

Community Board 12, Manhattan
Minutes for the Housing and Human Services Committee Meeting
Special Summer Recess Meeting (Attendance Optional)
July 9th 2015 – Office Meeting Space
530 West 166th Street – 6th Floor
New York, NY 10032

Committee Members Present (3): Richard Lewis (Chair), Barbara Frazier and Felipe Wityk Sanchez.

Committee Members Not Present (5): David Mattera, Ayisha Ogilvie, Katherine Diaz, Estevan Nembhard and Jay Mazur.

Public Member Not Present (1): Christina Burgess.

Public (4): Joel Yoffie, Cheryl Miller, Mariel De La Cruz, and Ydanso Torres.

Staff: Paola M. Garcia.

Welcome, Opening Remarks, and the Agenda. Richard Lewis, HHS Committee Chair called the meeting to order at 7:07pm. Arrangements were made to record the meeting to a digital audio file on an OLYMPUS (c) handheld device. Board members introduced themselves as did members of the public present. No quorum was present during the entire meeting. Topics for tonight's agenda were outlined.

HHS Committee Chair's Report.

This special recess meeting was called by the committee at its last meeting in June to keep committee members informed on rapid developments, news, events in housing and human services.

- The Chair attended the final vote of the Rent Guidelines Board at the Great Hall in Cooper Union that was postponed until June 29th since the NYS legislative had not advanced any new legislation on the Emergency Tenant Protection Act (ETPA) that expired on June 15th. Even though it had been extended only for five days. After subsequent passage of the Rent laws of 2015 and when the RGB finally met it was an historic occasion. The Rent Guidelines Board voted for the first time to allow a rent freeze (0% increase) for one year renewals of rent stabilized leases. They also agree on a 2% rent increase for two year renewals. Rent Guidelines Order No. 47 will cover leases commencing between October 1, 2015 through September 30, 2016:
- Attended the annual Fair Housing Symposium - It's the Law, co-sponsored by HPD and the Human Rights Commission held at the Brooklyn Law School. Three panels presented issues on fair housing, discrimination, and the rights of people with disabilities, immigrant rights/immigrant communities and LGBTQ rights.
- The Chair was a panelist along with Manhattan Borough President Gale Brewer and Attorney Tim Collins at the "Demystifying Housing Expo" at the NYS Office building in Harlem on June 12-13. The panel was moderated by Ms. Elsia Vasquez, President of PALANTE Harlem, and a major tenant organization. The Chair also moderated a panel consisting of several community board housing chairs and Assemblyman Keith Wright on the topic of the "Role of Community Boards in Housing".
- Appearance at a protest demonstration on the non-renewal of commercial leases at 3880 Broadway and West 163rd Street.
- Attended a meeting with the NYC Alliance to Preserve Public Housing. The meeting was held with representative from NYCHA resident associations and their leaders, representatives from electeds, and other groups. The main purpose of the meeting was to provide a unified response to NYCHA's NEXTGENERATION Capital and Operating Budget Plan for the next five years. A draft document will be prepared.

Source Documents Released at the Meeting.

The following source documents (8) were distributed or made available at the meeting:

- Key change in 2015 Albany law can slow deregulation <http://www.realrentreform.org/2015/07/key-change-in-2015-albany-law-can-slow.html>

- DHCR Major Capital Improvement Opinion Letter – November 18th, 2008 http://tenant.net/DHCR_info/Opinion_Letters/Opinion_Letters_2008/DHCR_Opinion_Letter_COL2481-081118.pdf
- Noteworthy Changes Enacted by the Rent Act of 2015 <http://www.newyorklawjournal.com/id=1202730988580/Noteworthy-Changes-Enacted-by-the-Rent-Act-of-2015#ixzz3fHQVGN3z>
- RSA: New York State Rent Laws Extended For Four Years With Changes and RGB Rent Freeze <http://rsanyc.net/>
- Major Capital Improvements (MCI's) – A Real Incentive For NYC Landlords With Regulated Units <http://www.bemnyc.com/blog/major-capital-improvements-mcis-a-real-incentive-for-nyc-landlords-with-regulated-units/>
- Developers eyeing legal challenge to 421a labor deal <http://therealdeal.com/blog/2015/07/02/developers-eyeing-legal-challenge-to-421a-labor-deal/#sthash.apFS062m.dpuf>
- Developers mulling legal challenge to controversial property-tax-break deal <http://www.craigslist.com/article/20150702/BLOGS04/150709984/developers-mulling-legal-challenge-to-421-a-deal>
- New York bans 'poor doors' in win for low income tenants <http://www.theguardian.com/us-news/2015/jun/29/new-york-poor-door-low-income-tenants-rent>

Discussion on Changes and Outcomes of the New Four Year Rent Regulations and the 421-a Extensions.

There was a committee discussion on the legislation for rent regulated tenants and the fate of 421-a tax abatement. 'The year of the tenant movement' made a heavy push for major changes in the law for tenant protections for the emergency tenant protection act that expired or was allowed to sunset on June 15th. As in the past the Governor, the Assembly Speaker and the NYS Senate Majority leader after party conferences reached a deal, sometimes called the "Big Ugly".

Tenant advocates felt betrayed as hardly any of their reforms or the need to further strengthen the law for tenant protections were incorporated into the package legislation. However, the Democratic controlled assembly had nothing to bargain with the Republican controlled and landlord centered NYS Senate. They could as well go home with no legislation being passed, although the Governor could call special sessions to get things done. In the end with an agreement accomplished The Governor called this deal to extend **rent** regulation "the best **rent** reform ... extension deal and 'the best reform package in history' given the radical changes in the legislative leadership this session and the intense and external scrutiny by the federal government on potential corruption and backdoor deals. Here are some of the more important changes reported in the 'Rent Laws of 2015':

The rent laws are extended for four years, until June, 2019.

Some tenant advocates sought a shorter period.

The rent threshold for both high-rent vacancy deregulation and high-income, high-rent deregulation has been raised to \$2,700 from \$2,500. That threshold will be adjusted January 1, 2016 and each January 1st thereafter by the one-year guideline issued the prior year by the City Rent Guidelines Board. Significantly, for high-rent vacancy deregulations based upon the new threshold, deregulation will be based upon whether the legal regulated rent for the prior tenant was more than \$2,700. Although, it is not entirely clear whether this change will affect prior deregulations, based upon the legal regulated rent of the new tenant or of even that assumption could be challenged in court according to the opinion of one major law firm.

Some tenant advocates sought a total repeal of vacancy deregulation or an increase to a \$3,000 threshold.

The amortization period for major capital improvements (MCI) has been increased from seven years (which it has been since 1990) to eight years for buildings with 35 or fewer units and nine years for buildings with more than 35 units. MCI rent increases continue to be a permanent part of the rent. These new amortization periods apply to pending MCI applications. Significantly, owners are provided with a new one-time tax abatement for the MCI.

Some tenant advocates sought MCI increases that would only be temporary surcharges.

The vacancy allowance has been revised to address vacancies which arise after a prior lease where the tenant paid a preferential rent. In these cases, a vacancy allowance of 5% is permitted if the last vacancy lease commenced less than two years prior to the new lease, 10% if less than three years prior to the new lease, 15% if less than four years prior to the new lease, and 20% if four years or more prior to the new lease. These vacancy allowances, as with "regular" vacancy allowances, are applied to the legal regulated rent.

Some tenant advocates sought to prohibit preferential rents from increasing to the legal regulated rent and to either repeal or reduce the vacancy allowance to 7.5%.

Monetary penalties for harassment have been increased by various amounts.

The new rent laws are retroactive to June 15, 2015.

New York legislators recently approved an extension of the 421a tax abatement program. However, the new program is contingent on the Real Estate Board of New York (REBNY) and the Building and Construction Trades Council of Greater New York (BCTCGNY) reaching a wage agreement for workers employed at sites benefitting from the 421a program.

Labor organizations advocate that projects receiving 421a benefits should pay a prevailing wage, while developers counter that increased labor costs may make projects economically unviable. If both parties fail to make a wage agreement by the end of the year or the program will expire.

The New 421a Program (if REBNY and BCTCGNY reach a wage agreement)

The bill recently approved by lawmakers extends the current plan for four years.

Extends the length of exemptions to a maximum of 35 years.

Requires that all rental projects include affordable housing.

Provides developers with three options to comply with affordability requirements.

Prevents the use of "poor door" entrances or segregation of affordable housing tenants.

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Other Committee Discussions on the SCOTUS decisions on Disparate Impact and Gay Marriage.

To the surprise of many the United States Supreme Court at the end of June supported what many have called a 'liberal agenda' on civil rights issues. Civil rights groups won a victory as the Supreme Court ruled that claims of racial discrimination in housing cases shouldn't be limited by questions of intent.

The court affirmed a Court of Appeals decision in a case in which a nonprofit group, the Inclusive Communities Project, said that the Texas Department of Housing and Community Affairs had contributed to "segregated housing patterns by allocating too many tax credits to housing in predominantly black inner-city areas and too few in predominantly white suburban neighborhoods."

The 5-4 ruling endorses the notion of citing disparate impact in housing cases, meaning that statistics and other evidence can be used to show decisions and practices have discriminatory effects — without proving that they're the result of discriminatory intentions.

While our nation has made tremendous progress since the Fair Housing Act was passed in 1968, **disparate impact** claims remain an all-too-necessary mechanism for rooting out discrimination in housing and lending. It should be noted that his ruling may have a negative effect on the Mayor's proposal for inclusionary zoning, if tested in the courts and or various 421-a ratios or HPD affordable housing placement or AMI criteria. [See](http://apps.npr.org/documents/document.html?id=2110975-scotus-fair-housing-act)

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States cannot keep same-sex couples from marrying and must recognize their unions, the Supreme Court says in yet another surprise ruling that for months has been the focus of speculation. The decision was 5-4. For more information see the 100 page decision at <https://assets.documentcloud.org/documents/2111867/scotus-gay-marriage-decision.pdf> **NOTE:** Same sex marriage has been legal in NYS since last year and this decision makes in universal in the United States.

The end of June has been a very busy period for legislation, agency reports and rulings and now major court decisions.

Some New Reports from New York City and New York State Agencies.

Several new reports have been released. The NYC Comptroller Office released a report on NYCHA Vacancies:

“An audit released today by New York City Comptroller Scott M. Stringer found that New York City Housing Authority (NYCHA) keeps apartments off the rent rolls for an average of 7 years while doing major repairs. A total of 80 apartments have been left vacant for over a decade, and another 161 apartments have been empty for between three and ten years. In addition, while the Authority claims to have 2,342 vacant apartments, the audit made clear that NYCHA's figures were estimates at best, with some of the units actually occupied by squatters and other City agencies. “The fact that NYCHA has left 80 apartments vacant for over a decade, and another 161 apartments sitting empty for between three and ten years, is

simply unacceptable,” Comptroller Stringer said. “The more than 270,000 New Yorkers who are waiting for housing deserve much better treatment than that. It’s well past time for NYCHA to start getting it right.” - See more at: <http://comptroller.nyc.gov/newsroom/comptroller-stringer-audit-nycha-renovations-keep-apartments-vacant-for-an-average-of-seven-years/#sthash.4u1jRugQ.dpuf> “

The NYS Comptroller released a report on the Economic Snapshot of Washington Heights and Inwood:

“Washington Heights and Inwood Economies Set Records, But Hurdles Remain - The number of jobs, businesses and people living in Washington Heights and Inwood have reached record levels, but low household incomes and a shortage of affordable housing are challenges, according to an economic snapshot released today by New York State Comptroller Thomas P. DiNapoli. The report is part of a series by DiNapoli examining economic issues across the five boroughs. “It’s exciting to see the gains that the Washington Heights and Inwood neighborhoods have made so far,” said DiNapoli. “People are moving to these neighborhoods, new businesses are being created and there are more local jobs than ever before. However, a number of issues still need to be addressed, including the growing need for affordable housing.” See an Economic Snapshot of Washington Heights and Inwood in English and Spanish or <http://www.osc.state.ny.us/osdc/rpt2-2016.pdf> or http://www.osc.state.ny.us/osdc/rpt2-2016_sp.pdf

The NYC Fiscal Year 2016 Budgets \$78.5 billion approved for July 1st, 2015 to June 30th, 2016.

The City Council formally approved a \$78.5 billion city budget this afternoon, days after coming to an agreement with Mayor Bill de Blasio. The budget, adopted for the 2016 fiscal year, includes the overwhelming majority of the priorities the Council had pushed—including 1,300 new police officers, money to keep libraries open 6 days a week, and increased funding for senior citizens and veterans. <http://observer.com/2015/06/city-council-approves-78-5-billion-budget-for-new-york-city/>

The Public Service Commission (PSC) releases its new Telecommunications Report for a Statewide Public Hearing.

New York State Department of Public Service CASE 14-C-0370 Telecommunications Assessment – “Staff Assessment of Telecommunication Services”

“This New York State Department of Public Service Staff (Staff) assessment provides a factual overview of the current landscape for communications in New York State, as well as historical perspective of certain industry and consumer trends. It builds upon past efforts, and seeks to establish a foundation for further dialogue and for the State to determine whether there needs to be changes to regulation, policies and practices to ensure that the communications industry in New York is “future proofed” to meet the rapidly evolving consumer demands. The last decade has produced radical change throughout the telecommunications industry. Previously, voice and video were distinct services, with different technology platforms, capabilities and benefits. This is no longer true. The Internet and broadband connections to the Internet have emerged as a powerful technology that has disrupted all of the conventional wisdom that governed the mechanisms, business models and regulatory construct for overseeing voice, cable and data communications throughout most of the 20th Century and until this year, the 21st Century.”

<http://www.scribd.com/doc/272957176/Staff-Assessment-of-Telecommunications-Services>

Committee Discussion on Planning and Some Projects.

Member of the HHS Committee will engage with several tenants in buildings having essential services issues and repair problems. We will attempt to offer some assistance and empowering them and their neighbors in forming viable tenant associations. We will also try to complete our district’s vacant lot study. Since all of the committee members are on recess we will resume this discussion on planning in September.

The meeting was adjourned at 9:00pm.

Respectfully Submitted by
Richard Lewis – Chair
July 9th, 2015