Alida Camp
Chair

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The City of New York
Community Board 8 Manhattan
Housing Committee Meeting
Wednesday, November 25, 2020 - 6:30 PM
This meeting was conducted via Zoom

Resolution for approval: Item 1

MINUTES:

CB8 members present: Alida Camp, Barbara Chocky*, Anthony Cohn, Saundrea Coleman*, Rebecca Dangoor, William Freeland, Ed Hartzog*, Rebecca Lamorte*, Greg Morris*, Jane Parshall, Rita Popper*, Peggy Price*, Kim Selway*^, Cos Spagnoletti, Marco Tamayo

Members of the Public: Will Brightbill (CB8), Sam Stein (CSSNY)

Excused Absence: Wilma Johnson*

Unexcused Absence: Bessie Schachter^*

*Housing Committee member
^*Public Member*

1. **Update on Evictions – Samuel Stein, Housing Policy Analyst, The Community Service Society of New York.**

Samuel Stein from the Community Service Society came back to provide the Committee an update on the progress, if any, since July – when he came before the committee to address the issue of evictions and rent relief in light of COVID-19 - regarding the rent and mortgage and eviction moratoriums.

He noted that as a result of so many Executive Orders – in response to the COVID-19 crisis many people could fall through the cracks because of the ad-hoc nature of the orders and the varying dates of each one. Sam noted that evictions were beginning to pick up in upstate because of the confusion.

Because this is the biggest housing crisis since 2008, Sam stated that there was a real opportunity to possibly enact another Mitchell-Lama program for affordable housing and to explore new ways to address the affordability crisis. Among the ideas was converting underutilized hotels into apartments – with tourism expected to remain depressed, it is an attractive alternative to otherwise extended vacancies.

Sam mentioned some legislative options including the Tenant Opportunity Protection Act (TOPA) and an equivalent version before the City Council (COPA). The members of the committee were curious as to the best ways to address the uncertainties facing tenants and homeowners.

To that end, it was suggested that the legislature be brought back to address these issues. As such, the following resolution was considered.

WHEREAS, the current Executive Orders expire in December and,

WHEREAS, another Executive Order will not be adequate to address the current situation, because of too many loopholes in the current process(es) for relief and tenants are still being evicted and,

WHEREAS, the Tenant Opportunity Protection Act appears to provide the necessary relief to address the current crisis and legislation will provide more certainty and continuity than Executive Orders,

THEREFORE, BE IT RESOLVED that, the state legislature should be called back to Albany to enact the Tenant Opportunity Protection Act before the end of this year.

After discussion, the Committee passed the Resolution 14-0-0

(Yes – Alida Camp, Barbara Chocky*, Anthony Cohn, Saundrea Coleman*, Billy Freeland, Ed Hartzog*, Rebecca Lamorte*, Greg Morris*, Jane Parshall, Rita Popper*, Peggy Price*, Cos Spagnoletti, Marco Tamayo) – Public Member – (Yes – Selway^)

Sam also provided the Committee a review of the just released report from the CSS entitled, "Corporate Windfall or Social Housing Conversions? The Looming Mortgage Crisis and the Choices Facing New York." A brief summary is below – a link to the report is here cssny.org/mortgagecrisis

Hundreds of thousands of tenants in New York State are facing growing rent arrears, potentially setting off a chain reaction that could lead to a rental building foreclosure crisis comparable in scale to the 2008 crash. While the pandemic's economic impacts would be the trigger, this crisis would be rooted in an older problem: the risky approach to real estate finance adopted by many New York landlords and investors over the past 25 years. With the rapid growth of urban property values, small and large landlords have used their buildings' increased net operating income (NOI) to refinance their properties with larger and larger mortgages, overloading them with debt. These buildings will likely be the first to face financial distress and eventual foreclosure.

Financial distress in rental buildings is destabilizing and traumatic for tenants: to squeeze out money, landlords often defer basic maintenance and cut back on services like heat and hot water, while simultaneously raising rents. Living conditions deteriorate; neighbors leave; the building's value plummets. For real estate investors, the same financial distress presents a unique opportunity to scoop up buildings, or their debt, at a major discount. Many investors were already expecting the coming downturn (if not the pandemic) and have been saving and strategizing in search of opportunities to profit off others' losses, relying on the playbook developed in the wake of the 2008 crisis.

Even though the real estate market is cyclical, New York State does not have to follow the post-2008 crisis trajectory: a decline in rental building values does not have to lead to a consolidation of the market by large real estate investors, followed by another upswing in values, all at a tremendous cost to tenants. Instead, with intervention from policymakers, we can pursue a recovery that both stabilizes distressed buildings and grows the state's social housing sector, a model that is not as susceptible to fluctuations in the real estate market. We recommend that the city and state:

- Facilitate tenant, nonprofit, and public acquisition of distressed rental buildings, thus creating a pipeline for social housing development.
- Continue to expand tenant protections and code enforcement.
- Use tax policy to curb speculative behavior by landlords and lenders.

Old Business.

As there was no old business.

New Business.

And, as there was no new business.

The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Barbara Chocky and Edward Hartzog, Co-Chairs