MSCC

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SUBJECT:

Real Estate, Developers, And Other Corporate Entities Influence

Ladies and Gentlemen, Community Board Members, Elected Officials, and Attorney General:

THE COMMUNITY BOARDS MUST REPRESENT THEIR COMMUNITIES

The 59 community boards of New York City are expected to represent the public. However, not all community boards take such an earnest approach to honor *all* of its members. For example, those who are economically disadvantaged and suffering from homelessness, in part caused by the housing crisis, are likely *not* honored.

Removing inherent bias is a difficult task, but the community board members should strive to responsibly consider *all* people and community groups within its boundaries.

Community Board Five (CB5) until recently, strived to keep all its *community* members in mind. Those goals are now severely compromised. The operative word *community* is set aside as new CB5 members strategize behind the scenes to replace the mission of CB5 with their own special -interest.

Out of the approximately forty CB5 board members, four of them are associated with Open New York, a 501c4 organization that is permitted to lobby without disclosing its financial ties. These four Open New York members (one paid employee, one board member, and two dues-paying members) had not disclosed their affiliation, likely to obscure their goal to commandeer advocacy or govern public opinion.

As you may know, Vikki Barbero was chair of CB5 for six years, from 2024, after having devoted 9 years as Vice Chair of CB5. Moreover, Vikki is a 30-year veteran involved in the community: with 15 years as the chair of Public Safety/Quality of Life Committee; 12 years as CB5 Parliamentarian; and 8 years as a board member of Ali Forney Center, the largest organization dedicated to LGBTQ homeless youth in the country. Professionally, Vikki was an administrator for the Fashion Institute of Technology (FIT).

In contrast, Samir Lavingia, Open New York's paid Campaign Coordinator, attempted to replace Vikki Barbero as Acting Chair of CB5. Samir has neither the credentials nor the perspective to serve the community. He has no real concern for those who live on the fringe of society; his loyalty is to his employer, Open New York. Professionally, Samir was a San Francisco-based software engineer at Google before becoming involved with Open New York.

Open New York claims to "advocate for equitable development that expands all housing options for New Yorkers, including both affordable and market rate housing." But the 'affordable housing' term has been bastardized, overused, and misused to serve the real estate industry's marketing needs and to coax the public into accepting their schemes. After all, who would stand in the way of "affordable housing." In fact, Open New York interfered with Vittoria Fariello's struggle to achieve 100% Affordable Housing for 5 World Trade Center, which had been promised through the city's revitalization efforts for lower Manhattan, after the collapse of the World Trade Towers.

Open New York advocates for the wealth-extractive plans of investors, speculators and developers, all on the public dime.

Billionaire and co-founder of Facebook Dustin Moskovitz has funded Open New York to the tune of 3.5 million dollars during the past three years. Within this nonprofit– dubiously appealing for "affordable' housing and wedded to the "YIMBY" (Yes In My Back Yard) movement–exists a super pac called Abundant NY. And they are primed to influence elections by funding their political proxies to lift the zoning restraints and simplistically solve the "New York's housing

shortage by increasing the rate of housing production." This build mentality and let the market resolve the affordable crisis is likely a purposely ignorant ideology to continue extracting wealth from a collapsing economy.

A HISTORY OF DEVELOPERS ENRICHING THE PRIVATE SECTOR AT THE PUBLIC'S EXPENSE

Open New York's approach is consistent with a long tradition using the guise of "affordable" housing development merely to enrich the private sector at public expense.

New York City's housing development deals, usually set in motion long prior to public knowledge, give developers tax incentives to build their market rate or luxury apartments, and—with pretense of fairness—to set aside approximately 30% "affordable housing" for hopeful lottery winners (as if you won something) who are begging to be cost-burden and need to be earning an income of $83,000 to rent a studio or $183,000 to rent a one bedroom.

(The government awards tax subsidies and tax incentives to developers to treat impoverished people, who managed to unravel the red tape to get a voucher to qualify for an apartment, as second-class citizens.)

Corporate self interest and indifference toward the public is undeniable, "with former NYC Mayor Bloomberg's 2008 rezoning failure of Midtown, which allowed the over-saturation of hotels, squashed tenement buildings, and worsened the homeless and housing crisis." Other examples followed.

Hudson Yards Boondoggle

The Hudson Yards development fund had a financial plan that "didn't go too well, not from the public's perspective: The project hit hurdles commonly associated with mega-projects, including revenue shortfalls, cost overruns and spillovers, as well as revenue lost to tax breaks," according to The New School, Schwartz Center for Economic Policy Analysis. The New York

Independent Budget Office said as much with their analysis, highlighting the Hudson Yards financing failure and cost to the public. The Gothamist asked if we would ever see the 4.5 Billion of taxpayer money spent to cover the shortfall; have we? Maybe in spreadsheets or reports validating the financial finagling success to be used for their next adventure?

Furthermore, "the Related Companies, the developer behind Hudson Yards, raked in at least $1.2 billion," with the help from the Empire State Development (ESD) gerrymandered map qualifying the site for a "controversial investor visa program known as EB-5," that "was designed to lure foreign investment to distressed communities." But "Instead, it subsidizes luxury real estate."

Penn Station Plans

The Empire State Development Corp (ESD) and Vornado Realty Trust's equally myopic plan around Penn Station shows as much indifference to our housing crisis. Ignoring the worst vacancy rate and economic downturn of our time, it could demolish almost 20 million square feet around the Pennsylvania train station, "to bring more commercial property rentals to an already overly commercialized mecca," to complete their "river to river" commercial dream. The Empire Station Complex "is kind of the last piece in that puzzle," was the end note of Holly Leicht, ESC's spokesperson, during the CB4 and CB5 July 2021 Forum.

There is no learning curve for these folks: Most of us would think it's ludicrous to stuff another business district down the throat of this island—especially since Hudson Yards not only provided us with a peek into our dismal futures, it cost the taxpayers $2.2 billion. Yet here we are with Governor Hochul's unwavering support for the plan to crush people's homes, and eliminate small businesses in the Penn Station Area to support her donors.

Even public transit suffers as a result. Hochul's blatant disregard for the public and denial of Through-running's viability – a more efficient modern fluid transit system that would afford more convenience, access, and reach to other regions – has community groups, residents, and others rallying in opposition.

The Governor's donor Steve Roth, owner, Chairman, and Chief Executive Officer of Vornado Realty Trust, bemused us with the obtuse idea to erect tennis courts where the historic Hotel Pennsylvania—conversion ripe for approximately 2,000 apartments—once stood. Roth with an imaginable grin delighting in a *screw you moment* hastily flattened the building to prevent it from being landmarked.

Astoundingly, the state plan prohibits the site of former Hotel Penn to be developed with homes. And yet, when CB5's Land Use committee brought a resolution to the floor, calling for the state plan to be eliminated so that more housing can be built, CB5 Open New York members voted against it as a block.

DEVELOPERS EXACERBATE THE HOUSING CRISIS

Developers are not our friends, they are an existential threat. Commodifying and monopolizing while driving scarcity for the public is what the private sector does. The capitalist players collude to restrict markets, package financial scams, and buy political allies to ensure huge financial gains. The term "development" is wrongly used.

Scraping the bottom of the honey jar, the developers are unwilling to accept their limitations or find their morality, particularly as our real estate economy plummets. Desperate to maintain their euphoric rise in stock values in an imploding economy, record commercial vacancy rate, and extreme housing crisis, the developer, rather than being satisfied with modest increases of wealth, plots to steal public land to demolish and build us further into chaos. "The Signs of decline accumulate. The last 40 years of slow economic growth have seen the top 10 percent take nearly all of it. The other 90 percent suffered constricted real wage growth that drove them to borrow massively (for homes, cars, credit cards, and college expenses)." If there is only one revelation from the pandemic to survive, let it be the fallacy that the market is a gauge of a healthy economy.

Even Public Housing Under Threat from Related

Public housing is the last bastion of dignity and stability for those who do not earn enough to sleep in the comfort of today's market rate or luxury high-rise apartments. The New York City Housing Authority, *NYCHA,* "was created in 1934 to alleviate the housing crisis caused by the Great Depression.

After decades of NYCHA providing homes for people—followed by NYCHA's decades of neglect of those very same homes, the fate of NYCHA public housing is not being negotiated, but rather distributed to the Related Companies, L.P., an American real estate firm with headquarters in New York City and satellite offices around the country.

Looking for greater gains and straying from the original concept of refurbishment and management, Related and NYCHA plan to demolish approximately 3,000 homes within the Elliot Chelsea and Fulton House—to steal the land beneath and around it.

Related and its supporters insist that it is in the residents' best interest to uproot, suffer a transitional period, pay more, lessen protection, and forgive their landlord (the New York City Housing Authority, NYCHA) for subjecting them to live with chronic problems with boilers, elevators, mold, and maintenance—unfortunately, NYCHA uses the same playbook used by many unscrupulous landlords to force their tenants out. These stressful abuses are slow to right and the perpetrators are hardly ever punished. Homes should be sanctuaries from the stressors of the world, particularly as you age. The precarious living situation is a painful, incalculable position to be in.

Related and NYCHA would have us believe that the tenants have the choice to repair or demolish. Their insistence on a survey cast as a vote says otherwise. Within their orchestrated meetings they would have the residents believe this is a done deal, the vote is cast, and they are moving on with the plans to demolish, and so should everyone else.

Giving "NYCHA land to private developers who would make 70% of the new apartments market rate, and 30% affordable housing" is a bad trade. Besides gaslighting us about affordability, it

doubles down on their brutal development policies. If any affordable apartments were to actually result from this deal, it would be like throwing a cup of water on a raging fire.

Related and NYCHA Have Earned a Bad Reputation

This con is being perpetrated by Related, the developer of New York City's largest failed development thus far—the Hudson Yards, and NYCHA, the managing agency for public housing plagued by a history of scandals.

There's plenty of history with these folks. Related is particularly responsible for Razing Liberty Square, the home to one of the oldest, originally-segregated public housing projects. The development was built in 1937 during the New Deal and under Jim Crow. Located 10 feet above sea level, Liberty City becomes more attractive with each rising tide and as a result, Liberty Square is being demolished. "It's no coincidence that Liberty City is suddenly being eyed as prime real estate,"

Related is "separately pursuing an application for a license for a gaming facility with a hotel on the northern portion of the [Hudson Yards] Site." Manhattan Community Board 4 (MCB4) says it is "mystified" at a bid by Related Companies, the developer behind Hudson Yards, to modify its plan for the Western Rail Yards to include building offices and a possible casino instead of creating a primarily residential district.

Given those reputations,

- Why with all the neglect and fraud perpetrated by NYCHA, allow them to partner with Related Companies to demolish the Chelsea Housing and abscond with its valuable land, when there is a housing crisis?
- Why the gift to the private industry and grifting the public that swaps the more-protective Section 9 for the less-protective Section 8 subsidy rights, reduces the subsidized housing footprint, and ends 'public housing'?

- Furthermore, and on a bigger note, Why allow NYCHA to convert 62,000 of its properties through the Permanent Affordability Commitment Together PACT, rather than strip the housing authority of its management responsibilities?

Perhaps the answer lies with the "57 developments [that] are under active construction, representing over $3.9 billion in construction work happening across the city—work that we would not be able to accomplish without PACT.

LOOKING AHEAD

A letter from MCB4 asks Related Companies and the City: "Why should communities around the City of New York work with the real estate industry and the City government to respond and agree to zoning changes with detailed site plans and Points of Agreement when such plans and agreements can be discarded at a later date?"

In no way does privatization serve the public. But it does grant the speculators, real estate, and developers the power to cost us out of living. They "have no compunction about adopting profit-making strategies or corporate practices that make essential services unaffordable or unavailable to large segments of the population."

Housing (like health and food) as a human right is only debatable in the cannibalistic live-to--profit world. In the real world, approximately 9,500 people aged 50 or above, on fixed income, are in the shelter system. "A New Yorker can come to the brink of homelessness" very easily, particularly as we age; our stability is tentative, resilience is less hearty; we become more vulnerable to injuries, illnesses, pandemics, medical and other debts. Homelessness becomes more of a possibility.

Albany Weakens Crucial Tenant Protection

Laws to protect tenants are hard-fought when you have governance working against you. Despite the efforts from tenant groups such as The Right To Counsel, Housing Justice For All, Tenants

and Neighbors, Casa, Housing Conservation Coordinators, West Side Neighbors Association, Met Council, Interfaith Assembly on Homelessness and Housing, NY State Council of Churches, Goles, Youth Against Displacement (YAD), fighting for legislation to protect tenants, and the empirical and anecdotal data blazoning the need to mitigate the burdening costs, homelessness, and widening inequality gap, the laws are continually relitigated, dismantled, or weakened by the hands of the politicians who serve the real estate industry.

Governor Kathy Hochul, through the recent legislation and budget negotiation, has taken a wrecking ball to the public's defense. Literally.

- Right to Counsel: "In a controversial move within the state budget agreement, $55 million that was previously designated for civil legal services for low-income New Yorkers is proposed to be rerouted, drawing severe criticism from the New York State Bar Association (NYSBA)." Further the language requiring tenants facing evictions to have legal counsel was cut from the Right To Counsel's bill.
- 2019 Housing Stability and Tenant Protection Act weakened. "HSTPA, eliminated most avenues for owners of stabilized buildings to increase rents between tenancies. The law set caps to protect the valuable stabilized and rent controlled stock. But Albany's budget deal raises that cap for Individual Apartment Improvements(IAI) increasing how much landlords can increase rents to compensate for renovations. This rewards landlords who had neglected the apartments of long-term tenants during their occupancy and many landlords who were warehousing empty rent-stabilized units explicitly to pressure the state legislature. It also makes evicting long-term tenants much more enticing to landlords.

Tenant organizers across the state have been fighting since 2019 for the "Good Cause" eviction bill. " The final draft of the bill sponsored by Brooklyn Senator Julia Salazar and Syracuse Assemblymember Pam Hunter—up against a multi-million dollar real estate industry lobbying effort, according to their own analysis," has plenty of carve-outs and new ways to evict people.

District 25, Senate Leader Jabari Brisport said, “This betrayal, courtesy of Gov. Hochul, is a giveaway to big landlords and real estate lobbyists.”

In a statement regarding the recently passed “housing deal,” The New York City Chapter of the Democratic Socialists of America (NYC-DSA) said:

> *For the past five years, we have been fighting for “Good Cause Eviction” alongside millions of working-class New Yorkers, a bill that provides a defense against rent increases and informal evictions through non renewal of leases.* ***Governor Hochul’s version is “Good Cause Eviction” in name only — with major carve-outs to make it more palatable to the Real Estate Board of New York (REBNY) and greedy landlords, leaving at least three million tenants unprotected.***
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> *The Governor’s housing plan puts a target on the backs of long-term rent stabilized tenants, by specifically incentivizing the displacement of 25-year-plus tenants, rolling back tenant wins from 2019, failing to get homeless New Yorkers out of shelters and into housing, and giving huge tax breaks to developers so they can continue to run our state. Over the past four years, real estate lobbyists have spent $13.6 million campaigning and directly lobbying New York state lawmakers.* ***Their highest priority was defeating Good Cause Eviction, organizing one thousand lobbying meetings focused on that bill alone. They’ve effectively defeated it by watering it down.***

Adding to the onslaught, New York landlords were asking the Supreme Court to dismantle rent stabilization, while they were asking our lawmakers in Albany to tweak it.” Linda Rosenthall said it was a, “nonstarter.” May she keep Hochul from adding it to her list of achievements next year.

And for more bloodletting locally, Met Council on Housing reported that the Mayor’s landlord-friendly Rent Guideline Board voted on a range of 2%-4.5% increase for - year leases and 4%-6.5% increase for two-year leases. “This proposed increase is based on the board's own report showing that poverty rates rose to 18.3% and that 20.4% of renter families live below the

poverty line. Meanwhile, Landlords' Net Operating Income (NOI) is up 10.4% over the previous year. This increase is historic: the fourth-highest jump in the past 32 years!"

In the year of 2024, for New York, at this moment, with not even a modest push-back against the real estate industry, Governor Houchul and Mayor Adams, are two of society's gravest threats. We need to resist the insidious and overt destructive development policies concocted by our real estate industry and their political allies that will ultimately fail civil society.

Our society cannot continue to demolish by neglect, to degrade people's lives and their homes, to covet valuable land and drive gentrification - something we've been doing since the 'West was won.'

Going from the general to the specific, there is nothing altruistic in Open NY's efforts to influence and take over the City's Community Boards, agencies, and elected offices throughout the city. The former appointee to the City Planning Commission is a former member of Open New York, the policy director for the Manhattan Borough President is also a former member.

As to the Borough President Mark Levine, he exerts a bit of influence over CB5. "Levine's office confirmed Tuesday that Craig Slutzkin is not being reappointed to Community Board 5, where he has been a borough president appointee for over a decade." Mary Brosnahan, who had been running for first Vice Chair on a ticket with Slutzkin, is also being ousted from the board by Levine. Brosnahan says Levine's motivation '"was to support Open New York and thereby build connections to the campaign funds available from the city's real estate and development industry. "That's the seminal through line behind this and always has been," She said. "Follow the money."'

IN CONCLUSION

We cannot rage about the money in politics or the results of unfettered capitalism running amok, while giving the City's keys to a billionaire whose nonprofit lobbies while his super pac hides its

funding. Mr. Moskowits does not have the answer to our long-term housing crisis. He does have wealth. And our housing crisis is the problem of policy favoring wealth.

There is more than CB5's credibility at stake. A community board that operates under the guise of public interest loaded with corporate, ideological, development-friendly folks is no different than developers swindling the public of their tax dollars and land to build luxury housing under the guise of "affordable" housing. The outcomes are tantamount to costing more of the population out of living.

Community boards should be the defenders against the immorality play between government and private industry's agenda to strip humanity of its basic human necessities. This is a moment of grave importance!

OUR ASKS

We urge the members to consider the public's best interest by removing the affiliates of Open New York from the board. If the private industry is allowed to dilute what little voice the public have left to access, the Community Board will have no relevance, but for our continued demise.

Moreover, we urge the Community Boards to advocate for policies that serve their communities, free from the influences of private and political interests, with an agreed-upon standards of ethics to reflect as much; and mission or statement of purpose that serves the public interest and empowers the voiceless and underserved to be represented. Specifically, we urge:

- Conflicts of interest:
    - Hearings to scrutinize conflicts of interest, not just for CB5, but for every single community board, particularly cb3, cb2, cb1, cb 4, cb7, Queens, Brooklyn, and Bronx, and other assemblies that portends to advocate on behalf of the public;
    - No corporate sponsors;
    - Board members having relationships with real estate or developers shall recuse themselves from related meetings;

    - Community members who are developers shall not be appointed to the Community Board
    - Existing board members who work directly for the real estate industry shall be removed from the community boards;
    - Private industry shall have no advisory position regarding urban design, unless they are hired as a neutral party; unaffiliated with or compromised by contributions to elected officials, party candidates, or their campaigns; and also by extension, their real estate associates;
    - Private industry shall work for the contractor (the taxpayer), not the other way around;
    - Unbiased expertise and legal support will be obtained on all legalese documents (laws, bills, etc.).

- Community involvement:
    - More pronounced representation from the aging, people of color, physically impaired, low income, unhoused;
    - All government (Empire State Development Corp and Private) development planning shall include the public (i.e. Boards and coalitions representing public interest) for the sake of transparency;

- Promotion of affordable housing
    - General development plan to eliminate public's homelessness and cost burdens;
    - Private businesses shall not impede on residential communities where businesses have been restricted; we're in a housing crisis, homes need protecting, not depleted;
    - "Affordability" shall
        - preclude opportunities of destabilization
        - include restorative opportunities for the public and their communities, by creating permanence, security, unburden costs, tenant protections, and building standards of care;

    - Public Housing needs funds, alternative management, and public oversight to keep public facilities public;
        - Social, Public, Resident Management, Cooperatives, nonprofit, and other tenant controlled housing models are to be tenant-controlled and given public support.
- Green spaces: The board will promote public spaces that allow sunlight, breathable spaces for public health. Privately-surrounded 'public realm' spaces with some potted plants and benches to sit for a quick lunch will not be sufficient.

For additional information about Open New York influences on CB5 please review MSCC's Homeless and Housing Meeting April 2, 2024.

An exploration of our societal issues stemming from our poor development policies, historical reflection, and scientific analysis must be done to craft and or support better policies. There were so many long-term building blocks to resisting the wealth extractive policies and actively pursuing inclusive development policies, below are but a few:

Layla Law-Gisiko's well-researched study will erase any doubt as to the real costs of the Empire Station Complex Development plan. Her assessment is written into CB5's December 2021, Land Use, Housing & Zoning Committee's Emergency Session. The analysis gained support with neighboring community boards, and helped defend against the Governor's overdevelopment plan. It's unlikely the study would have been sanctioned under a developer friendly board.

The Through-running transit system forums offer simpler and less destructive, alternative funding solutions, and a wider reach for the public's sake.

The following four forums from our For the Greater Good Series: Health Before Profits, Rent Is Too Damned High!, Saving Public Housing, and Urbanizing For the People, speaks to our health and housing crises, and offers positive urban planning alternatives.

Rethinking the Housing Crisis: Beyond Supply-Demand Dogma, a City Club presentation, contradicts Open New York's self serving let's build our way out of it attitude.

The lack of 'political will' gives us missed opportunities: Adaptive Reuse: Hotels to Housing forum offered solutions to the housing crisis during the pandemic, and just like yesterday, it is being ignored today.

MSCC discusses homeless and housing issues and all things related to public health every first Tuesday of the month: The May 7th, 2024, Homeless and Housing meeting with Harvey Montegue explored more community focused development for the Pennsylvania Station area. We've discovered an alternative to demolishing public housing with David Goldstein, Hydronic Shell Technology, during MSCC's February 6, 2024 Homeless and Housing meeting. We've had conversations with authors who've spent an enormous amount of time researching and writing to help us mature as a society: Tom Angotti, Professor Emeritus at Hunter College's Urban Policy and Planning, and author of Zoned Out, describes the zoning displacement during our October 4, 2022 Homeless and Housing meeting; Author Carol Lamberg, discusses her book, Housing Security: A Section 8 Memoir, during August 2, 2022 Homeless and Housing meeting.

Most noteworthy humanity seeking authors and reads: The Color of Law by Richard Rothsstein will take you from the beginnings of our housing policies; David Harvey, in his book Rebel Cities, will ask you to consider "what kind of people we want to be…" when thinking about our urban landscapes.

We appreciate your solidarity and dedication to upholding the rights of all individuals in our community.

Sincerely,
John Mudd, Executive Director, Midtown South Community Council, NY, NY 10018