one building, 615 West 150th Street.
10 There are other buildings who are in the same—where
11 the same scenario exists.

12 CHAIRPERSON WILLIAMS: I'm going to have
13 to ask you to give a closing sentence.

14 LISA RODRIGUEZ: Yes. We—the closing
15 sentence is we ask for an investigation. First we
16 want to know what happened to the money they say they
17 have in 2008 to rehabilitate our buildings, and then
18 it dried out. Where did it go? What happened to it?
19 And we want, yes, we want to know that, and we need
20 the HPD to really think and-and plan better because
21 their planning is--

22 CHAIRPERSON WILLIAMS: [interposing]
23 Thank you.

24 LISA RODRIGUEZ: --really awful.

25 CHAIRPERSON WILLIAMS: Thank you.

2 BARRY WEINBERG: My name is Barry
3 Weinberg. I'm testify today as a member of Manhattan
4 Community 9's Housing, Zoning and Land Use Committee
5 in regards tot the TIL program and the ANCP overseen
6 by HPD. I also testified before this committee at
7 the March 15th Budget Hearing. I am not a TIL tenant
8 nor an HDFC shareholder. I am somebody with the
9 perspective of a person on the community board who is
10 attempting to keep our community to keep people from
11 being displaced and prevent gentrification from
12 further impacting our community, and I am watching my
13 city government forcibly gentrify my own
14 neighborhood. I have, you know, a lot have been
15 talking about the potential corruption and conflicts
16 of interest in ANCP when a third party is borrowing
17 money and then paying a construction firm with ties
18 to God knows who to do money-using work that would-
19 money that they will never have to repay. But the
20 fact is that HPD is allowing deadly conditions to
21 fester for people for whom the city is a landlord
22 and, in fact, waiting for them to die or vacate their
23 apartments so that they can be gentrified. I am
24 asking as a member of Community Board 9 and a member
25 of my community if there's a moratorium on transfers

2 under ANCP, but more importantly I am asking that
3 this runaway division of an executive department be
4 held accountable. This is a division that I making
5 policy effectively based without oversight from the
6 City Council before this. They left before you could
7 even ask them follow-up questions that apparently has
8 not been examined by DOI or the Controller or the
9 DA's of the Attorney General and the rot really is in
10 the staff of the a department that is not being held
11 accountable and that has no oversight, and that is
12 doing what it wants without answering to anyone. So,
13 you know, the Deputy Commissioner Anne-Marie
14 Hendrickson and those to whom she is in collaboration
15 are effectively gentrifying my neighborhood forcibly,
16 and without the Mayor, without people above them
17 properly overseeing them and holding them
18 accountable. I don't believe this is a direction
19 made by an elected official telling HPD to do
20 this.[bell] This is an unaccountable--this is a cadre
21 of unaccountable HPD staff and executives effectively
22 making decisions that have billions of dollars of
23 impact on our community. ANCP needs to stop. The
24 buildings currently in TIL need to be rehabbed
25 through TIL and become HDFCs for \$250 an apartment,

2 and then there needs to be a serious both oversight
3 and possibly criminal investigation of the people at
4 HPD who allowed this fester for three decades.

5 CHAIRPERSON WILLIAMS: Please continue.

6 ROSA RODRIGUEZ: Good afternoon. My name
7 is Rosa Rodriguez. I'm—I am the person for all the
8 79 Post Street Tenant Association. I've been living
9 at this building since 1980—1978 and we've been in
10 this building try to manage the building, and we've
11 got involved into the TIL program in 2004. So we're
12 one of the youngest ones, one the babies. Can you
13 not hear me? You hear. Oh, okay. We're one of the
14 baby they have in terms of the TIL building—no TIL
15 program in which I feel very, very sad about what's
16 been going on with all these tenants. They've been
17 there long than our building. It' so sad. I feel so
18 bad because I feel bad about our building, but their
19 buildings are worse than ours. I'm going to skip
20 over the paragraph here so we can hurry up. We were
21 promised to buy our—our apartment for \$250, and we
22 were promised to be relocated in two years or two
23 years and a half. We've been in—in the programs
24 since 2004, but our building we're fighting with the
25 landlords, the landlord coming into our building and

2 make our children and ourselves sick. So HPD didn't
3 took the burden away from the landlord. We took the
4 burden away from the landlords. Landlord because
5 there was a couple of landlords, and they promise us—
6 we got involved to the TIL program when Miguel
7 Martinez was our City Council, and he promised us a
8 lot and the HPD promised us that the TIL program was
9 going to give us the apartment, the building so as to
10 manage. So going to this program and trainings and
11 which all of the tenants there we have all the
12 Certificates of Occupancy. I have learned how to
13 remove and-and put toilets in a bathroom. Everything
14 I have learned other ladies and men in this building
15 have done everything. We are up-to-date with our
16 bank account. We have a little amounts that I think
17 none of the other buildings has. So we are—been
18 managing the burden. I think one of the best burdens
19 in the TIL program I believe is our—all of the things
20 that I have been seeing here and I've been hearing
21 here, and you can go and bring your proof of that.
22 But the thing is they promised us that we were going
23 to buy the apartment, manage our building and to
24 continue doing the good job, but every time they say
25 the money that city came for the building they would

2 go to some building that was worse than ours. We
3 were very—we were okay to do that because they need
4 it more than us. We're not in the street. Our
5 ceiling was bad. We fix it with our account. They
6 have everything we something bad they say you have
7 money in the bank you do it. So, that's what we have
8 been doing, but we've working very hard and we also
9 are pleased with action.

10 CHAIRPERSON WILLIAMS: [interposing] I'm
11 going to have to ask you to give a closing sentence,
12 please.

13 ROSA RODRIGUEZ: I ask them to please we
14 don't want the program, the program that they offer
15 us because for up to now you can do an investigation.
16 We have managed the building and we've been doing a
17 very good job with it. But since November 2016, Mr.—
18 our building coordinator asked us to stop doing all
19 the repairs because they was going to rehab our
20 building, and se didn't need to, but we had to do it
21 because we have a lot of emergencies (sic) in the
22 building. So, all we're asking is we don't want the
23 program. Ms. Christy also Council got I think to it.

24 CHAIRPERSON WILLIAMS: Thank you.

25 ROSA RODRIGUEZ: --like a month ago.

2 CHAIRPERSON WILLIAMS: Thank you very
3 much. Thank you.

4 ROSA RODRIGUEZ: And I'm sorry. I didn't
5 to say that. I got emotional.

6 CHAIRPERSON WILLIAMS: No, that's-that's
7 not going to be a problem. Okay. Thank you

8 MYRA VILLASIS: [Speaking Spanish]

9 TRANSLATOR: My name is-my name is-my
10 name Myra Villasis and I live at 1214 Old Broadway.

11 MYRA VILLASIS: [Speaking Spanish]

12 TRANSLATOR: Our building went into the
13 TIL program in 2002. It's been approximately 16 years

14 MYRA VILLASIS: [Speaking Spanish]

15 TRANSLATOR: So, I'm-I'm going to try to
16 say what's that. So, it's been approximately 16
17 years since we have followed the program and its
18 agreements hoping that our dreams of becoming owners
19 of our apartment would someday be fulfilled in a
20 renovated building that is in living condition. HPD
21 has promised-promised us a huge amount of things so
22 far, and we are still left with those empty promises.
23 Each time we have a meeting with APD-HPD, we say our
24 building is meeting all the requirements of the
25 program and this includes monthly financial reports,

2 apartment repairs, monthly meetings and trainings.

3 We are tired of hearing the same old promises that

4 HPD does not deliver. The HPD program is constantly

5 delayed due to the change of directors annually. I

6 find that they want the money from the bank account

7 to decrease steadily, and we do not know the purpose

8 behind that. HPD always threatened us with saying

9 that the TIL program will end if we do not meet its

10 requirements. Otherwise, we will be forced to change

11 programs. However, the same privilege we currently

12 have as well as the promises that have been left

13 unfulfilled will be lost after so many years of

14 waiting. What we need now is for HPD [bell] to keep

15 its promise and not just to words, but by taking

16 actions.

17 CHAIRPERSON WILLIAMS: [off mic] Thank

18 you very much. [on mic] Thank you very much. I

19 appreciate all the testimony. You mentioned about

20 the storage-storage, correct. I think you're the one

21 that brought it up. You also brought it up at the

22 last hearing.

23 ROSA RODRIGUEZ: Yes.

24 CHAIRPERSON WILLIAMS: Have you received

25 the letter that they spoke about?

2 LISA RODRIGUEZ: Yes, yes.

3 CHAIRPERSON WILLIAMS: Was it clear.

4 LISA RODRIGUEZ: Yes.

5 CHAIRPERSON WILLIAMS: And are you
6 satisfied with the response that they've given about
7 to reach them?

8 LISA RODRIGUEZ: Yes, and I thank you
9 because it was after hearing that I mentioned that
10 they decided to do that because they at the beginning
11 it was not—not even clear if they had said you cannot
12 go there if you don't fix everything.

13 CHAIRPERSON WILLIAMS: I appreciate that
14 and I'm glad the—the Council could assist. Thanks
15 again for all—al of the testimony. Thank you for
16 representing the community board who are representing
17 all the residents of their community. Thank you so
18 much. [background comments]

19 CHAIRPERSON WILLIAMS: Arlene Toro. Is
20 anybody in the overflow room?

21 SERGEANT-AT-ARMS: No.

22 CHAIRPERSON WILLIAMS: Arlene Toro. Are
23 you here Arlene Toro? Jose Marta, 615 West 150. No.
24 Mark and it looks like the last name starts with N,
25 615 West 150th Street, Mark Nohan, Nation Mart or is

2 that Marte, Clarence Parker, Jr. Is Clarence Parker,
3 Jr. here? Pasqual Tusan, Pasqual Tusan? Nadine
4 Young. Is Nadine Young here? Come on down.
5 [background comments] Giglio Pochardo, Nelson
6 Rodriguez. Alright. Juan Lora. Is Juan Lora here?
7 [background comments] That's all the people that we
8 have signed up to testify. Again, if you'd like to
9 testify, please make sure you fill out a form with
10 the sergeant-at-arms. Otherwise, these will be the
11 last of the folks that are testifying. Who—who do we
12 have waiting? Oh, that's okay and you'll be
13 translating. We'll need each other. Okay. So, just
14 make sure if you can translate so he knows what I'm
15 saying. Can you all please raise your right hand? Do
16 you affirm—you can speak into the mic so he can hear
17 you or you can go over there, which one the two?

18 TRANSLATOR: I'll go over there.

19 CHAIRPERSON WILLIAMS: Okay. Do you
20 affirm to tell the truth, the whole truth, and
21 nothing but the truth in your testimony before this
22 committee, and to respond honestly to Council Member
23 questions?

24 PANEL MEMBERS: I do.

2 CHAIRPERSON WILLIAMS: You will each have
3 two minutes to give your testimony and you can begin
4 in the order of your preference. [pause] Sure, you
5 can start.

6 NELSON RODRIGUEZ: [Speaking Spanish]

7 TRANSLATOR: My name is Nelson Rodriguez.
8 I represent the 79th Street Tenant Association

9 NELSON RODRIGUEZ: [Speaking Spanish]

10 TRANSLATOR: Our fight has been very
11 long, and we've been fighting for 27 years.

12 NELSON RODRIGUEZ: [Speaking Spanish]

13 TRANSLATOR: HPD didn't gave that
14 building. We won it in a court fighting the
15 landlord.

16 NELSON RODRIGUEZ: [Speaking Spanish]

17 TRANSLATOR: When the judge gave us a
18 favorable decision with call HPD so they help us
19 administer out building.

20 NELSON RODRIGUEZ: [Speaking Spanish]

21 TRANSLATOR: In 2003, HPD came to help us
22 and it's been 14 years.

23 NELSON RODRIGUEZ: [Speaking Spanish]

24 TRANSLATOR: Now, HPD wants to evict the
25 prime building after 14 years.

2 NELSON RODRIGUEZ: [Speaking Spanish]

3 TRANSLATOR: There is a company that we
4 don't even know who they are—who they are so they can
5 evict us from—displace us from our building.

6 NELSON RODRIGUEZ: [Speaking Spanish]

7 TRANSLATOR: Our low-income people are
8 going to have to find someone to defend us from HPD
9 because they don't want low-income people.

10 NELSON RODRIGUEZ: [Speaking Spanish]

11 TRANSLATOR: After 27 years fighting we
12 already know. [bell]

13 NELSON RODRIGUEZ: [Speaking Spanish]

14 TRANSLATOR: We don't get any income or
15 pension.

16 NELSON RODRIGUEZ: [Speaking Spanish]

17 TRANSLATOR: If they companies take over
18 our building, how are we going to pay our rent, how
19 are we going to survive?

20 NELSON RODRIGUEZ: [Speaking Spanish]

21 TRANSLATOR: HPD have to get someone to
22 take control of the situation because they are out of
23 control.

24 NELSON RODRIGUEZ: [Speaking Spanish]

2 TRANSLATOR: I hope that you at the
3 Council will help us.

4 NELSON RODRIGUEZ: [Speaking Spanish]

5 TRANSLATOR: Because we have a lot
6 enemies against us.

7 NELSON RODRIGUEZ: [Speaking Spanish]

8 TRANSLATOR: [laughter] We are all
9 people, we are people that live on pensions, and now
10 they want to take us out of New York City after we've
11 been here—here for so many years.

12 NELSON RODRIGUEZ: [Speaking Spanish]

13 TRANSLATOR: [laughter] We have worked
14 our whole life here, here in New York. We—we sweat
15 and now after we're old, they want to get rid of us.

16 NELSON RODRIGUEZ: [Speaking Spanish]

17 TRANSLATOR: [laughter] Maybe we're old
18 again now.

19 CHAIRPERSON WILLIAMS: [laughing]

20 NELSON RODRIGUEZ: [Speaking Spanish]

21 TRANSLATOR: [laughter] So, we hope that
22 you are this Councilman and thank you Council. Give
23 us a hand because those are monsters that wants to
24 give us a lie. [laughter]

25 NELSON RODRIGUEZ: [Speaking Spanish]

2 CHAIRPERSON WILLIAMS: Gracias. You're
3 not helping me at all Mr. Anderson.

4 PAUL LADD: [Speaking Spanish]

5 TRANSLATOR: My name is Paul Ladd. I've
6 been in the TIL program since 1998.

7 PAUL LADD: [Speaking Spanish]

8 TRANSLATOR: It's all promises. It's all
9 promises. They told us that back 2016 we were going
10 to finally sign so we can become owners, and now it's
11 2017, and look far in the year we are.

12 PAUL LADD: [Speaking Spanish]

13 TRANSLATOR: Our building has already
14 been renovated.

15 PAUL LADD: [Speaking Spanish]

16 TRANSLATOR: They move us out of the
17 building in 2008.

18 PAUL LADD: [Speaking Spanish]

19 TRANSLATOR: So they move us out of the
20 building in 2008. Then in 2010 we were brought back
21 into the building renovated and we're still not
22 owners yet. All they do is promise, and nothing
23 else.

24 PAUL LADD: [Speaking Spanish]

2 TRANSLATOR: Enough of the lies. I plan
3 to do what they said they needed to do.

4 PAUL LADD: [Speaking Spanish]

5 TRANSLATOR: We are very old. I'm the
6 youngest and I'm 78.

7 PAUL LADD: [Speaking Spanish]

8 TRANSLATOR: That's all I have to say.

9 PAUL LADD: [Speaking Spanish]

10 CHAIRPERSON WILLIAMS: Thank you.

11 REGINO PECHADO: Good evening. My name
12 is Regino (sic) Pechado. I'm speaking on behalf of
13 508 West 134th Street building, which we were
14 supposedly a tenants association. We—my mother—let
15 me explain it to you this way, Mr. Congressman. I
16 appreciate this time that I'm--

17 CHAIRPERSON WILLIAMS: Councilman. I'm
18 not in Congress yet.

19 REGINO PECHADO: Okay, okay, okay. I'll
20 vote for. We will all vote for you. [laughter]
21 Okay. Here's what it's is. It's a shame this—this
22 that these happenings. We're not in a terrible
23 country maybe in Venezuela somewhere. This is
24 happening in New York City and it's something that
25 has been happening for a long time. My mother bough

2 an apartment on 508 West 134th Street in 1974. I was
3 a little kid. We moved in. I've been living there.
4 I grew up. I got old there. I'm now 58 years old.
5 My mother just passed away, and she never saw the
6 renovation. Well, after all that has been said here,
7 which I testified to that and a lot more that has
8 been done by HPD. Let me explain it to you this way,
9 Mr. Councilman. I was coming here today to testify
10 on behalf of ACP and on behalf of another
11 organization, which I don't even know, and I'm the
12 president of the tenant association was on 34th
13 Street. ANCP I don't know who those people. We've
14 been led and herded like cattle into something I
15 don't want to find myself homeless out on the street.
16 My building has been renovated. It looks very
17 beautiful in the—on the outside, and I told the guy
18 listen, you want me to testify for you. I need to
19 see what has been done, the finished product. I've
20 been to my apartment and the old way it is. One of
21 the agreements was that we were supposed to oversee
22 the construction of the building [bell] in its—its
23 stages. We did not see any of that. We were
24 promised by HPD from the beginning of HPD. It would
25 have been in the beginning of the TIL program and

2 HPD, that it was going to take 18 months for the
3 building to get renovated. Then we were told by the
4 HPD when they moved us all out and we have been told
5 that for years that the renovation was going to take
6 two years, and then in two years we're going to be
7 back. I've been moved myself since 2008, and there
8 are people that have been there for over 10 years and
9 moved out of the building for over 10 years waiting
10 for the renovations. There were no pictures; that
11 didn't come. It all looks very nice on the outside,
12 and I'm dying to go back to my roots to where I-I
13 grew up and-I-call my-I call that home. But it's
14 very said what I said-what has happened in New York
15 City, and I believe there's a criminal element in HPD
16 doing for what they have done to all of us. I'm not
17 talking everybody. I live by myself.

18 CHAIRPERSON WILLIAMS: I'm going to have
19 to ask you to--

20 REGINO PECHADO: And a lot of stories I
21 can back up.

22 CHAIRPERSON WILLIAMS: --do a closing
23 sentence pleas.

24 REGINO PECHADO: Excuse me. That I can
25 back up with a lot of evidence. I-I would call for

2 like a criminal investigation of HPD. This is very
3 serious. This is no laughing matter. This is
4 something very serious and it's very sad what has
5 happened to the people of New York City.

6 CHAIRPERSON WILLIAMS: Thank you. Thank
7 you.

8 REGINO PECHADO: Okay, thank you very
9 much.

10 NADINE YOUNG: Good evening. My name is
11 Nadine Young, and I reside in the TIL building at 615
12 West 158th Street for the past 36 years. I'm the
13 Treasurer of the Tenants Association. Our building
14 entered into the TIL program in December 1996. That
15 is 20-1/2 years ago. We entered into the program
16 with an agreement that the tenants learn how to
17 manage the building in preparation for ownership,
18 buy-buy shares for each apartment regardless of size
19 for \$250 with 80% of the occupied tenants opting to
20 purchase the apartment after rehabilitation. The
21 building would then be converted into a co-op with
22 the tenants managing it. In August 2008, HPD
23 relocated 15 families outside the building since they
24 have the money to rehabilitate the building as per
25 Victor Hernandez, HPD TIL Director at that time.

2 Twelve families were relocated into HDFC buildings
3 and three families into TIL buildings. I asked Mr.
4 Harvey, who was our coordinator at the time, why are
5 we going to pay so much for tenants to go into HDFC
6 buildings and he said, the buildings are just rehab.
7 We need to help them to survive. I said but that's
8 not our responsibility. Why are you going to pay so
9 much money? So, he said we have to and so, of
10 course, we trusted them and we went. We had no
11 choice. So, we went. These tenants moved into
12 smaller apartments in order to cooperate with the
13 rehabilitation of the building. The HDFC building
14 apartments monthly rent charge is four to five times
15 the monthly rent paid in the TIL building. The HDFC
16 reimbursement payment was received from Pro
17 Management Associates, Inc. Construction Management
18 Account[bell] from 2009 to—from January 2009 to
19 December 2010. Which company is this? We have
20 repeatedly asked this question, and we have yet to
21 get an answer. Later, HDFC rent reimbursement were
22 sent electronically to the checking account by HPD.
23 As of Jan—as of March 2017, HPD spent over a million
24 to keep these tenants relocated. This amount does
25 not include the storage charges of the past eight

1 years. The TA in August 2010 had over \$500,000 in
2 CDs. We were told that we had to close them out. We
3 told them but we're going to be penalized, and they
4 said it didn't matter. We had to do it. So, the
5 nine CDs that the tenant's association has sacrificed
6 over the years going in there without painting and
7 just doing emergency repairs the nine CDs we were
8 told that we had to close out. The TA—the TA was
9 forced to start paying for fuel since it had money
10 because HPD when they learned that we had so much
11 money CDs, they said, oh, you can afford to pay your
12 own fuel. So, Mr. Hernandez called me. I was at
13 work, and he said, Oh, could you send me—send me all
14 the accounts, and that's the paper that you have, all
15 the accounts of the CD and how much money is in it.
16 And so, I did send it to him and he goes, oh, so you
17 guys have money so you can pay for the fuel. In
18 December we paid for the fuel from August 2010 to
19 September 2012, almost—almost \$300,000. We had to
20 plead with HPD because our funds were being depleted
21 because of the fuel and other emergency repairs that
22 we had to do in the building. So, HPD resumed paying
23 for the fuel in October 2012. Currently, the TA
24 checkbook balance is only \$63,000. That's not enough
25

2 to survive, and that's also sacrificing with no
3 painting, no repairs, just emergency.

4 CHAIRPERSON WILLIAMS: So, sorry. You—
5 since you're the last person signed up I gave you a
6 little extra time to go, but I did want to just
7 follow up with this. So, you had about \$550,000 in
8 CDs and the HPD made you take it out?

9 NADINE YOUNG: They told us to close them
10 out.

11 CHAIRPERSON WILLIAMS: Why? What was the
12 reasoning?

13 NADINE YOUNG: They said that—first, they
14 told us that they couldn't afford for tenants because
15 when you open the CD in the bank it's the officers
16 whoever it is at that moment, those are the
17 signatures on the—at the bank. So, HPD said that
18 they didn't access to the money, and then they told
19 us that they also learned that other tenant
20 associations was taking out the interest. I said.
21 Well, that's not us. We've been sending you the—the
22 reports on a monthly basis of everything.

23 CHAIRPERSON WILLIAMS: Uh-huh.

24

25

2 NADINE YOUNG: So, why do you want us to
3 close out if you're going to lose out, and they said
4 you have to do it. You have no choice.

5 CHAIRPERSON WILLIAMS: So, what--did you
6 other--you had another bank account that was for your
7 operating?

8 NADINE YOUNG: The checking account, yes.

9 CHAIRPERSON WILLIAMS: And that was going
10 well?

11 NADINE YOUNG: Yes.

12 CHAIRPERSON WILLIAMS: What was the--

13 NADINE YOUNG: And that--that account at
14 the time in 2010 we had over \$2,000--\$200,000 as a
15 running bond.

16 CHAIRPERSON WILLIAMS: Your operating?

17 NADINE YOUNG: Yes.

18 CHAIRPERSON WILLIAMS: How much did you
19 lose in penalties from this?

20 NADINE YOUNG: Well, we--we closed them
21 out one by one and to the nearest the maturity date,
22 and they send us--they called us and they let us--we
23 need you to close all of them out, the rest of them.
24 So we were doing them even though they--

25 CHAIRPERSON WILLIAMS: Okay.

2 NADINE YOUNG: --tells us because after a
3 point we're like this doesn't make sense, removing
4 money.

5 CHAIRPERSON WILLIAMS: How much--how much
6 did you lose?

7 NADINE YOUNG: Oh, we lost a--we jus lost
8 a lot. I don't recall right now, but we lost a lot.

9 CHAIRPERSON WILLIAMS: And the--and before
10 you started payments for the fuel, you were at \$283--
11 No. What were you at before you started paying for
12 the fuel?

13 NADINE YOUNG: What do you mean?

14 CHAIRPERSON WILLIAMS: In the--in the
15 checking account?

16 NADINE YOUNG: In the checking account we
17 usually balance and close out each month over
18 \$200,000.

19 CHAIRPERSON WILLIAMS: And what are you
20 at now?

21 NADINE YOUNG: Right now, we have only
22 \$63, \$63,000.

23 CHAIRPERSON WILLIAMS: This is 650 West
24 150th?

25 NADINE YOUNG: Correct.

2 CHAIRPERSON WILLIAMS: I'd like to ask
3 some questions about that as well particularly about
4 the CDs. I don't what the--what the governing
5 practice is around CDs and who they decide pays for
6 fuel and not pay for fuel. I guess I would imagine
7 that there's some--some TA that can't pay for it, and
8 you might want them to pay for it, but I don't want
9 them to necessarily deplete to the point where they
10 can't operate so I have some questions about that,
11 and what do you need to operate per year?

12 NADINE YOUNG: Well, since we're not, you
13 know, we're not--we're told not to--not to rent and not
14 to fix anything, it--it depends. We have an old
15 boiler. We have an old elevator that we're spending
16 money on. The roof leaks. It's only when it's above
17 a certain amount of money that they'll fix it.

18 CHAIRPERSON WILLIAMS: Okay.

19 NADINE YOUNG: We have apartments
20 sometimes when they--we could get it cheaper to fix,
21 and they said no, they'll do it, and then they turn
22 around and no, but you have to pay for it.

23 CHAIRPERSON WILLIAMS: And is it more
24 expensive?

2 NADINE YOUNG: And it's more expensive,
3 and it's not even as a job. [background comments]

4 CHAIRPERSON WILLIAMS: You said you were--
5 you said that you were unaware of the ANCP program?

6 REGINO PECHADO: I was unaware of that.
7 To tell you the truth, now we're supposed to be on a
8 30-year mortgage for 5--\$4 or \$5 million. I don't
9 know if it's up to the city when someone dies someone
10 in probation.

11 CHAIRPERSON WILLIAMS: Are you--are you in
12 TIL now?

13 REGINO PECHADO: No, they said that we
14 need to be in some other program, which none of
15 understood. See, we're all elderly people. It will
16 be all of us all of the tenants. It's a 15-story--
17 it's a 15-apartment building.

18 CHAIRPERSON WILLIAMS: You own your home,
19 you own the apartment now?

20 REGINO PECHADO: No, I don't. I'm in the
21 process of going back. I filled out the Section 8
22 information. I mean it's been three months and I
23 haven't heard anything back.

24 CHAIRPERSON WILLIAMS: What building is
25 this?

2 REGINO PECHADO: 508 West 134th Street.

3 CHAIRPERSON WILLIAMS: 508--

4 REGINO PECHADO: I'm—I'm in apartment 10
5 and I was with my mother before she died.

6 CHAIRPERSON WILLIAMS: Say the address
7 again.

8 REGINO PECHADO: 508 West 134th Street.

9 CHAIRPERSON WILLIAMS: Okay.

10 REGINO PECHADO: I'm in apartment 10. I
11 looked for apartment 10 back years ago and talk about
12 we didn't just---

13 CHAIRPERSON WILLIAMS: [interposing]
14 That's the building of the TIL right? That's the TIL
15 building? Not where you are now.

16 REGINO PECHADO: Yeah, that-no-no-no not
17 where I'm living now.

18 CHAIRPERSON WILLIAMS: Okay.

19 REGINO PECHADO: That's the TIL building.

20 CHAIRPERSON WILLIAMS: Okay.

21 REGINO PECHADO: Yes, sir.

22 CHAIRPERSON WILLIAMS: Alright, thank
23 you, and I need translation. I think the gentleman
24 said this building is already renovated.

25 TRANSLATOR: [Speaking Spanish]

2 NELSON RODRIGUEZ: [Speaking Spanish]

3 TRANSLATOR: It is renovated, yes.

4 CHAIRPERSON WILLIAMS: So is he back in?

5 TRANSLATOR: [Speaking Spanish]

6 NELSON RODRIGUEZ: [Speaking Spanish]

7 TRANSLATOR: Yes since 2010.

8 CHAIRPERSON WILLIAMS: So what's the—I
9 couldn't—what's the—so what's the issue now. It's
10 already renovated but what?

11 TRANSLATOR: [Speaking Spanish]

12 NELSON RODRIGUEZ: [Speaking Spanish]

13 TRANSLATOR:

14 CHAIRPERSON WILLIAMS:

15 TRANSLATOR: [Speaking Spanish]

16 NELSON RODRIGUEZ: [Speaking Spanish]

17 TRANSLATOR: We haven't signed—we haven't
18 signed to become HDFC.

19 CHAIRPERSON WILLIAMS: So, he doesn't own
20 it yet?

21 REGINO PECHADO: Excuse. I'm sorry I
22 know this building. They had like over \$200,000 in
23 the bank when they went to renovation, and—and they
24 still, the building got to be managed as it is

2 managed right now, but I know the company, and they
3 still haven't gotten the--the--the--

4 CHAIRPERSON WILLIAMS: Are there
5 currently problems with the build--the building or is
6 that the problem is that they just don't own it?

7 TRANSLATOR: No, [Speaking Spanish]

8 NELSON RODRIGUEZ: [Speaking Spanish]

9 TRANSLATOR: We are not owner yet because
10 HPD has not given us the paper to sign.

11 CHAIRPERSON WILLIAMS: [interposing]
12 What's the address?

13 TRANSLATOR: No, [Speaking Spanish]

14 NELSON RODRIGUEZ: [Speaking Spanish]

15 TRANSLATOR: 1508 Amsterdam.

16 CHAIRPERSON WILLIAMS: And lastly, he was
17 saying he won it in court, and I don't understand
18 what--what he won and how?

19 TRANSLATOR: No, [Speaking Spanish]

20 NELSON RODRIGUEZ: [Speaking Spanish]

21 TRANSLATOR: So, in 1998, they formed a
22 tenant association, and they took the landlord to
23 court. In court, the judge made a decision in their
24 favor--[Speaking Spanish]?

25 NELSON RODRIGUEZ: [Speaking Spanish]

2 TRANSLATOR: They just gave us the
3 building.

4 NELSON RODRIGUEZ: [Speaking Spanish]

5 TRANSLATOR: So we asked for the help—for
6 the help of HPD. HPD came over to our building and
7 then after 14 years, we got ready, we fought—we—we
8 got a certificate. We it to court, and now they have
9 a company and they're trying to take it our--

10 CHAIRPERSON WILLIAMS: [interposing] I
11 see. He had a bad landlord. He took the landlord to
12 court, and they were awarded the building, and then
13 HPD came and they joined into the program.

14 TRANSLATOR: It looks like the called--
15 they--they asked HPD for help.

16 CHAIRPERSON WILLIAMS: I see. Okay.
17 Thank you. I just want to thank each of you for your
18 testimony. Muchas gracias.

19 REGINO PECHADO: Thank you very much for
20 letting us testify.

21 CHAIRPERSON WILLIAMS: We don't have
22 anyone else signed up to testify. This obviously has
23 been a long hearing, but an important one. I agree
24 this--obviously this program has--has been a debacle.
25 My hope is that--I do take some encouragement, thank

2 you, by what I heard from HPD. My hope is that I
3 guess the new promises aren't broken like the old
4 promises and we obviously have some questions that we
5 still have to ask. I do agree that these communities
6 where a lot of these buildings are nobody wanted to
7 be in before, and they're primarily low-income and
8 Black and Latino communities. It's important that we
9 recognize that, and it's important that we protect
10 the communities that made New York City what it is.
11 So, I just want to thank everybody for their patience
12 today. I want to thank the tenants, Palante and
13 Norman Siegel, and the media who helped bring this
14 forth and the leadership of everyone and thank the
15 Public Advocate for—for her report. And I just want
16 to say congratulations to the Council because I think
17 we took a big leadership role here as well in making
18 sure this pushed forward. I was appalled at what I
19 heard back in March. I'm glad we could have an
20 expedited hearing here, and I believe all that
21 together helped push to get HPD to respond, and so I
22 hope the conversation going forward is much better
23 than what I've seen previously. So, and thank you to
24 Norman Siegel. I don't want to forget him, and for

2 the record we have testimony for Brooklyn Law School,
3 and with that, the hearing is now closed. [gavel]

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C E R T I F I C A T E

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



Date June 3, 2017