

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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B E F O R E:

JUMAANE D. WILLIAMS
Chairperson

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A P P E A R A N C E S (CONTINUEDWARD PEMBERTON)

[gavel]

CHAIRPERSON WILLIAMS: Good morning

everyone. Commissioner at all thank you for coming today. My name is Council Member Jumaane Williams. I'm the chair of the council's Housing and Building Committee. I'm joined today by Council Member Rosie Mendez from Manhattan, Council Member Helen Rosenthal from Manhattan, and I think that's it. I think I saw Council Member Tony Reynoso from Brooklyn. This hearing will cover the physical, fiscal 2015 preliminary budget and the fiscal 2014 preliminary Mayor's management report of the Department of Housing preservation and Development HPD and the Department of Building, DOB. First like to welcome Commissioner Vicky B [sp?] seen a lot of you in the last couple weeks which is good, the new commissioner of HPD. The committee looks forward to working with you on important housing issues. We'd love to gain more details on the agency's 553 million dollars fiscal 2015 expense budget and 1.5 billion dollars fiscal 2014/2017 capital budget. We look forward to seeing some updates on the Superstorm Sandy recovery loan program and about the current status of the Section 8 housing choice

voucher program. We also hope to give additional information on how HPD's progressing on meeting the goals of creating preserving 165 thousand affordable housing units under the new housing marketplace plan which is near incomplection. After HPD we will hear from the acting Commissioner of the Department of Buildings Thomas Fariello. The committee would like to get updates on the Department of Building's virtual plan reviews for construction permits and about the revenue generated from the collection of permit fees. Even the DOB assures the safe and lawful use of more than 975 thousand buildings. The committee also hopes to gain insight into the roles in helping to prevent tragedies like the one that recently occurred in East Harlem. I'd like to thank both commissioners and their staff for joining us today and will now turn it over to commissioner for testimony.

COMMISSIONER BEEN: Thank you so much...

[static]

COUNCIL MEMBER WILLIAMS: Sorry, forgot to do the oath. If you, everyone could please raise your right hands. Do you swear or affirm to tell

the truth, the whole truth, and nothing but the truth before the committee today. Thank you.

COMMISSIONER BEEN: Thank you Chairman Williams and, and thank you to all of the members of the committee for the opportunity to talk with the committee about HPD's fiscal year 2015 preliminary budget. I really appreciate the opportunity to provide an overview of our budget and what we're up to and share with you some of our goals for the, for the coming years. HPD's mission as, as many of you know is certainly a broad one but we're really focusing on three main issues. The first of course is that we are charged with implementing the administration's plan to preserve or develop 200 thousand units of affordable housing over the next 10 years. But the second major goal is to improve and expand our efforts to preserve the quality and the stability of all of our housing stock, not just the housing that we touch in some way but our regulated housing, our naturally occurring affordable housing, and of course our market rate housing as well. And then the third issue is that we plan to really redouble our efforts to use our investments in housing, in code

enforcement, and asset management strategically in concert with our sister agencies, the state and federal agencies, and independent bodies like the MTA to help reinvigorate neighborhoods while ensuring the stability and affordability of the housing that's already in the neighborhood.

Although the mayor's ambitious plan is a key priority for the agency I want to reinforce that we are equally concerned and committed to ensuring that we build on the successes we've had and improving the quality of that existing housing stock generally that we make asset management more effective and efficient and that we use all of our programs and investments as a catalyst for positive change in neighborhoods across all five boroughs.

So I'm going to talk a little bit more about that in a minute. But let me, let's just dive right in to the, to the expense budget. Now HPD's budget is unlike most other city agencies so I think it would be useful to spend some time today explaining how HPD's budget is funded and how we allocate our resource. As you said Chair Williams the, HPD's current year fiscal year 2014 operating budget is 765 million so I'm going to use that as an example

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2 and then we'll talk about the, the fiscal year 2015
3 budget. So if you look at where our budget goes you
4 see that the vast majority of our budget is really
5 transfer payments to the landlords who are
6 providing apartments that the recipients of our
7 Section 8 vouchers are using. That's, accounts for
8 over 60 percent of our budget. And those funds are
9 you know going straight to the landlords. They're
10 not supporting any HPD budget, any HPD operating
11 expenses. So that budget looks very large but a
12 very significant chunk of it is passed through to
13 the, to the landlords. The city tax levy funds
14 which is that purple band there account for eight
15 percent of our budget. That small percentage
16 compared to many of the other agencies is both an
17 advantage and a disadvantage for HPD. It's an
18 advantage and of course it's great that we're
19 leveraging federal dollars so effectively and, so
20 that city funds can be available for other needs.
21 The disadvantage is that because most of our
22 funding is from the federal government and is
23 therefore subject to extensive requirements and
24 limitations our flexibility to adjust to changing
25 operational needs is constrained. Our community

development block grant funding which is the royal blue there is the largest source of operating support for the agency with over 125 million in fiscal year 14 funding. Indeed if we exclude that 60 percent of the budget that's just a pass through to the rental, to the landlords and just focus on our operating expenses and our project and program budgets other than Section 8 the, the community development block grant funding constitutes nearly 45 percent of our total budget. And the city tax levy constitutes 21 percent of that real operating and program budget excluding Section 8. So that helps you understand sort of the, the constraints and the opportunities that we face because of our reliance on, on federal funds. Now let's turn to the fiscal year 15 budget which as you said totals 553 million. And I can assure you that when I first saw these numbers and compared fiscal year 14 to fiscal year 15 and saw that it was a, a serious drop I, I had a moment of panic. But, but my team assures me that, that it's in fact not such a big drop because of technical adjustments that get made over the course of the year as, as grants come in from the federal government, as we roll funding

from fiscal year 14 into fiscal year 15 and other technical adjustments. And the city council's discretionary funding is not reflected in, in the fiscal year 15 budget as well because you don't add those funds in until adoption later this spring. So we believe and certainly hope that the fiscal year 15 budget when all those technical adjustments are made is going to be close to, in line with what the fiscal year 14 budget was. Okay. So let me dig a little bit deeper into some of those items. So if you, if we take a look at the, the community development block grant funding and specifically look at the CDBG and the tax levy funding as I said CDGB is HPD's primary funding source for operations. Nearly 60 percent of our CDBG funding is allocated towards our enforcement and neighborhood services programs which include code inspection, emergency repairs, and alternative enforcement program. The second largest allocation of the CDBG money is for the office of Asset and Property Management which manages and ensures the financial health and the maintenance health of our In Rem properties and the operations of our shelter facilities. If we look instead at the tax levy

funding unlike CDGB which is concentrated in a few program areas HPD's tax levy funding is spread across the agency to cover program costs that are not eligible for any other federal funding sources. If we can find federal funds to pay for something we make every effort to do that. So we really use the city council's and the tax levy money to cover these areas that can't be covered through, through our federal grants. Now one thing that I do want to call out, so for example in the, the enforcement in neighborhood services that, that includes some of the code inspection that can't be funded through the federal grants. It include demolition. It includes some, the city council contracts. And it also includes the mortgage foreclosure prevention programs that we fund through the center for New York City neighborhoods. And I'm very happy to announce that fiscal year 15 budget includes 750 thousand dollars for continued support for the center's programs. And I hope that the city council will supplement that funding as it has in the past with a matching allocation for the center's programs. For both CDGB and tax levy financing approximately half of the budget is dedicated

towards staffing costs and half towards direct program expenditures. I do want to talk for a minute about the staffing and, and, and show you what's going on there. HPD's current headcount is approximately 2,000 people. That represents a 25 percent decline since March 2009. In some areas such as in our development pipeline areas the decrease is even sharper. Indeed the headcount devoted to development which would be critical to our efforts to produce and preserve 200 thousand units of affordable housing is down 43 percent since 2007 which was the year in which we had the highest production. I've been frankly surprised to learn how much the staff has decreased at HPD over the past years. We've, the terrific team that we have at HPD has worked long and hard to you know squeeze every ounce of juice from the turnip and implement efficiencies to really try to do a lot more with a lot less. But in order to ramp up our efforts in the way that will be required for the 200 thousand unit production in preservation we're going to need additional staff to achieve the, the goals that I outlined earlier. And I hope to be addressing some of those staffing issues as part of

the executive budget process. In terms of our capital budget again I just want to flag for you that the five year plan as Chair Williams mentioned is 1.9 billion. After many years of decreased federal and city funding in the capital plan the capital budget is not positioned to support that increased production that we're talking about in the 200 thousand unit number. And the mayor's housing plan is certainly going to require an adjustment to the capital budget and again that's something that we'll be working with everyone on through the executive budget process. Also as part of the executive budget process we hope to work more closely with the city council to coordinate the Reso A allocations with our current pipeline in order to assure, ensure that your funding is being used most effectively. So we'll be working I hope together with you on that. Now I did want to just say a few words about the 200 thousand unit housing plan. You've all heard the mayor's promise to produce or preserve 200 thousand units over the next ten years. And I think that you understand all too well from your constituents the reason for that. Half of all renter households are rent

2 burdened and a third of them now pay more than half
3 of all of their income for rent leaving little for
4 medical expenses, food, education, and other
5 basics. Most of those families are working, some at
6 two or more jobs. But over the past decade where
7 our rents have increased about 10 percent in real
8 dollars they just have stayed basically stagnant.
9 So we, we find ourselves in this affordable housing
10 crisis. We understand that making New York City
11 more affordable and more livable is not just about
12 building or preserving subsidized housing and
13 affordable housing but it's really about building
14 more housing in general. And the plan is looking
15 both at ways to increase density and increase
16 development opportunities that will apply to all
17 housing but also looking very specifically at the
18 kinds of things that we can do to increase the
19 production and preservation of affordable housing.
20 We're really leaving no stone unturned and to give
21 just a few examples we're looking at as I said
22 strategic and coordinated density increases. We're
23 not talking about density that's unaccompanied with
24 the services and infrastructure that is needed to
25 support it but coordinated density initiatives

we're looking at the expansion and reform of our inclusionary zoning programs. We're looking to harness underused land and, and underused or unused development rights to leverage and better align and coordinate our tax incentive programs. We're looking at all of our regulatory processes trying to streamline them and make them more efficient. It's too soon to talk about the exact shape of any of those ideas because that's right now back in the lap so to speak being developed but we're exploring the pros and cons of each and every initiative that we've been able to come up with, each and every initiative that we've heard from advocates, from the development community, from the community development community. And I look forward to coming back in May to really talk through the plan with you in more detail. I do want to emphasize though that again as important as that 200 thousand number is, as ambitious and critical as that number is our goals go beyond that. And a second focus of the agencies I said is really to ensure the quality and safety of the entire housing stock and the quality, affordability, and stability of housing that we have touched in any way over the last few decades.

So we're exploring ways to make our, to, new tools to protect tenants' rights especially to deal with the issues of harassment that we've seen come to the floor more and more. We'll be looking at new financing mechanisms to try to support investments in resiliency and energy efficiency in sustainability. We'll be looking very hard at programs to preserve what we call the naturally occurring which is a naturally occurring affordable stock which is often the small buildings that often need a great deal of help, to become more efficient purchasers, more efficient users, more efficient managers. And we'll be looking at everything that we can do, we can do there. And then last but not least we'll be looking to really coordinate our investments both with what our sister agencies are doing, with what the state is doing, the state and federal government are doing, with what transit is doing. We really want to think about our investments, not just in the housing that we're building and preserving but also in the housing that we're inspecting, the repair, emergency repairs that we're doing, the asset management that we're doing in a community. We really want to look

at that from the standpoint of what can make the most difference, what can help these neighborhoods accomplish what they want to accomplish best. So we're really trying to rethink the way that we engage with our sister agencies and engage with the communities in a much more effective and, and proactive way. We don't want to just chase deals. We don't want to just go where there's land. We really want to think about what can we bring to this community, what does this community need, and how can we leverage all this to accomplish the community's goals. So let me just conclude by saying at the agency we certainly feel like we have an amazing moment of opportunity. We've got a mayor who knows housing from his days at HPD. We've got a deputy mayor who's lived and breathed housing her whole life. We've got an amazing range of partners to work with. We've got a city council that's committed and, and knowledgeable about these issues. And we've got a market that for the moment is very favorable. So we want to seize this opportunity.

We want to move quickly. And we really look forward to working with all of you to do that. So thank you

2 for, for letting me give that overview. And I'm
3 happy to answer any questions.

4 CHAIRPERSON WILLAMS: Thank you so much
5 for testimony. Give me one second. And I'm going to
6 recognize Council Members Mark Levine from
7 Manhattan, Brad Lander from Brooklyn, Rafael
8 Espinal from Brooklyn, and Robert Cornegy from
9 Brooklyn as well. I just want to make sure I say
10 Chis Gonzalez and Vito Mustaciuolo have always been
11 very accessible even before I was a chair. So I
12 want to say thank you to them and I'll, hopefully
13 you'll continue to be that way for me and I know
14 other council members as well. Thank you for the
15 testimony. So I just wanted to be clear on the, on
16 the, the pie chart was... little.

17 COMMISSIONER BEEN: Okay.

18 CHAIRPERSON WILLIAMS: Because it looked
19 like it had revenue and expense in the pie chart.
20 So the expenses of Section 8, and then you broke it
21 down I guess on other side of revenue, like the tax
22 levy Section 8. So to get what, I'm sorry the
23 expense... It says the overview of HPD expense
24 budget.

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2 COMMISSIONER BEEN: So, I'm sorry. On,
3 on this slide? Is, is...

4 CHAIRPERSON WILLIAMS: Yeah.

5 COMMISSIONER BEEN: ...this the slide that
6 we're talking about?

7 CHAIRPERSON WILLIAMS: Yes it...

8 COMMISSIONER BEEN: The fiscal year 15
9 or the fiscal year 14 [crosstalk]

10 CHAIRPERSON WILLIAMS: Well both of them
11 have the same, same thing. But so like this says
12 Section 8 that's, the money is spending, the, the
13 tax levy, the federals, and other... that's money
14 that's coming in.

15 COMMISSIONER BEEN: Well that's all our
16 expense budget but it shows where the, that expense
17 money is coming from.

18 CHAIRPERSON WILLIAMS: So to find out
19 what it's actually being spent on you have the
20 other slides correct? Is that, what is, what's
21 happening?

22 COMMISSIONER BEEN: Well no Sir. What
23 we've given you here is really you know an overview
24 to show you where the money in the budget was being
25 spent and where it was coming from right. So this

tells you that you know eight percent of our total budget was coming from tax levy sources for, for example. But to, if you want to break down in terms of sort of where all of that is going, how much of it is going to alternative enforcement, those kinds of things, we can give you that pie chart.

CHAIRPERSON WILLIAMS: Yeah I'd like to get some of that information also.

COMMISSIONER BEEN: Mm-hmm. Okay.

CHAIRPERSON WILLIAMS: Is the, is that revenue to the federal, that's not paying for the Section 8 right? The Section 8 is coming from just the federal government is that right?

COMMISSIONER BEEN: So that, the orange, that huge 62 slice is all coming from the federal government.

CHAIRPERSON WILLIAMS: So that would actually include orange and green then, is that right?

COMMISSIONER BEEN: Well the, the green is federal and state money that's being used for other kinds of programs.

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2 CHAIRPERSON WILLIAMS: Okay. But so the
3 orange is federal money that's spent only on
4 Section 8?

5 COMMISSIONER BEEN: I, I'm sorry, I'm
6 sorry Chair. The, so the blue is the community
7 development block grant money which is also..
8 [crosstalk]

9 CHAIRPERSON WILLIAMS: ...federal, okay.

10 COMMISSIONER BEEN: ...coming from the
11 federal government. But the green is other federal
12 service, other federal and state sources other than
13 the community development block grant money. And
14 then the red is a community development disaster
15 relief money, so that's the Sandy money. So all of
16 that is federal government money but it's coming
17 from different sources.

18 CHAIRPERSON WILLIAMS: I see. So most of
19 the pie chart is actually federal...

20 COMMISSIONER BEEN: federal.

21 CHAIRPERSON WILLIAMS: ...federal.

22 COMMISSIONER BEEN: Yeah.

23 CHAIRPERSON WILLIAMS: Okay.

24 COMMISSIONER BEEN: The vast majority.

25 CHAIRPERSON WILLIAMS: Thank you.

2 COMMISSIONER BEEN: Which it... As I said
3 that's a good thing and a bad thing right. It's
4 money coming from somewhere else. It's money that's
5 heavily burdened.

6 CHAIRPERSON WILLIAMS: Can you tell me a
7 little bit about the naturally occurring affordable
8 housing...

9 COMMISSIONER BEEN: Mm-hmm.

10 CHAIRPERSON WILLIAMS: ...in small
11 buildings?

12 COMMISSIONER BEEN: So a lot of the work
13 that we've done and that other, and that
14 researchers have done have indicated that there are
15 a significant number of, of households that are
16 living in sort of one, two, three, four unit renter
17 buildings often not subsidized, often not,
18 obviously not subject to rent regulation. But you
19 know providing, providing housing at rents that we
20 would think of as affordable right. And much of
21 that housing stock is, needs work you know in terms
22 of repair and maintenance right, and also it's
23 often we think there are significant opportunities
24 for some efficiencies there. So for example things
25 that we're trying to look at include things like

2 could you band these owners together for a
3 purchasing coop of you know oil or gas or those
4 kinds of things. So how could we achieve
5 efficiencies to help those landlords drive down
6 their cost structure so that that, that housing can
7 stay affordable.

8 CHAIRPERSON WILLIAMS: And what are some
9 of the new tools to protect tenant's rights and
10 decent housing and ensure... [crosstalk]

11 COMMISSIONER BEEN: So we are evaluating
12 every tool that anybody can suggest to us. And I'm
13 delighted to hear from any of you about ideas for
14 that. But really trying to look at our enforcement
15 processes, look at our inspection processes and say
16 how could we make this work better, how could we
17 use tools more effectively to try to, you know to
18 really try to, to protect the tenant's interest and
19 ensure that they are, their rights will be
20 protected.

21 CHAIRPERSON WILLIAMS: Okay.

22 COMMISSIONER BEEN: And the, the five
23 borough plan for 200 thousand units was of course,
24 hasn't come out yet. And, and you mentioned it a
25 little bit with the, the natural existing,

preserving the existing natural occurring
affordable housing.

CHAIRPERSON WILLIAMS: But how will the,
how would stream lining regulatory processes equal
preserving or building new units?

CHAIRPERSON WILLIAMS: So if we can
drive down the cost of construction which includes
the cost of regulatory compliance and the time and
delay that is involved in, in getting a, getting
new units online then that will help us reduce the
cost of, of that housing and make our dollars go
further.

CHAIRPERSON WILLIAMS: Okay. And with
the, the, the old 165 thousand unit plan...

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: A lot of it had
to do with preservation. And I, I think, I don't
know if you had time from my understanding to look
at the break downs that we have, new construction
and preservation. There's quite a number from
Mitchell Lama some from multi family programs.
What, where are we going to find additional units
to preserve? How are we going to do that in the new

plan, seeing how, how much, how important preservation will actually be.

COMMISSIONER BEEN: So as you know there are units that are expiring out of their subsidy programs every year. And we will be taking a look at each and every one of those in trying to keep them affordable by extending the subsidy period, by developing new subsidies in some cases. So we'll be looking at that entire pipeline. As you know those numbers are available for, sorry to mix my previous hat, but of course the Furman Center provides the ship database that, that reveals when everything is coming due. That's only the four biggest programs that, that are the four biggest subsidy programs. There are also a huge number of, of buildings in our asset management stock which we are also looking at how can we preserve the long term affordability of those, of those units as well?

CHAIRPERSON WILLIAMS: I'm also of course advocate of repealing Urstat [sp?]...

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: ...which I think would also help, help preserve a lot of affordable housing... [crosstalk]

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2 COMMISSIONER BEEN: Mm-hmm.

3 CHAIRPERSON WILLIAMS: but housing
4 that's income targeted for people who need it
5 hoping that will be part of the plan as well. And
6 I'm eager to see... [crosstalk]

7 COMMISSIONER BEEN: It is on the list.

8 CHAIRPERSON WILLIAMS: Can you just tell
9 me what rent subsidy programs HPD has?

10 COMMISSIONER BEEN: So in terms of
11 rental assistance?

12 CHAIRPERSON WILLIAMS: Yes.

13 COMMISSIONER BEEN: So we have the, you
14 know the Section 8... [crosstalk] Pardon?

15 CHAIRPERSON WILLIAMS: And how much is
16 given toward it?

17 COMMISSIONER BEEN: So in terms of the
18 numbers we have about let's see, let me find the
19 exact numbers. But it's about 33 thousand of the
20 Section 8, of regular Section 8 vouchers and what
21 we call both the housing choice vouchers and the
22 enhanced vouchers. And then we also have, let me
23 give you those exact numbers, sorry. So, so in
24 fiscal year 14 we had about 37 thousand
25 participants in the housing choice vouchers and,

and what we call our, our MOD and our SPC vouchers,
our special vouchers. So we have about 39 thousand...
[crosstalk] Pardon?

CHAIRPERSON WILLIAMS: That's MOD?

COMMISSIONER BEEN: The moderate rehab
vouchers that we give when, when units are being
rehabbed. So our fiscal year 15 projections are
that that would be about 37 thousand vouchers. So...
So... I'm sorry what was the second part of your
question... [crosstalk]

CHAIRPERSON WILLIAMS: ...how many rental
assistance programs we have and how much is spent
toward it.

COMMISSIONER BEEN: So we have, so that
is our main you know rental assistance program. We
also have what we call DHAP which is modeled after
a Section 8 but is available for the victims of
Sandy. So, so that's an assistance program that,
that, that is a rental assistance program. It looks
like Section 8 but it's not, it is not Section 8.
It's a separate program that we're using the
community development block grant disaster relief
monies to fund.

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2 CHAIRPERSON WILLIAMS: And... those are
3 the only two? I mean is there, if there's a couple
4 other...

5 COMMISSIONER BEEN: Well those are... I
6 mean... So you can break them out in a variety of
7 different ways. So we have what we call enhanced
8 vouchers right, enhanced rental assistance vouchers
9 which are, which is the situation where if a
10 building that was in a subsidy program expires out
11 and becomes market rate then we give the residents
12 of that development a, what we call an enhanced
13 voucher which allows them to stay in that
14 development. So that's our enhanced voucher
15 program. And then we have the regular Section 8
16 voucher program which is we give you a voucher, you
17 go out on the market, you find an apartment that,
18 that qualifies both in terms of quality and in
19 terms of price. And, and, and so that's what we
20 call a regular voucher program. So we... was there
21 some... [static] that, that you wanted me to do
22 differently?

23 CHAIRPERSON WILLIAMS: [static] Who **at**
24 **least is** HASA?

25 COMMISSIONER BEEN: I'm sorry?

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2 CHAIRPERSON WILLIAMS: HASA?

3 COMMISSIONER BEEN: But that is DHS
4 isn't it?

5 CHAIRPERSON WILLIAMS: DHS?

6 COMMISSIONER BEEN: Jessica?

7 [background comments]

8 COMMISSIONER BEEN: HOA sorry, HOA
9 administers that.

10 CHAIRPERSON WILLIAMS: Okay and on TDAP
11 I think it's 20 million dollars for... a week of
12 subsidy. It's, it says it's supposed to support 600
13 households. Is that, is that true?

14 COMMISSIONER BEEN: Yes that is the
15 amount that it is budgeted for and that would
16 support about 600 households.

17 CHAIRPERSON WILLIAMS: How many
18 applicants have applied?

19 COMMISSIONER BEEN: So to date 477
20 households have applied to date as of February 21st
21 I should say. 98 of those households are in process
22 which means that their eligibility is being
23 determined etcetera. 159 of those households were
24 deemed ineligible because of their income or other
25 reasons. And 220 have received what we, we do not

call a voucher because it's not part of the Section 8 program, we call it a coupon okay...

CHAIRPERSON WILLIAMS: And what's the average... amount of the subsidy? [crosstalk] a coupon I'm sorry.

COMMISSIONER BEEN: [crosstalk] 12 hundred dollars.

CHAIRPERSON WILLIAMS: 12 hundred dollars.

COMMISSIONER BEEN: Per household. About 12 hundred dollars per household.

CHAIRPERSON WILLIAMS: How many households will be affected by the new policy changes to Section 8, to require households to pay their share of the rent are moved into a small apartment?

COMMISSIONER BEEN: Okay so, so let me, let me back up to find those numbers. So can I just give a little bit of background here because I'm not sure that everybody understands what, what we've done here. As you know because of the federal government's sequential, because of the sequential that was put into effect, because of the, of the various actions of congress over the last few years

in, in 13, in, in 2013 we found ourselves facing a 37 million dollar gap in the funding for those, for those voucher households right. So we found ourselves facing a 37 million dollar gap. We were ordered by HUD, and we were told by HUD that we could no longer issue any new Section 8 vouchers so we stopped issuing vouchers immediately. But we still faced that shortfall, that 37 million dollar shortfall. So we faced what I really think of as a terrible sort of Hopsen's choice. We could get it in either of two ways. One was to pull vouchers back from families that had already received the voucher so that they would have no housing assistance through the voucher program at all. That would have affected, we estimated about 3,000 families we would have had to pull vouchers back from them and leave them with nothing. The second terrible choice was that we could try to find savings across a wider range of people but at a much shallower level right. So we could essentially spread the pain at a much shallower level but across more people. And one way... what we thought was the best way of doing that was addressing a problem which we had long been stymied by and had

long been an issue which is what's the right size of housing for families when their family composition changes. And what's the right size of, for families where they're all different configurations of who might be living in the households right. So what we chose to do painfully and after careful and, and very pained deliberation was that we chose to try to achieve that savings by dealing with what we call and what HUD calls the right sizing issue right. Trying to work with families who are now over housed because of changes in their family situation and trying to work with what it is that we give people in terms of the voucher size right. So we sent letters to people saying if we, our policy in terms of right sizing is that every, that a one person household should be in a, should be entitled to a voucher sized at a studio rather than a one bedroom. And that a two people household should be sized at a one bedroom rather than a two bedroom regardless of the age, gender, and other complex mixes that we can get in that housing stock.

CHAIRPERSON WILLIAMS: [crosstalk]

disregardless [phonetic] of age or if there are

seniors did it take into account disabilities at all?

COMMISSIONER BEEN: So anyone who is disabled and who needs accommodation for that disability can apply for an accommodation. And we will reasonably accommodate those such people.

CHAIRPERSON WILLIAMS: Is that before or after the move?

COMMISSIONER BEEN: Well we don't know who might qualify for it. So we sent a letter saying here is the, you know our sizing guidelines. If you have a disability and believe that you might need a reasonable accommodation here's how to pursue it. And people are pursuing those accommodations. Many have been granted. So to go back to, to the question that you started with now that I've given that, that background. So as of March 19th, 2014 we had a total of 131 people who either have completed their move or who are in the process of moving. So 131 people for that. A total of 88 families with enhanced vouchers are either moving or have completed their move. And a total of let's see 43 housing choice voucher tenants have either moved or are in the process of moving. Now

let me draw a distinction between those two if I may. In an enhanced voucher situation as I mentioned earlier those are situations where there was a building that was subsidized, it's no longer subsidized and the voucher recipient is entitled to stay in that development or in that building. So for those families they are only required to move once a unit in that development that is the right size becomes available right. So until such a unit becomes available they do not have to move in any way. For the housing choice voucher the regular vouchers, they are required to either move to an apartment that is right sized for their subsidy or they can stay in their existing apartment but they then have to make up out of their own pocket the difference between the right sized voucher and, and the, and the rent for that larger unit. So look we understand that this is a painful situation, that it's requiring that people have to move. We understand that there are many elderly people. We understand that there are many people who have lived in these units for a while. On the other hand we also understand that the other option is to tell 3,000 families you had a voucher, now you don't,

2 good luck. And so that's a terrible choice to be
3 put to. I wish that we weren't put to that choice.
4 I wish we had a more functional congress. I wish
5 that, that those, that 37 million gap had not
6 occurred but it did. And we had to deal with it. We
7 evaluated the options and we took the course that
8 we believed was fairest to the entire population
9 even though it's definitely inflicting pain on
10 households and we would prefer not to do that. We
11 hope that those voucher levels will come back up
12 but we do not know that. We haven't gotten our, our
13 funding levels from HUD so we don't know what's
14 going to happen to those housing vouchers even in
15 fiscal year 15. And in fiscal year 16 the sequester
16 caps continue to apply and so we will once again
17 likely be faced with a big shortfall.

18 CHAIRPERSON WILLIAMS: Thank you, I do,
19 we do, I think we have another hearing actually
20 dedicated to this but it is a complex issue. I
21 understand the need of getting people in right
22 sizes.

23 COMMISSIONER BEEN: Yes.

24 CHAIRPERSON WILLIAMS: But also
25 uprooting some family so... But my, so my final

2 question on that is with the households how much
3 money is HPD getting from the households where they
4 pay a greater share. And how much how money is
5 being saved by the family to a smaller homes.

6 COMMISSIONER BEEN: So we estimate. I
7 mean this is very. It's, it's not a very precise
8 estimate to be you know perfectly frank because we
9 are trying to evaluate how many people age going to
10 be able to apply for and receive an accommodation
11 where going, we're trying to estimate how many
12 buildings in the units for enhanced, in the, how
13 many units in the buildings for enhanced vouchers
14 are going to become available and when. So you know
15 we're, we're trying to factor in all that but it's
16 changing as we go forward. And so, so these numbers
17 are just a projection. But we project that those
18 changes will result in about 10 and a half million
19 dollars in savings. That's against the 37 million
20 dollar gap.

21 CHAIRPERSON WILLIAMS: Thank you.
22 Where's is the, where is the 10.5 million money
23 being spent? Is, in, putting in reserve fund or
24 what's it being spent on?

2 COMMISSIONER BEEN: It's not being
3 spent. It's a gap that's, it's money that we
4 expected right, that was being budgeted for Section
5 8 expenditures that we don't have. So it's just
6 saving essentially what we don't, you know it's
7 preventing us from running up a deficit and
8 spending money that we don't have.

9 CHAIRPERSON WILLIAMS: Now with the
10 capital funds I think it's 1.9 billion is that
11 right?

12 COMMISSIONER BEEN: Mm-hmm.

13 CHAIRPERSON WILLIAMS: Okay. How much of
14 that is spent toward the lowest income units; so 40
15 percent, under 60 percent AMI? Do you have any idea
16 how it breaks down?

17 COMMISSIONER BEEN: That's a good
18 question. I can't, I don't have that breakdown. I'm
19 happy to, we can work those numbers and provide
20 that.

21 CHAIRPERSON WILLIAMS: I would
22 absolutely like to...

23 COMMISSIONER BEEN: Okay, thank you.

24 CHAIRPERSON WILLIAMS: ...have those
25 numbers.

2 COMMISSIONER BEEN: Mm-hmm.

3 CHAIRPERSON WILLIAMS: So I'm going to
4 call on my colleagues now. I'm going to ask that we
5 set for six minutes for questions. And then we'll
6 make a... I always get mad when people say five so I
7 gave an extra minute. But then we'll come back
8 around if people have additional questions. So who
9 has the clock timer? Sargent in Arms do we have the
10 timer?

11 [pause]

12 CHAIRPERSON WILLIAMS: Thank you. Set
13 for six minutes please. And we'll have Council
14 Member Rosenthal, Levine, Lander, Reynoso, and
15 Cornegy. So Council Member Rosenthal.

16 COUNCIL MEMBER ROSENTHAL: Thank you
17 Chair Williams. And welcome Commissioner Been It's
18 so nice to see you in this position. I'm glad you
19 said yes to Bill de Blasio and that you're the new
20 commissioner. We're lucky to have you. You know
21 just very quickly on the downsizing. And just so
22 you know I tweeted out what you said about it being
23 a Hobisonion [phonetic] choice. I had to look up
24 how to spell Hobson though. And it's, first of all
25 it sounds like the math isn't going to quite work

out this year. I mean I understand coming from your budget background how 14 and 15 look and if you were in some way, you know you count the money when it comes in the door and it's not going to come in the door this year from the federal government.

Hypothetically if you're saving roughly 10 million dollars, was that what you were saying from... and that is this, in this fiscal year or next fiscal year... right... 14. So I mean two thoughts. One that, so you're short 27 million and where is that coming from? Although it would be half your value so you're short eight million. And here's the point of my questions... That at the end of the day... so you're figuring that out, I get that. And then next year it's the full 37. And I'm hard-pressed to see how 131 people turns into a 10 million dollar savings.

But all of that aside I think that the fundamental question is you know this mayor is willing to divert 57 million dollars from NYPD for NYCHA. I would imagine this mayor would also be willing to divert, find somewhere 35 million for these, for this downsizing. And I guess it's more of a comment than a question that I would ask that for the executive budget that you consider reversing this

2 decision which frankly you inherited from the
3 Bloomberg administration and reconsider the
4 downsizing. I mean certainly in my district it's
5 been a serious hardship and we spend a lot of time
6 trying to find medical reasons for people not to
7 have to downsize. So I guess that's more of a
8 comment. I know choice that we're put to, we regret
9 the choice that we're put to. It is I don't know... I
10 guess the modern day version is the Sophie's choice
11 right. But it is a terrible choice and we regret
12 that we're in that position. On the other hand we
13 want to be responsible and not be spending money
14 that we don't have. And we will be you know
15 revisiting all of these issues as we see what's
16 going to happen in the fiscal year...

17 COMMISSIONER BEEN: Yep.

18 COUNCIL MEMBER ROSENTHAL: ...15 budget. I
19 mean I do, I do want to say that you know this is
20 the fundamental problem of housing policy right.
21 The way that our housing policy is structured is
22 some people get a house and some people get
23 nothing. And that's a very tough you know choice.
24 That's a very tough way for policy to be
25 structured. And this is a instantiation of where

you really have the, the horrible choice of saying to one family you get nothing, we're taking back a voucher from you...

COMMISSIONER BEEN: Yeah.

COUNCIL MEMBER ROSENTHAL: ...you get nothing. Or saying to another family this is terrible and we know how terrible it is but we're asking you to take a little bit of a hit to save these 3,000 families from taking a huge hit.

COMMISSIONER BEEN: Yep.

COUNCIL MEMBER ROSENTHAL: Right it's... I get it. I'm going to shift gear, gears. When you talk about preserving affordable housing I'm wondering if there could be a conversation between HPD and individual council members who are able to identify buildings where we want to preserve the housing. So when you, I have a couple in my district for sure that I'd like to talk to you about...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER ROSENTHAL: When you... That was yes?

COMMISSIONER BEEN: Yes, that was a definite yes, yes.

2 COUNCIL MEMBER ROSENTHAL: Okay. And
3 I'll, and I'll put it right out there. I mean it
4 Treamly [sp?] House which is a building that last
5 six years I've tried to help them figure out how to
6 do a tenant led buyout. When you think about the
7 mac of the 200 thousand units and you carve out the
8 piece, and I suppose this'll be in the May first
9 plan that you present but... So the piece that's
10 going to be preserved and the piece that's going to
11 be grown... do you attach dollar figures to the
12 mechanisms for doing each of those things and think
13 about the trade-offs? So in other words this
14 particular building is a, would cost the city the,
15 the interest rate of the 16 million dollar loan
16 that the building needs, that the tenants need
17 which I would imagine is somewhat diminimous
18 [phonetic] but compared to, we're about, I'm about
19 to sign off or possibly sign off on a building with
20 200 new units, so an equivocal number of units
21 where the city will lose over 50 million dollars in
22 tax abatements. So how do you, how do you go about
23 making those choices.

24 COMMISSIONER BEEN: So two things are
25 really at stake there right. One is that we, well

three things. The first is that we always want to preserve the units that we've invested in and we've invested hugely of course in, and the state has invested hugely in Mitchell Lama and everything else. So we want to save every unit that we've touched for, for, for affordability, for affordable housing. The second is that we certainly understand that in most cases it's much cheaper to preserve than to build new. And we're trying to get the most bang for our buck so we're trying to do what is most efficient and most effective. The third thing though is, of course that housing is occupied by existing tenants. And we also need to be providing housing for new families. It goes back to the conversation that we just had right. And so we're trying to balance really those three things. But every single deal that we look at we think about could we be using this money more effectively for preservation, for new construction, for rehab, etcetera. And we're also trying to figure out where are alternate source of funds right... Could this, you know could this tenants group or whatever find alternative sources of funds that, that, so that we can dedicate some of our funds for other things. So

we're taking all of those things into account. But certainly I want to work and I want to hear from each of you about preservation opportunities in your districts.

COUNCIL MEMBER ROSENTHAL: Thank you very much.

COMMISSIONER BEEN: Thank you.

COUNCIL MEMBER ROSENTHAL: I just wanted to make sure Trinity House is on the table.

COMMISSIONER BEEN: It's, it's second on page 41 in my, in my list of concerns here.

[laughter]

COUNCIL MEMBER ROSENTHAL: [crosstalk]
Thank you.

CHAIRPERSON WILLIAMS: I want to recognize Council Member Carlos Menchaca from Brooklyn, Council Member Johnson from Manhattan, and we have Council Member Levine, Reynoso, Cornegy, and Johnson. So council Member Levine.

COUNCIL MEMBER LEVINE: Thank you Chair Williams. Thank you Commissioner Been.

COMMISSIONER BEEN: Thank you.

2 COUNCIL MEMBER LEVINE: I want to
3 clarify an important question about the stated goal
4 200 thousand units...

5 COMMISSIONER BEEN: Mm-hmm.

6 COUNCIL MEMBER LEVINE: ...created or
7 preserved. Is that a net number or a gross number
8 but... Should I explain what I mean by that?

9 COMMISSIONER BEEN: Well you mean after
10 accounting for things that are expiring out, that,
11 things that are... losing to rent regulation
12 etcetera... It is a gross number not a net number.

13 COUNCIL MEMBER LEVINE: So in the...
14 [crosstalk]

15 COMMISSIONER BEEN: ...going to preserve
16 and produce 200 thousand units gross and we're
17 going to try to prevent everything we can from
18 going out the other end to Council Member
19 Rosenthal's point. So we hope to narrow the gap
20 between net and gross. But it is a gross number.

21 COUNCIL MEMBER LEVINE: The, the
22 previous mayor had a plan to create or preserve 165
23 thousand units but the community service society
24 [static] to report that estimated, that the net
25 change was actually a loss of 385 thousand units

over the past decade. Can you estimate a current, assuming current trends continue what, what the net [static] will look like in the coming decade?

COMMISSIONER BEEN: Alright we haven't done that analysis. We will be doing that analysis. And as I said we hope to change that calculation right. We hope to be losing much less and that's why the housing plan that's announced on May 1st will be much more holistic. It will address things as, as Chair Williams was saying as the erstat [phonetic] law that allows a lot of that loss of the rent stabilized units to happen. So we are going to tackle both the production and preservation of 200 thousand gross. But we're also going to be doing everything we can to keep that exodus from happening.

COUNCIL MEMBER LEVINE: Your budget plan talks not only about creation preservation but of helping tenants in existing housing to maintain their right to live in safe well maintained conditions.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER LEVINE: So I have a couple questions on that. What's the, I might have

missed this, what's the current budget for code enforcement.

COMMISSIONER BEEN: The current budget for code enforcement is let me tell you exactly... So our code enforcement fiscal year 15 budget both tax levy and CDGB is about 18 million, 18 million dollars yes.

COUNCIL MEMBER LEVINE: 18 million. And when you talked about doing everything possible to, to help tenants maintain safe and well maintained housing does that include raising that?

COMMISSIONER BEEN: It includes... I mean as I mentioned we've had very serious staffing cutbacks and we're going to be trying to address some of that in the executive budget discussions. Because as we put more housing online and as we ask more of Vito and his incredible team we need to be building up that staff.

COUNCIL MEMBER LEVINE: But what was the budget for code enforcement last year?

COMMISSIONER BEEN: The budget for code enforcement in the fiscal year 14 was also 18 million.

COUNCIL MEMBER LEVINE: Right. Okay...

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2 COMMISSIONER BEEN: So this, this fiscal
3 year 15 preliminary budget does not include...
4 [crosstalk]

5 COUNCIL MEMBER LEVINE: And how, how
6 many inspectors are we getting for that budget?

7 COMMISSIONER BEEN: The number of
8 inspectors that we have is about 325.

9 COUCIL MEMBER LEVINE: And how many 311
10 calls are we getting a year about housing
11 commissions?

12 COMMISSIONER BEEN: 386,804 to be exact.

13 COUNCIL MEMBER LEVINE: Alright. So it's
14 over a thousand calls per inspector?

15 COMMISSIONER BEEN: Yes.

16 COUNCIL MEMBER LEVINE: What portion of
17 the calls are we able to inspect onsite.

18 COMMISSIONER BEEN: So Vito can I, what
19 you all know the incredible Vito if you don't know
20 him, I recommend him highly but I'm sure you'll be
21 getting to know him. But Vito can you give us those
22 numbers?

23 COUNCIL MEMBER LEVINE: What's that?

24 VITO MUSTACIUOLO: Good morning Council
25 Member.

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2 COUNCIL MEMBER LEVINE: Good morning
3 Vito.

4 VITO MUSTACIUOLO: And I'm sorry the
5 question was how many have we...

6 CHAIRPERSON WILLIAMS: Ask him to
7 introduce himself...

8 COUNCIL MEMBER LEVINE: Vito if you
9 could just introduce yourself on the record for our
10 recording thank you.

11 VITO MUSTACIUOLO: Sorry, my name is
12 Vito Mustaciuolo Deputy Commissioner for
13 Enforcement and Neighborhood Services at HPD. So we
14 actually respond to every call that comes into 311.
15 The response could be a, a call to the landlord.
16 The response could be a call to the tenant. We only
17 close complaints when a tenant tells us that the
18 condition has been corrected. If we don't reach the
19 tenant or if the tenant tells us that the condition
20 has not been corrected we sent an inspector out.

21 COUNCIL MEMBER LEVINE: Right.

22 VITO MUSTACIUOLO: So we do actually
23 have a response to every call that comes in.

24 COUNCIL MEMBER LEVINE: And, and what
25 are your metrics for affecting this? Is it lead

time between a case opened and closed? Is it percent of cases closed in a given calendar year?

VITO MUSTACIUOLO: Right. So we do, we do monitor that very closely. We triage our complaints so we have dire emergencies which has a response of 24 hours. We have emergency conditions. For instance for heat and hot water this winter which was an extremely difficult winter for us our response time was approximately two and a half days to a heat complaint. And that's two and a half days until an inspector was there. The calls start immediately. So we have an IVR system that starts to make calls to tenants and landlords... [coughs] a complaint. For other conditions it averages depending on the type of condition. So we can get you those indicators. And we certainly track those.

COUNCIL MEMBER LEVINE: Right. I would imagine for the tenant both conditions are considered dire. I'm not sure whether you consider mold or no gas to be an emergency but for tenants that could really be quite serious. This is a budget hearing so I'd like to explore what, what we're not able to accomplish due to the like constraint of having only 325 agents for a city

with one million buildings. What's, what, what are we missing out on? What are we not doing for tenants?

VITO MUSTACIUOLO: ...Commissioner.

COMMISSIONER BEEN: So I think the issue is you know increasing the response time and increase the, our ability to really push those landlords to make the repairs quickly. But it's also, you know we could be much more proactive. These, you asked about the response to complaints that we receive. If we were able to have more staff and able to have not just staff but frankly enhanced computer systems, those kinds of things to be much more proactive about figuring out well where are we seeing problems? Could we, you know could we take some initiative in those areas to try to prevent the problems from occurring. So all of those things are issues that we're trying to look at and think about how we could be more effective in that way.

COUNCIL MEMBER LEVINE: Yeah. What, what would it cost to respond to every complaint within 24 hours?

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2 COMMISSIONER BEEN: We, I, we don't have
3 those coded out but I, we're happy to try to work
4 on that?

5 COUNCIL MEMBER LEVINE: But is that a
6 doubling of the budget, is that a tripling of the
7 budget or is it more modest?

8 COMMISSIONER BEEN: No, it's more
9 modest.

10 COUNCIL MEMBER LEVINE: So if, if it's
11 something achievable I think, think this group
12 would like to understand it because...

13 COMMISSIONER BEEN: Mm-hmm.

14 COUNCIL MEMBER LEVINE: In my opinion,
15 so it would be a very good investment. Okay, okay
16 my time's up...

17 COMMISSIONER BEEN: Certainly...

18 COUNCIL MEMBER LEVINE: ...thank you.

19 COMMISSIONER BEEN: ...we, we can give you
20 the more detail.

21 COUNCIL MEMBER LEVINE: Thank you.

22 COMMISSIONER BEEN: Okay, thank you.

23 CHAIRPERSON WILLIAMS: Thank you, we'll...
24 Council Member Lander, Reynoso, Cornegy, and
25 Johnson.

2 COUNCIL MEMBER LANDER: Thank you Mr.

3 Chair and good morning. Commissioner wonderful to
4 see you in the chair there. And I want to thank you
5 for a couple of things in your testimony in
6 particular, being candid about the need for
7 resources both on the capital side to meet the goal
8 of 200 thousand units and on the expense side to
9 re-staff up especially the development department
10 are both great to hear and things I would have come
11 planning to ask questions about. But knowing that
12 those are on your mind and that hopefully you'll,
13 there'll be some room to address them in the
14 executive budget is, is very encouraging. And
15 second the, the way that you approach the
16 conversation around neighborhoods, amenities,
17 infrastructure, and the when we think about growth
18 and density we're going to do it in a way that is
19 thoughtful both about meeting housing needs and the
20 needs of communities. So both great to hear. So I
21 want to thank you for that. A couple of different
22 types of questions. First of all a relatively
23 smaller one you mentioned, I was glad to see it,
24 that the administration is putting the 750 thousand
25 dollars for mortgage foreclosure... [static] has been

ping ponged some years in the administration budget, some years not, delighted that it's in, appreciate your coming to us to challenge us to match it. It's been the other way most years. So I'm glad to see it. One question; there's you know the New York State Attorney General has been focused on this issue and obviously bringing a very substantial amount of money New York State in this. Have you had the chance yet to have some conversation with the Attorney General's Office about how we might either leverage some of those funds or work together to expand and build on the Center for New York City Neighborhoods and other mortgage foreclosure work?

COMMISSIONER BEEN: So, I know from, from being on the board of the Center for New York City Neighborhoods in my ex-officio capacity I guess that Christie Peel [phonetic] the Director of the center is working very closely with the Attorney General's Office to try to understand how some of that settlement money could be used to help support both what she's, what the center is helping to fund in the city but also you know they're now working in more upstate areas as well. So there's a

very vibrant conversation going on with the attorney general about how to use that money. So I have not talked to the Attorney General in my HPD role on, on using the money. Although that is on my to do list. I can assure you we have a, a variety of ways that we think that some of that settlement money could be used to support some of our programs that are either working with those homeowners for resiliency measures or those kinds of things that aren't necessarily being done through the center. So we're looking at that as well.

COUNCIL MEMBER LANDER: That's great to hear and I just think that's... we need all the resources we can to confront the challenges you're facing and it's great to have this new source of them coming into the state. As I mentioned to you I will be introducing legislation to establish a land bank largely because that may be a way to bring some of those dollars down to the city. But the broader issue is just those are resources we should do everything we can to bring into our affordable housing strategies.

COMMISSIONER BEEN: And we, we're looking as part of the housing plan at that land

bank issue. As you know we sort of already have the land bank and neighborhood restore and... [crosstalk]

COUNCIL MEMBER LANDER: Yes.

COMMISSIONER BEEN: ...and, but... So we're looking at ways in which that could be used.

COUNCIL MEMBER LANDER: And just in general this is just about maximizing the use of those resources...

COMMISSIONER BEEN: Right.

COUNCIL MEMBER LANDER: ...thank you. Just want to get your general take... I know there'll be a lot more in the housing plan on this for around the various tax incentive programs. You mentioned this. And every year when we look at the budget it's hard... you know the one billion dollars we're giving up and every year in 421 A just kind of you know pops out. It's like are we really getting value for the buck for that. And I'm at very frustrated moment on the J51 program and in my district 130 seniors, quite a few of them over 100 years old are being booted out of a building where the J51 expired last year and the owner strategically waited 15 years carefully put the poison writers in each lease of those 80s, 90s, and 100 year old

people and is intending to throw them all out on the street with 90 days' notice. So I am not... the, the challenge of getting our money's worth from our tax incentive and abatements which we're, you know we give up tax revenue for and then don't have to spend. I assume that's one of the things that's being looked at as part of the housing plan. But since... [crosstalk]

COMMISSIONER BEEN: Absolutely.

COUNCIL MEMBER LANDER: ...in the budget context I wanted to ask about it.

COMMISSIONER BEEN: Both... I, I would say actually in three ways. One is in terms of well how do we make those subsidy dollars go further. How do we avoid over subsidizing a particular deal? How do we build in sort of longer term affordability? Those kinds of issues. And then the third is... you know there are all kinds of regulatory bottlenecks problems in our use of those tax incentives you know ways that it ends up limiting our flexibility in a variety of ways to get a more efficient and more neighborhood friendly development. So we're looking at all three of those.

2 COUNCIL MEMBER LANDER: And I know one
3 of the things we've talked about over the years as
4 you've been exploring you know other models like
5 either vacant land tax or things that we could do
6 that would both be strategic from a revenue point
7 of view but also incent the kind of development
8 that we want. These are all things on the table.

9 COMMISSIONER BEEN: All things on the
10 table.

11 COUNCIL MEMBER LANDER: And I'll call
12 your attention to one that I hadn't thought about
13 until you mentioned the naturally occurring
14 affordable housing in small buildings. But a few
15 years ago the council proposed. But before I was
16 here but we were working on it as advocates A what
17 we were calling the good landlord, good neighbor
18 tax credit. So in small unregulated buildings
19 mostly where homeowners live where people are
20 providing affordable housing you know because it's
21 the, the right thing to do and they know their
22 neighbors but wind up not a, not you know, not
23 seeing any incentive to do so that it might be,
24 there might be some room to provide a pretty modest
25 tax, you know tax credit or tax payment.

2 COMMISSIONER BEEN: Also on the table.

3 So...

4 COUNCIL MEMBER LANDER: Great.

5 COMMISSIONER BEEN: ...also on the list.

6 COUNCIL MEMBER LANDER: Okay, and then
7 my last question is just going to follow up on the
8 TDAP [sp?] question. And...

9 COMMISSIONER BEEN: Mm-hmm.

10 COUNCIL MEMBER LANDER: ...this comes you
11 know from some frustration we had with getting that
12 set up to begin with. There were a lot of people in
13 those shelters and hotels who did not get... We, we
14 collectively, the federal government, the local
15 government, the... we didn't do enough to get them
16 this opportunity and this relief quickly enough.

17 COMMISSIONER BEEN: Mm-hmm.

18 COUNCIL MEMBER LANDER: And so I guess
19 I'm curious a little bit of the 159 households that
20 were deemed ineligible because of income... Do you
21 have any, do we have any sense of what, what
22 happened... I mean it seems to me if they genuinely
23 had the incomes they would not have stuck around in
24 the conditions that they were in in the hotels and,

25

and shelters. And so I just am wondering if we know what happened to them.

COMMISSIONER BEEN: So I, I should make clear that hundred and whatever I said, 159 or 171 that were deemed ineligible. Some of them actually declined. They had already found housing that kind of thing. Some of them, some of them they were... they were given coupons and they were unable to use them right. And that is a very serious problem that we're facing is many people of course want to stay in their neighborhood. These neighborhoods were devastated. Their housing stock was devastated. So there's more people looking for fewer units. And that's been a problem in getting them to, in getting those coupons to be useful, to be usable.

COUNCIL MEMBER LANDER: So this is probably the subject of a future hearing but if I could just ask that we do some kind of lessons learned on this.

COMMISSIONER BEEN: Absolutely.

COUNCIL MEMBER LANDER: I wish this were going to be our last disaster but, but it isn't and we weren't ready with the right disaster housing model and...

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2 COMMISSIONER BEEN: Absolutely.

3 COUNCIL MEMBER LANDER: And we ought to
4 learn from it and be more ready next time.

5 COMMISSIONER BEEN: And there is another
6 hearing on March 31st I think right. March 31st.

7 COUNCIL MEMBER LANDER: Thank you.

8 COMMISSIONER BEEN: So we will be
9 talking more about that. But you are, I, I couldn't
10 agree more.

11 COUNCIL MEMBER LANDER: Thank you very
12 much.

13 COMMISSIONER BEEN: Thank you.

14 CHAIRPERSON WILLIAMS: Thank you... I just
15 want to acknowledge that Council Member Kallos
16 joined us for a couple of moments. Council Member
17 Reynoso, Cornegy, and Johnson. Just briefly I want
18 to follow up on something that Council Member
19 Levine was talking about. The 311 calls, what
20 happens to calls that come in about NYCHA?

21 COMMISSIONER BEEN: They, they get
22 routed directly to NYCHA. We don't receive those,
23 those calls.

24

25

2 CHAIRPERSON WILLIAMS: So if it is
3 nothing with NYCHA code enforcement, they just go
4 straight to NYCHA?

5 COMMISSIONER BEEN: They go straight to
6 NYCHA.

7 CHAIRPERSON WILLIAMS: Thank you.
8 Council Member Reynoso. Wait is he here?

9 COUNCIL MEMBER REYNOSO: Thank you Chair
10 Williams and thank you Commissioner Been for being
11 here. I, I represent Williamsburg and Bushwick in
12 Brooklyn where we saw the displacement of over
13 10,000 Latino residents in less than 10 years. The
14 number since then I could imagine has grown in the
15 last four. So we have an average of about 4,000
16 families that have been displaced and less than
17 1,000 units that have been created, affordable
18 housing units. Obviously here the cure is not to
19 build more affordable housing in my district. It's
20 to work on preservation. What the administration
21 has failed to do in the past is address that issue
22 what we consider locally anti-displacement funding.
23 As you know 85 percent of landlords are represented
24 in Brooklyn Housing Corp when 90 to 95 percent of
25 tenants are not represented. In my district the

2 success rate is extremely high when local
3 organizations like our legal services organizations
4 can represent the tenants especially in harassment,
5 neglect, and disrepair. What part of this budget
6 truly addresses the, the access that HPD is going
7 to allow for the tenants to have when it comes to
8 representation in housing corp.

9 COMMISSIONER BEEN: So we do not fund
10 legal services for tenants. I wish we could but we
11 don't and we can't without a massive infusion of
12 money. Obviously as a law professor trained many of
13 those tenant advocates and tenant lawyers. I
14 strongly believe personally that we would be able
15 to do tremendous good by providing resources for
16 those tenant attorneys to represent more people.
17 But that is not part of HPD's budget and it's not
18 part of HPD's mandate really.

19 COUNCIL MEMBER REYNOSO: So, but it is
20 something that HPD can take into consideration when
21 it's moving forward with the development of
22 affordable housing, or development of housing in
23 general like...

24 COMMISSIONER BEEN: Absolutely and we...
25 and I want to be clear. We work very closely. I

mean Vito, our entire team works very closely with those, with legal services, obviously all of the different tenant lawyers. So for example you know we are sometimes in litigation alongside them against a landlord. So we do whatever we can to support those efforts that in terms of being able to provide lawyers for the tenants were not able to do that.

COUNCIL MEMBER REYNOSO: So I kind of... my, my question is kind of leading to... and of course given that you're the new commissioner I hope that you don't take offence but it's in our mind in this as to how we move forward with subsidies for developers.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER REYNOSO: That don't, it doesn't take into account the affect that it has on the, the folks that are in my district that are inland, is what we call it outside of the waterfront. 80/20 doesn't work in our district but it keeps happening and keeps getting approved by HPD, by DCP. It works of course because the buildings get developed but my, my residents, or the Latino residents in particular are getting

displaced at a rate that is unheard of. It's never... it's the worst displacement that has ever happened in the City of New York since of course my time which is only 30 years. But it, it's, it's still significant. And we continue to approve these projects. And we're not providing the amount of resources that, this, that, that we need locally to be able to address it. Policy makes it so that 80/20 is the most ideal tax abatement that these developers are asking for. My district doesn't need any more 80/20. What it needs is something like 30/50/20...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER REYNOSO: But that, that incentive... or there's, that incentive isn't, isn't attractive enough for developers at this moment I guess. What are we doing to be able to expand what we look at as incentives so we can attract developers who do something that is more appropriate for the long term preservation of residents that do have affordable housing in the district?

COMMISSIONER BEEN: Mm-hmm. So all excellent seen questions and I'm happy to talk more

2 about your particular council district you know
3 offline. I do want to say that we are looking as
4 part of the plan at trying to find new ways of
5 reaching those different income bans. As you know
6 part of it is legal restrictions in terms of the
7 low income housing tax credit program which of
8 course is one of the major funders of, of
9 affordable housing. And we are working in congress
10 to try to allow more income averaging. It would
11 allow us to have more of the kind of mix that you
12 describe. In our own programs we're looking at how
13 could we rejigger that, that mix and where there
14 are, where, where we don't face those tax credit
15 numbers. So we are exploring ways of making those
16 bans stretch further and, and having more of a mix
17 on them.

18 COUNCIL MEMBER REYNOSO: Okay.

19 COMMISSIONER BEEN: But I'm happy to
20 talk about the particular displacement that you're
21 referring to and to try to problem solve with you
22 about what we could be doing there.

23 COUNCIL MEMBER REYNOSO: Yes, thank you.
24 And I also want to make mention that I had
25 developers come to me recently who have unit, a lot

2 of properties that are more R6A so they can't go
3 too high.

4 COMMISSIONER BEEN: Mm-hmm.

5 COUNCIL MEMBER REYNOSO: But that they
6 do want to do inclusionary housing or want to do
7 something but they have less than 10 units of
8 affordable housing would be created. Standalone it
9 doesn't make any... it, it's only 6 or 7 units but if
10 they have five or 10 properties we're talking about
11 70 to 100 units. But they're nothing, they're not
12 incentivized in any way shape or form to build
13 affordable housing.

14 COMMISSIONER BEEN: Yeah, I recognize
15 that problem. And we are working as part of the
16 housing plan in working with the Department of City
17 Planning to try to figure out if there isn't a way
18 that we could reach those you know smaller
19 buildings. And what I would really appreciate
20 council members if you have examples of specific
21 smaller buildings that would help us think about
22 okay, well how could we design a program that would
23 work for those owners and for those buildings. So I
24 hear you and I'm... would be delighted to work with
25 you on that.

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2 COUNCIL MEMBER REYNOSO: Okay. And thank
3 you so much Chairman even though I only asked one
4 budget question. Thank you.

5 CHAIRPERSON WILLIAMS: It's alright. I
6 do it myself sometimes. But I do have a follow-up.
7 Do we... I know the plan's coming out but I too have
8 concerns about the 80/20. Are there possible, is it
9 possible there will be plans for 50/50s which could
10 break down to 30/20/20, I mean 30/20/50. Are there
11 plans to restructure that so that we can get to the
12 actual need?

13 COMMISSIONER BEEN: We are exploring all
14 the different ways that that could be done. So yes.

15 CHAIRPERSON WILLIAMS: So yes. We don't
16 know at this time until... [crosstalk]

17 COMMISSIONER BEEN: I don't know exactly
18 what the programs are going to look like but we're
19 trying very hard to come up with programs that
20 would address that.

21 CHAIRPERSON WILLIAMS: Okay. Council
22 Member Cornegy, Johnson, Mendez.

23 COUNCIL MEMBER CORNEGY: So just to,
24 just to... Thank you Commissioner for being here.
25 Just to piggyback off of both my colleagues my

district as well is suffering under the crunch of gentrification. And 80/20 doesn't work in my district. So we're disproportionately my district has serviced and has been the HUB for middle class on now being forced out. So these are people with solid incomes who can no longer, and who could certainly benefit from a program like a 50/30/20.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER CORNEGY: So I just want to encourage you and just add one more demographic to the mix which is our middle class...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER CORNEGY: ...which is, is, has charically [phonetic] been serviced in Bedford Stuyvesant and northern Crown Heights...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER CORNEGY: ...who now are scrambling to find other pieces to be under the crunch of gentrification would tremendously benefit from keeping that community whole and keeping it a community by a 50/30/20 program. So I just want to know if you know in, in the budget...

COMMISSIONER BEEN: Mm-hmm.

2 COUNCIL MEMBER CORNEGY: ...if there could
3 be allocations for alternative programs like a
4 50/30/20. That's the only, that's the only one I'm
5 here to, that I can mention today but I'm sure that
6 there's other that would need the need of servicing
7 keeping the middle class in place...

8 COMMISSIONER BEEN: Mm-hmm.

9 COUNCIL MEMBER CORNEGY: ...in underserved
10 communities. So outside of the 50/30/20 does this
11 budget look at any alternative funding source, any
12 alternative programs to be funded that would serve
13 as that demographic?

14 COMMISSIONER BEEN: So, I mean this
15 really goes back to, to Council Member Williams'
16 question for, to break down the budget by the
17 income served and, and we will be doing that. But,
18 so there's several complexities here. And let me,
19 let me just try to pull them out. I mean one is as
20 you know in many deals there are different
21 financing programs layered into that. And so, and
22 because of the sort of you know the reach thank
23 goodness of the low income housing tax credit
24 program it is involved in so many deals that we end
25 up facing those restricts on the income bans from

the low income housing tax credit program on a huge number of deals. But we're trying to really pull out... okay where do, could we have more flexibility and how could we you know we're, as I said we're going to congress trying to get some income averaging that would allow more middleclass to, to counter, to cross subsidize more very low income bans through the low income housing tax credit program. But we're also looking at well could, are there ways in which we could do that in programs that don't end up getting any tax credit money into the financing stream right. So we're looking at both of those... you know both of those sort of solutions.

COUNCIL MEMBER CORNEGY: So I, I don't know what your timeline is for that but, but the people in my district are... this is a sense of urgency. And I'm sure around the city is, is very similar.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER CORNEGY: So I mean I, I would really consider reducing that long stretched out program for looking at alternatives when an

entire demographic is looking to be displaced very quickly.

COMMISSIONER BEEN: Absolutely.

CHAIRPERSON WILLIAMS: Just want to recognize that the public advocate Letitia James was here. We thankfully joined by Council Member Karen Koslowitz from Queens and Council Member Vanessa Gibson from the Bronx. Not sure if she's staying but it's alright. Next we have Council Member Johnson and Council Member Mendez.

COUNCIL MEMBER JOHNSON: Thank you Chair. Good to see you commissioner. I look forward to working together. Before I, I ask some questions I just want to say that my initial relationship in the, in the council over the past nearly three months with both Chris and Vito has been remarkable and I really want to just say that the level of responsiveness no matter if it's 2:00 in the morning when this major heater/hot water outage has really given me an extra reserve of strength and respect for your staff at HPD. And you know my district in January and February saw major heat and hot water outages. Water main breaks have displaced hundreds of residents. Issues just across the board

of, of tenant harassment and your team would step up immediately and take care of it. And they deserve thanks for that. So I just wanted to recognize that.

COMMISSIONER BEEN: Thank you.

COUNCIL MEMBER CORNEGY: I wanted to also say and echo what Council Member Lander said which is I really appreciate the fact that you came today saying you know we really do have needs on the personnel side and also on the capital side being able to execute our mission in the way that we need to moving forward with regard to our agenda. So I look forward and I, I don't want to speak for my colleagues but I think this council is excited about the 200 thousand unit goal and making sure that you do have the resources and capability to actually achieve that. And I think that being forthright and honest from the outset of this is what we need is a very good thing so the council can be advocates for that.

COMMISSIONER BEEN: Thank you.

COUNCIL MEMBER CORNEGY: I, I want to say that you know in district, at least on the west side from Canal Street to 63 street, basically 5th

avenue to the river we've seen a huge amount of development of course. And with the community board that I was on for eight and a half years, Community Board 4 and I chaired for two and a half years our number one goal and priority always was affordable housing. And we were able to achieve quite a bit. What we're seeing though in the next six, seven, eight years is that so many of the 80/20s that were provided many years ago, a whole slew of them are all going to come up for expiration at the same time. There's going to be a glut of expiration in a neighborhood where you could have massive displacement of people. And I want to just hear about if HPD has any plans for these 80/20s that were not able to achieve permanent affordable housing that are coming up for recent expiration or upcoming expiration and what HPD hopes to do around that.

COMMISSIONER BEEN: So for every building that we've touched that's going to be coming up for expiration out of its subsidy program we will be acting proactively to talk to the owners, to talk to the tenants, to try to figure out a way to preserve that housing as affordable

housing. So I think what's critical is that we be proactive, that we sort of manage expectations right, that the, that the owner not think that you know... let, let me back up one sentence. What we found in earlier years is that owners were often unrealistic about how great the market was and how much money they would make by taking something to market. We want to teach them to be realistic and we want to work with them to try to find ways to keep, to keep the building in either that subsidy program or another. Write an extension of, of that program. So we'll try to be proactive. We'll work with the landlords. We'll work with the tenants. We'll try to manage expectations about what the market really is about and what they can, what we could offer them in terms of, of ways in which to make it worthwhile to keep the building in the program.

COUNCIL MEMBER CORNEGY: Thank you. I, I want to say that at least for me and I would assume for others we will know when our community boards know and our local leaders know what's going on in our district. And when there are projects or buildings who are potential development sites that

2 are coming up, that HPD is looking at, it would be
3 really helpful to be included on that at the
4 earliest phase possible. I want to say, and I've
5 raised this before and I, I, I say this in the
6 best possible way there was an announced deal last
7 week on Hudson Yards on West 29th Street with
8 regard to affordable housing, 139 units that was
9 being touted. That deal was worked out three years
10 ago. And this deal's announced. My office wasn't
11 told. The community board wasn't told. No one was
12 brought into the fold. And someone was being touted
13 that was agreed two years ago. So having the
14 relationship with the local rented officials and
15 the community boards when HPD along with the
16 administration is going to move forward and say
17 this is a great thing people that have actually had
18 a history with this from the project, when it, from
19 its inception it's important to include us.

20 COMMISSIONER BEEN: Absolutely. And, and
21 I guess I, well seeing in terms of our, you know
22 the third goal that I outlined is really sort of
23 rethinking the way that we engage with the
24 communities and really trying to work with the
25 community. At the very earliest state when we're

2 approached by, when we're thinking about an
3 investment, when we're thinking about you know
4 working with our partner agencies to try to look
5 holistically at a neighborhood... So we're going to
6 be rethinking that really from top to bottom in
7 terms of how we can work better with the
8 communities and how we can work more strategically
9 to see the whole picture and to see the history.

10 COUNCIL MEMBER CORNEGY: My time is up.

11 I just want to conclude with one final comment
12 which is... In my district we have a bunch of former
13 middle income developments which for whatever
14 reason at certain points came out of Mitchell Lama
15 and in the next few years you could end up seeing a
16 mass exodus of tenants if it continues the path
17 that is, like west village houses where HPD worked
18 out a deal in 2006. We could end up having 79
19 households going through a mass exodus. Nearly 70
20 percent of them are seniors. So these local issues,
21 I look forward to meeting with you and having the
22 proactive relationship before this actually happens
23 so we don't start being reactive in the midst of a
24 crisis or being proactive a couple of years ahead

of seeing someone like this coming down the pipeline.

COMMISSIONER BEEN: Absolutely. And we'll be trying to meet with you as quickly as possible. But also send me an email, you know pick up the phone and give me a call and let me know of things that you see coming down that should be on our radar screen.

COUNCIL MEMBER CORNEGY:
Congratulations. I look forward to working with you.

COMMISSIONER BEEN: As do I. Thank you.

CHAIRPERSON WILLIAMS: Thank you.
Council Member Mendez.

COUNCIL MEMBER MENDEZ: Thank you Mr.
Chair, Commissioner, how are you today?

COMMISSIONER BEEN: Good, thanks. How about you?

COUNCIL MEMBER MENDEZ: On the headcount reductions you're saying you've lost 25 percent since 2009. Can you tell us how many positions that actually comes down to and what departments or units and if any departments or units have been completely eliminated?

2 COMMISSIONER BEEN: Well in terms of
3 department or units that have been eliminated, no
4 we've done a variety. We've done reorganizations.
5 Or reorganizations were done under the prior
6 administration to try to achieve a lot of
7 efficiencies in saving. So it resulted in some
8 consolidation of units, some moving things around.
9 But we haven't to my knowledge... [static] but to my
10 knowledge we haven't eliminated any service or
11 [static] Oh, I'm sorry. A small elimination of the
12 narcotics unit. I don't, I, sorry I don't know
13 about but I can look into. So, so in terms of, of
14 our, you know of, of specific staffing changes let
15 me just give you... I don't have it broken down for
16 every single department.

17 COUNCIL MEMBER MENDEZ: The, the total
18 amount of staff, that 25 percent will be the total
19 amount, the headcount.

20 COMMISSIONER BEEN: It's about 500 per
21 total.

22 COUNCIL MEMBER MENDEZ: 500?

23 COMMISSIONER BEEN: Right.

24 COUNCIL MEMBER MENDEZ: Okay.
25

2 COMMISSIONER BEEN: And so I mean just
3 to give you an example. In fiscal year 07 which was
4 the year that we did the highest number of units
5 that we preserved or produced the highest number of
6 units, about 18 thousand units. Our, our builds
7 unit right which takes care of environmental
8 review, does, looks at accessibility issues, looks
9 at the design of the building and tries to ensure
10 you know that what's being planned is going to be
11 well maintained and, and high quality and safe over
12 time that you know does all of that complaints
13 review in, in fiscal year 2007 we have 202 people
14 in that unit. In fiscal year 14 we had 116. So you
15 know it varies from department to department.
16 Similarly let's just take code enforcement. In 2007
17 we had 492 people assigned to the code...

18 COUNCIL MEMBER MENDEZ: What was that
19 number four...

20 COMMISSIONER BEEN: 492. In fiscal year
21 that was down to 429. In fiscal year now it's down
22 to 394. So at every... I mean I can give you break
23 down you know department by department but that
24 gives you a flavor. I mean I just, those were at
25 the top of my chart. So those were the ones that I

gave you as illustrative. But I think the bottom line is that you know we... [static] losing, I mean we have been facing cutbacks and had to really... first of all through attrition and, and other kinds of things we really had to reduce our, our staffing. And in some ways we were able to just work smarter and better so because as you know Vito was saying we respond to every call. We try to do it in as timely a manner as possible...

COUNCIL MEMBER MENDEZ: Mm-hmm.

COMMISSIONER BEEN: ...but we're doing it with a lot fewer people.

COUNCIL MEMBER MENDEZ: HPD litigation bureau what's the headcount loss there?

COMMISSIONER BEEN: I don't...

COUNCIL MEMBER MENDEZ: Do you know?

COMMISSIONER BEEN: Let's see... Oh, litigation, I'm sorry. In fiscal year 07 it was 112. In fiscal year 14 it's 87.

COUNCIL MEMBER MENDEZ: Well that makes a, a big difference because if buildings are in very bad condition and HPD is not there to start an action to force the landlord to do the repairs so

that building just keeps spiraling down and residents are living in really bad conditions.

COMMISSIONER BEEN: Yes. But I want to ensure you we're not letting that happen. We're either working harder or working smarter. But you know as, as I was saying earlier in order to really be more proactive, in order to I, I think achieve the kinds of real wins that we want to achieve in terms of, of this we are going to need more staff.

COUNCIL MEMBER MENDEZ: Earlier you mentioned that there were 386,804 phone calls to 311 that made it to your code enforcement unit. How many additional calls or is it waived into there what comes in through housing court and in HP action?

COMMISSIONER BEEN: I'm not sure. Vito do you... do you... do you have those numbers?

VITO MUSTACIUOLO: Council Member I apologize. I don't have those numbers with me. But in, in addition to responding to the 311 calls we also do perform court ordered inspections. And we can get you those numbers.

COUNCIL MEMBER MENDEZ: Okay.

2 VITO MUSTACIUOLO: I don't have it with
3 me here today. But we certainly do track that
4 separately.

5 COUNCIL MEMBER MENDEZ: Okay. I'd like
6 to see what those numbers are. And let me ask you
7 another question. If a public housing tenant starts
8 an HP action is it your code enforcement inspectors
9 that goes, ordered through court to go and take a
10 look at the violations that exist?

11 VITO MUSTACIUOLO: We do send a housing
12 inspector. And we, we submit a report based on our
13 findings back to the court.

14 COUNCIL MEMBER MENDEZ: Okay, but when a
15 public housing tenant calls 311 they get referred
16 directly to NYCHA so that NYCHA the landlord will
17 not inspect or re-inspect to repair, but not
18 inspect to get a violation listed, is that correct?

19 VITO MUSTACIUOLO: That's correct.
20 That's how the process works. Yeah, that doesn't
21 seem like that's the right process for me. So I
22 mean how do we know what violations exist there.
23 And there's, there needs to be some kinds of checks
24 and balance.

2 COMMISSIONER BEEN: So actually Vito and
3 I talked about that over the weekend because I had
4 exactly the same question. And so we have been
5 working hand in glove with NYCHA to try to, to show
6 them here's how we would go about it. Here are the
7 code violations that we would look at. Here are the
8 ways that we prioritize and trying to align those
9 processes. The, as I understand it, and Vito you
10 can correct me if I'm wrong. But as I understand it
11 it's a balancing act between if we were to go in
12 and do the inspection and issue let's say a
13 violation would it, would that actually slow down
14 the repairs that NYCHA would then make? Would the
15 process end up slowing down rather than speeding
16 up? And I understand that you know those are issues
17 that we would need to discuss with NYCHA. But
18 consideration has been given to that in the past.
19 And the decision was made that we were better off
20 trying to align what we did but not actually
21 sending our inspectors into the NYCHA process.
22 That's something that we'll continue to talk about.
23 I don't know if you want to...

24

25

2 COUNCIL MEMBER MENDEZ: How many units
3 of Mitchel Lama rentals have opted out of the
4 program in the last 10 years?

5 COMMISSIONER BEEN: So in the last 10
6 years. I'm sorry Council Member I think I'm going
7 to have to, I don't think I have them for the past
8 10 years. I can get you that information obviously.
9 I don't have the numbers for the last 10 years. I
10 think in the, since 2009...

11 COUNCIL MEMBER MENDEZ: Can I get the
12 break down for rentals and for coops...

13 COMMISSIONER BEEN: Yes, absolutely.

14 COUNCIL MEMBER MENDEZ: ...that have opted
15 out of the program? How many Mitchel Lama complexes
16 are looking to opt out of the program now?

17 COMMISSIONER BEEN: So, so we have 63
18 hundred units of Mitchel Lama housing that are
19 currently not locked in. In other words they're not
20 currently under an affordability restriction. Some
21 of those in fact have been out of the affordability
22 period for some time and have not moved into market
23 rate as you, as I'm sure you know when a, when the
24 owner, when the is it Article 2 owner, I'm
25 forgetting the article, but when the owner decides

2 to go market they then have to go through a series
3 of notices right. And so you have to look not just
4 at whether or not they've expired out of the
5 subsidy program but also how long they've been
6 expired, how long they've expired out and whether
7 they've given those notices and all of that. And we
8 can break that down for you.

9 COUNCIL MEMBER MENDEZ: Those 63 hundred
10 units are rentals or coops?

11 COMMISSIONER BEEN: They are... let's see...
12 approximately 2,000 are rentals and 4150 are coops.
13 That doesn't add up to 6300. That adds up to 6350
14 but, or 6150 sorry but... Oh, I think it's because
15 150 units actually did lock in recently in the
16 Sanburt Houses in Coney Island. I think that's why
17 there's a difference between those two numbers.

18 COUNCIL MEMBER MENDEZ: Mr. Chair I
19 guess I can come back and ask questions after the
20 other members. I still have some questions but
21 they'll run off so I don't [crosstalk] want to be
22 greedy.

23 CHAIRPERSON WILLIAMS: Okay, how many
24 more questions do you have?
25

2 COUNCIL MEMBER MENDEZ: I don't know.

3 Like three or four, I don't know.

4 [laughter]

5 CHAIRPERSON WILLIAMS: Okay, I have a
6 couple questions and then I'll come back.

7 COUNCIL MEMBER MENDEZ: Okay.

8 CHAIRPERSON WILLIAMS: Alright.

9 COMMISSIONER BEEN: And we will get you
10 that break down.

11 CHAIRPERSON WILLIAMS: So I have a, a
12 few questions Commissioner. What is the narcotics
13 unit?

14 COMMISSIONER BEEN: What is the
15 narcotics unit. I didn't know we had eliminated it
16 so I certainly don't know what it was. I'm sorry.
17 [crosstalk] Vito we have to call you up again
18 sorry. Vito, Vito is the man who knows everything.

19 VITO MUSTACIUOLO: So we actually... that
20 unit was originally designed to address drug
21 problems in our In Rem housing stock. And when we
22 went for the accelerated disposition program and
23 our housing stock reduced down to a small number we
24 actually transferred that unit over to enforcement
25 neighborhood services. We're dealing in... buildings

but with the budget cuts in the CDBG program and we just, it would, the unit was down to about four people so it just didn't make sense to maintain it. And so we, we spoke with the police department before we, we dissolved the unit and I think that they do a very good job. We were just really feeding information back to the police department.

CHAIRPERSON WILLIAMS: Okay. So it was superfluous like it was, it, it was doubling the work that the police were doing already or...

VITO MUSTACIUOLO: We were basically responding to complaints of privately owned buildings and gathering information and handing that over to the police department.

CHAIRPERSON WILLIAMS: ...NYCHA MO, is there a NYCHA MOU that figures out how the code enforcement complaints are handled? And how will the NYCHA inspectors train? Are they trained by HPD about code enforcement?

VITO MUSTACIUOLO: They don't have inspectors.

COMMISSIONER BEEN: I, you know I'm going to defer to NYCHA on that because I don't know what their training system is and I am not

aware of an MOU between NYCHA and HPD on that subject but I will get back to you on that. If, If I can Mr. Chair. So my whole issue in the whole line of question is because NYCHA does not have inspectors. And while NYCHA is part of the city it still is a landlord and if there are violations no one is issuing them unless tenants go to housing court. And then HPD will go and give a court order inspection.

CHAIRPERSON WILLIAMS: So someone calls about NYCHA and HPD sends a code back to the landlord which is NYCHA.

COMMISSIONER BEEN: Well 311 routes the call to NYCHA.

CHAIRPERSON WILLIAMS: Which is the landlord.

COMMISSIONER BEEN: Instead of coming to us mm-hmm.

CHAIRPERSON WILLIAMS: That's a, that's an issue. You got to, you got to look in and see how...

COMMISSIONER BEEN: So you know it's... I'm happy to...[crosstalk] talk with you along with NYCHA about what would make sense there.

2 CHAIRPERSON WILLIAMS: There's nothing
3 in writing between HPD and NYCHA.

4 COMMISSIONER BEEN: Not to my knowledge.
5 I can't say. I'm fully... yes, can you, can you...

6 CHAIRPERSON WILLIAMS: Alright thank
7 you.

8 COMMISSIONER BEEN: But I will look in
9 to...

10 CHAIRPERSON WILLIAMS: [crosstalk] If
11 you can just check to confirm and I believe the
12 former chair of NYCHA. So thank you for that. But
13 if you can just confirm. It's just very interesting
14 that there's no connective tissue there. Back to
15 the downsizing. How many tenants would have to move
16 in the downsizing plan.

17 COMMISSIONER BEEN: Okay. So let me...

18 CHAIRPERSON WILLIAMS: I think Vito
19 you're going to have to be back here in a minute
20 so...

21 COMMISSIONER BEEN: I'm sorry let me,
22 let me just... I have those numbers but I'm not
23 finding them. Okay. Right. So we, again we estimate
24 because we don't know how many of these families
25 would be entitled to a reasonable accommodation how

many for the enhanced vouchers win if ever, or when presumably a unit size that's appropriate will open up. But for the enhanced voucher program we think that about 16 hundred and 67 households are subject to a change in voucher size.

CHAIRPERSON WILLIAMS: 16 hundred 67.

COMMISSIONER BEEN: 16 hundred and 67.

For the housing choice voucher program we estimate that the total number of households affected by the change will be about 5,690.

CHAIRPERSON WILLIAMS: Thank you. Can you repeat the numbers again?

COMMISSIONER BEEN: 5,690 in the housing choice voucher, the regular voucher program and 1,667 in the enhanced voucher program. Now that's the, that's the outside number because some of them will be entitled to accommodations etcetera.

CHAIRPERSON WILLIAMS: Do you have a demographic breakdown, particularly seniors and the disabled?

COMMISSIONER BEEN: I do not have that with me, no.

CHAIRPERSON WILLIAMS: Can we get that one... [crosstalk]

COMMISSIONER BEEN: We, we can get that.
I believe we can get that.

CHAIRPERSON WILLIAMS: Just by the time
of the hearing...

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: ...that would be
great to have that exact breakdown demographically.

COMMISSIONER BEEN: You, you've
mentioned a hearing on the, on the voucher issues.
We're not aware that hearing so we just need to
find out when, when you'd like to see us.

CHAIRPERSON WILLIAMS: Ah, it has not
been calendared yet so...

COMMISSIONER BEEN: Okay, good.

CHAIRPERSON WILLIAMS: ...surprise?

COMMISSIONER BEEN: Surprise, okay...

CHAIRPERSON WILLIAMS: But, but I
believe you definitely will be going to do that,
jointly with NYCHA chairperson.

COMMISSIONER BEEN: Okay. [crosstalk]

CHAIRPERSON WILLIAMS: ...believe NYCHA
was able to handle some of their sequestration
issues without the downsizing. So we want to kind
of seek what happened there as opposed to HPD. I

think, I may, we need Vito back up here again really quickly. Just some, some code stuff. You may have answered before, just want to know how many code enforcement agents we have.

COMMISSIONER BEEN: 300 and 325.

CHAIRPERSON WILLIAMS: 325. Okay now appendix C is this, is this their appendix or ours... that's ours? Okay. Okay, so on the fiscal 2014 under mark I just had a couple questions. The first one says violations issued and removed in the same fiscal year so, it's 41 percent in fiscal year 11, 43 percent in fiscal year 12, 48 percent in fiscal year 13. Emergencies violations corrected by owner 56, 57... HPD... that wasn't it... Excuse me one second.

[pause]

[background comments]

[pause]

CHAIRPERSON WILLIAMS: Okay. Oh I, there is one question on the average time to close emergency completes. In fiscal year 12 that jumped up really high, to 41, looks like 41 days and it came back down thankfully... 14. Do you have any idea what happened in that fiscal year, why it shot up so high?

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2 COMMISSIONER BEEN: Total time... So Vito
3 I don't know if you can answer that or... I'm sorry
4 we actually have... [off mic]

5 VITO MUSTACIUOLO: [off mic] ...fiscal
6 year 12...

7 CHAIRPERSON WILLIAMS: Yeah fiscal year
8 11, average time a close non-emergency complaints
9 was about 17 days. Fiscal year 12 it went up to
10 about 42 days and they... fiscal year 13 thankfully
11 dropped back down to about 15 days.

12 VITO MUSTACIUOLO: Right, so those are
13 only in the non-emergency complaint category.

14 CHAIRPERSON WILLIAMS: Yeah.

15 VITO MUSTACIUOLO: And that was a
16 cleanup year. So we... We cleaned up our backlog.

17 CHAIRPERSON WILLIAMS: I see.

18 VITO MUSTACIUOLO: Right, so that's why
19 you saw that, that spike in that one year.

20 CHAIRPERSON WILLIAMS: Okay. And, and
21 any particular reason you think cases opened have
22 started going down which could be considered a good
23 thing? I just want to know if there's a good reason
24 seeing from, from fiscal year 11 was 13,700 and
25

fiscal year 12 13,300 and then fiscal year 13 under, about 12,400.

VITO MUSTACIUOLO: Right. I think that's similar. Those are housing court cases. I, so again we were cleaning up, we would clean up the back log of open cases.

CHAIRPERSON: Okay.

VITO MUSTACIUOLO: Right. So this way you'll a difference in those years.

CHAIRPERSON WILLIAMS: Thank you. In a couple more questions. But you may not be, be able to answer because you don't have the, the new housing plan. But one, hoping that we can get the numbers about how much capital funds is dedicated to which MI.

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: I just want to make sure that HPD has a commitment to the highest needs households and, and if you do know how many of the units in the 200 thousand units will be dedicated to the highest need household. There's a caveat that I, is a report that actually shows we need 400 thousand units and not 200 thousand units. But sure you're all aware of it. But I know we're

going to be planning for 200 thousand. Do we know how many of those will be aimed at the highest needs?

COMMISSIONER BEEN: We have not yet done those estimates and calculations. As you know to serve those, the very lowest income bans really requires both housing and a voucher. And we don't get no, what's going to happen with the voucher numbers as we talked about earlier. It is extremely difficult to provide housing for those very lowest income bans without those vouchers. And so it goes back to where we started in terms of the, you know the crisis really that's been created by the situation in Washington.

CHAIRPERSON WILLIAMS: So I, HPD is in the process of lobbying for federal and state funds.

COMMISSIONER BEEN: Oh believe me, yes.

CHAIRPERSON WILLIAMS: Okay. The Battery Park City money. Are you going to be working with eh mayor to get the fundings that it due for affordable housing? [crosstalk]

COMMISSIONER BEEN: Absolutely.

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2 CHAIRPERSON WILLIAMS: Any, any idea
3 where we are with that?

4 COMMISSIONER BEEN: I think the mayor's
5 very committed to using those funds for the
6 affordable housing for which they were intended.

7 CHAIRPERSON WILLIAMS: Okay, thank you.
8 ...get another you know... Oh, excuse me. I want to
9 recognize Council Member Ulrich.

10 COUNCIL MEMBER ULRICH: Okay. Will
11 supportive housing be part of the mayor's 10 year
12 housing plan?

13 COMMISSIONER BEEN: Absolutely.
14 Supportive housing, other special needs housing
15 for, for example the issue of senior housing all
16 that we're looking at.

17 COUNCIL MEMBER ULRICH: With any
18 completion of the New York, New York 3 it's a part
19 of a supportive housing unit is seeing negotiating
20 with the state to create a new city state
21 supportive housing agreement.

22 COMMISSIONER BEEN: We are in
23 discussions now to figure out what that New York,
24 New York 4 or whatever it will be called should
25 look like yes.

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2 CHAIRPERSON WILLIAMS: I'll give another
3 five minutes to Council Member Mendez. And then
4 I'll say thank you to the Commissioner, we'll take
5 a ten minute recess and then come back for
6 Department of Buildings.

7 COMMISSIONER BEEN: Thank you.

8 COUNCIL MEMBER MENDEZ: Thank you Mr.
9 Chair. On the Mitchel Lamas that have opted out...

10 COMMISSIONER BEEN: Mm-hmm.

11 COUNCIL MEMBER MENDEZ: ...so tenants in
12 qualified, those who qualified got enhanced Section
13 8 vouchers...

14 COMMISSIONER BEEN: Right.

15 COUNCIL MEMBER MENDEZ: And there are
16 lab tenants.

17 COMMISSIONER BEEN: Uh-huh.

18 COUNCIL MEMBER MENDEZ: Right? One the
19 lab tenants someone recently told me that she's a
20 senior, you know they're getting like an eight
21 percent increase every year and they want to apply
22 for SCRIE but they were not entitled to SCRIE
23 because there are subsidies in the building. Does
24 that make sense?

2 COMMISSIONER BEEN: I'm sorry I'm not
3 aware that there was that limitation. But I will go
4 back to my council and figure that out.

5 COUNCIL MEMBER MENDEZ: Can, can we, if
6 that's in fact true because I just thought that was
7 very odd you know that opt out of being affordable
8 tenants have choice if they qualified... one of the
9 other. And now that they're older in life still
10 getting these heavy increases they're not eligible
11 for SCRIE. It just doesn't make sense to me if in
12 fact that's true.

13 COMMISSIONER BEEN: Yeah, that's the
14 first I've heard of it. We will look into it.

15 COUNCIL MEMBER MENDEZ: Okay thank you.
16 Now on the tenants with the enhanced voucher that,
17 that are downsizing. If you can just like explain
18 to me again... I heard there is a 45 million budget
19 deficit because of sequestration.

20 COMMISSIONER BEEN: Mm-hmm.

21 COUNCIL MEMBER MENDEZ: And then I heard
22 something about 10 and a half million which I
23 didn't understand, I think I missed part of the
24 conversation. So could you explain to me what the
25

difference is between the 45 million and the ten and a half million?

COMMISSIONER BEEN: Okay so... So in our budget we... so obviously that huge orange slice there of money that's going for the Section 8 vouchers, those are existing tenants who have vouchers right. So we need to every year give them you know budget for what we would have to give them. And those amounts of course go up as rents increase. And as fair market rents increase. So every year we, we budget okay what will we need to feed that orange you know pass through to our landlords. When we were then... when sequestration happened and the five percent you know sort of decrease across the board was put into place that left us with a 37 million dollar shortfall to fund that orange right. So we face the difficult choice as I mentioned, we adopted the right sizing policy and we believe that that, we estimate that that right sizing policy will save about ten and a half million of that 37 million that we would otherwise be spending without any funds to spend it right.

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2 COUNCIL MEMBER MENDEZ: So 10 and a half
3 million would mean people wouldn't have to
4 downsize?

5 COMMISSIONER BEEN: No, no. 10 and a
6 half million is what we expect to see as saving
7 from the change...

8 COUNCIL MEMBER MENDEZ: Downsizing.

9 COMMISSIONER BEEN: ...in policy. From the
10 downsize...

11 COUNCIL MEMBER MENDEZ: Just in this
12 fiscal year you're talking about.

13 COMMISSIONER BEEN: This fiscal year.
14 Pardon, calendar year excuse me.

15 COUNCIL MEMBER MENDEZ: This calendar
16 year?

17 COMMISSIONER BEEN: Yes.

18 COUNCIL MEMBER MENDEZ: So even if we
19 found 10 and a half million for this calendar year
20 people wouldn't have to downsize. We're still going
21 to have a problem in the next calendar year?

22 COMMISSIONER BEEN: Well... So we don't,
23 so the reason why I'm sorry I'm being fuzzy about
24 that is because we haven't yet received our
25 allocation letter from HUD telling us what we're

2 going to get for vouchers. So we don't know if that
3 37 million gap is going to hold or it's going to be
4 lower...

5 COUNCIL MEMBER MENDEZ: Or God forbid
6 higher.

7 COMMISSIONER BEEN: God forbid, I'm not
8 even going to entertain that possibility that it's
9 going to be higher right. So that's why I, I can't
10 give you precise numbers because we haven't gotten
11 that letter. On Friday I believe it was we got a
12 letter telling us that we would get a letter. So,
13 and we're eagerly awaiting the actual letter. But
14 we don't yet know exactly what the situation is
15 going to be. So the 10 and a half million is what
16 we anticipate what we would save from that policy
17 change in calendar year 13 that would offset the
18 shortfall which we don't know exactly what it's
19 going to look like.

20 COUNCIL MEMBER MENDEZ: And that's not
21 including reasonable accommodations for individuals
22 with medical issues.

23 COMMISSIONER BEEN: It includes our
24 estimate of what the, of how many people would get
25 those reasonable accommodations but that's a very

loose estimate because we obviously don't know their medical situations in detail.

COUNCIL MEMBER MENDEZ: And did HPD run any numbers? Like if you decided to institute a you know, a reasonable accommodation to seniors of a certain age, how that would impact your budget if you did not require seniors let's say over the age of 70 to downsize... How would that affect your budget?

COMMISSIONER BEEN: So I don't have those numbers. I don't know that, if they were run prior to my arrival. We did try to think through what the legal implications of that would be and that's where we got stymied on that particular idea.

COUNCIL MEMBER MENDEZ: Okay. Just one last question. I have like three but I'm just going to ask one.

CHAIRPERSON WILLIAMS: Very kind of you, thank you.

COUNCIL MEMBER MENDEZ: The... You said a lot of departments were merged for efficiencies. And when we're saying efficiencies are we just looking at a financial efficiency or was it an

efficiency where it really didn't make sense to bring certain departments together? I'm hoping you're going to be looking at that now as the new commissioner but just from other people who were there... [crosstalk]

COMMISSIONER BEEN: No...

COUNCIL MEMBER MENDEZ: ...any sense?

COMMISSIONER BEEN: Absolutely. We're rethinking all with that. But I, I think the message there Council Member Mendez is in crisis there's an opportunity. And I think the, you know the very talented and dedicated team that I inherited at HPD when there was this crisis of more and more federal budget cuts they looked at every way that they could possibly achieve, possibly do more with less, or do the same, at least the same with less. And it's to their credit that they've been able to deliver so much of what they delivered on, with fewer and fewer resources. But that doesn't mean that we should continue that in the future.

COUNCIL MEMBER MENDEZ: Thank you and I would agree with your very talented team throughout the department. Vash [sp?], is Vash part of this

Section 8 numbers or is that under some other city agency?

COMMISSIONER BEEN: No Vash is part of the Section 8 numbers.

COUNCIL MEMBER MENDEZ: And what would it be, it's part of that orange or is it... [crosstalk]

COMMISSIONER BEEN: Yes.

COUNCIL MEMBER MENDEZ: ...that I don't see up there?

COMMISSIONER BEEN: It's part of the orange... [crosstalk]

COUNCIL MEMBER MENDEZ: That was supposed to be a joke folks... [crosstalk]

COMMISSIONER BEEN: ...I don't know exactly how much of the orange. We can provide you with that...

COUNCIL MEMBER MENDEZ: It's in that orange?

COMMISSIONER BEEN: Yeah.

COUNCIL MEMBER MENDEZ: Okay, thank you very much. Thank you Mr. Chair.

CHAIRPERSON WILLIAMS: Okay, no problem.

2 COUNCIL MEMBER MENDEZ: Did you get the
3 joke?

4 CHAIRPERSON WILLIAMS: Say again.

5 COUNCIL MEMBER MENDEZ: She's... I said if
6 it's in the orange or is it an apple that we can't
7 see up there...

8 [laughter]

9 CHAIRPERSON WILLIAMS: Oh. [laughs]

10 COUNCIL MEMBER MENDEZ: Thank you.

11 COMMISSIONER BEEN: Thank you.

12 CHAIRPERSON WILLIAMS: Couple of, two,
13 two more questions. One, so if the Section 8 cut is
14 higher than you anticipate and you've already done
15 all the downsizing what's next?

16 COMMISSIONER BEEN: I don't know. We are
17 exploring all the... I mean there... We tried to think
18 through, I wasn't there so I don't want to take
19 credit for any analysis that was done but my
20 understanding is that we looked at a wide variety
21 of different ways of trying to save money. And
22 we're, we will, we visit all of those. We will try
23 to look for new and different ways of achieving
24 those savings. You know I don't think there's
25 anything that we won't consider. But I don't know

exactly what shape it would be if, if God forbid we, we have more cuts.

CHAIRPERSON WILLIAMS: And I will say I definitely understand... if me you know... if there... well I do want to make sure that larger families get what they, they need, the, the rooms that they need and I... sometimes understand if there's one person and they have maybe two bedrooms or three bedrooms. I spoke to someone just outside that disturbed me, seemed to be heavily... being downsized from a one bedroom to a studio after 20 years. And that could have probably a pretty dramatic affect. So I'm looking forward to calendar this, this hearing and see where we can go. I have one more question. Really, this time. The MPC program I think is at 580 thousand. It was cut to 72 percent, or was cut by 72 percent by former Mayor Bloomberg. This is a program that I worked on when I was at [crosstalk] Corporation so it's was one that concerns me a lot. Are there any plans to increase it? Any chance?

COMMISSIONER BEEN: I mean when I talked with my team about that I think we need to think about it in conjunction with what I'm calling the

prong three, the issue of how do we use what we're learning in enforcement and in asset management to help us think about a more holistic and strategic approach to a neighborhood. And so one of the questions in that analysis would be what's the role of the NCP in that. So we're just starting those conversations so I...

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: I don't have an answer. But it's certainly on the table.

CHAIRPERSON WILLIAMS: Alright... since I'm looking at it, it was cut very... [static] early. Neighborhoods were merged to be serviced by one, one community, one CBO in my area. They're not even in the, the community board that they're supposed to service. They service now about three or four or five community boards whereas basically one organization that serviced maybe two or so. So it was something I'm very much concerned... So I just want to say thank you for coming today. I do hope that there, the new housing plan really gets to the people who are needed the most. So I'm really concerned because we haven't heard much about it and I didn't press the questions because I know the

answer was always we don't have the plan yet. So I hope to form the plan a little bit by making sure that they were focused on the highest needs units. But thank you again and we'll take a... Do I have to hit this again? I'm going to take a recess. Okay. We'll take a...

COMMISSIONER BEEN: And let me just say thank you to all of you. And of course any issues that arise it doesn't have to be a hearing. Just you know let me know and, and we can you know try to get on them. And so thanks to you and I also want to say thanks to the team at HPD which has really been doing all the work that's reflected in this. So thank you.

CHAIRPERSON WILLIAMS: Thank you. I...
[static] Do you know if he's outside or... Do you know what's happening? Alright...

[background comments]

CHAIRPERSON WILLIAMS: Okay, we'll take a five minute recess instead of a ten minute recess. So we'll be back here at 12:48. Thank you.

[pause]

CHAIRPERSON WILLIAMS: Thank you
Commissioner for coming. Whoever is, is going to be

2 seated if you can raise your right hand. Do you
3 swear or affirm to tell the whole truth and nothing
4 but the truth before the committee today?

5 COMMISSIONER FARIELLO: I do.

6 CHAIRPERSON WILLIAMS: Sure, at your
7 leisure you can start.

8 COMMISSIONER FARIELLO: Good afternoon
9 Chairman Williams and members of the housing and
10 buildings committee. I am Thomas Fariello acting
11 Commissioner of New York City Department of
12 Buildings and I'm joined by Executive Director of
13 Budget and Fiscal Operations Edward Pemberton and
14 other members of my staff. Our department's core
15 mission is to advance public safety, enforce the
16 laws that govern instruction, and facilitate
17 compliant development. We continually seek
18 innovative ways to allow safe and compliant
19 construction to move forward faster. Today I'll
20 review our proposed budget, headcount, and staffing
21 as well as our critical safety and development
22 initiatives. First however I'll focus on our recent
23 state of construction. In calendar year 2013 there
24 was a 62 percent reduction in construction related
25 fatalities compared to 2012. It decreased from

eight to three fatalities can be attributed to our, can be attributed to our construction enforcement ongoing safety and education and targeted inspection programs. Construction activity remains busy this fiscal year and we continue to see an increase in new building and major alteration filings. At the close of fiscal year 2013 more than 72 thousand new building and alteration applications were filed with the department. That was an increase of approximately five percent over the fiscal year 2012. The number of initial construction permits issued totaled more than 88 thousand, a 1.3 percent increase and permit renewals also rose to more than 41 thousand which was approximately five percent from the prior fiscal year. The mayor's fiscal year 2015 preliminary budget allocates approximately 99 million in expense funds to our department. This excludes fringe benefits. Of this approximately 80 million is for personal services and 19 million is for other than personal services. A major change to our budget was the added funding for the Build it Back Program which assist New York's, New Yorkers affected by Hurricane Sandy. Our role is to support

rebuilding and repairs. We anticipate that this initiative will increase our work load and the 687 thousand allocated will enable us to hire 17 new employees to meet the expected demand. We are currently recruiting a new staff position for Build it Back. These include eight plan examiners, four inspectors, four support staff members, and one director. In addition an adjustment was implemented to transfer four of our help desk technician's positions to do it as part of the city serve initiative. The citywide program consolidated agency's data centers to unify shared services. The fiscal year 2015 preliminary budget revenue plan is approximately 196 million. This does not include more than 45 million in buildings related ECB fines that the city collects each year. As of the fiscal year 2015 preliminary plan Department's budgeted headcount is 1,124. Advancing construction safety remains are ADC's [sp?] core mission. We do this multiple ways from holding applicants accountable through the permitting process to reviewing construction plans to performing proactive inspections and responding to emergencies. In recent years we have launched new programs to

enhance oversight. Some of which worked to prevent construction accidents before ground is broken. I will highlight some of these programs for you. Major projects initiative, the safety of a complex worksite can be set well before actual construction operation begins. This is especially true of complex projects that require detailed coordination of simultaneous activities. From these work sites we modified a typical regulation structure to create a major projects initiative. Sites may opt into this program and we dedicate skilled inspectors and managers who work closely with developers, contractors, and construction managers. They participate in preconstruction planning and bi-weekly meetings. Plus we coordinate joint inspections with multiple agencies. This approach enables us to better communicate and enforce expectations, proactively address noncompliance, and help keep sites safer for everyone. For example in the coming years large scale and complex projects in the Hudson yard's area will yield more than 24 million square feet of space. With development well under way there we dedicated a team to ongoing work and are synchronizing our

department units involved in those projects.

Another program update in crane inventory. Limiting the age of cranes is a major step in enhancing

public safety and helping contractors build more

safely and efficiently. Cranes that operate for a

long period of time are more susceptible to stress

and fatigue with heightened maintenance needs over

time. And with the failure of parts or defunct

manufactures conducting proper repairs becomes more

difficult. By contrast newer cranes have advanced

safety features and reduced maintenance needs.

Moreover cranes manufactured today are better for

our communities. They tend to be electric rather

than diesel so they are less noisy and produce

fewer emissions. For these reasons we have focused

on reducing the average age of the tower cranes

[phonetic] operated in New York City. 2008 when two

tower cranes collapsed the average age of this

equipment operated here was nearly 15 years. Today

the average age of tower cranes operating in New

York City is just over 9 years. It's part of this

effort we have issued cease use orders for two

models of cranes manufactured in 1970s and 1980s.

And we've removed 36 tower cranes from operation.

These models of cranes were ordered out of service after they were identified to have documented performance and safety issues. Another program would be the office of the building marshal. Last August we created the Office of the Building Marshall. This unit is enhancing our enforcement initiatives by coordinating our, our investigations. For example our new building marshal is focusing on major cases against unlicensed contractors performing illegal work and negligent property owners renting illegal and dangerous apartments. The marshal is working with FBNY, NYPD, Department of Housing Preservation and Development, and Department of Investigation. To date the Office of Building Marshall has opened more than 245 investigations. These include a probe into two debts, unlicensed work, and tenant harassment. Another program is 3D site safety plans. Our department became one of the first regulators to use building information modeling software to enhance construction site safety. Site safety plans are a critical requirement when seeking to construct a major building in our jurisdiction. By utilizing this more advanced

technology how plan examiners can view a three dimensional computer rendering of the sites complexities instead of the age old two dimensional lines on paper. It is significantly easier for our plan examiners and inspectors to spot noncompliance and potential dangers. For example following pipes and duct work and reviewing crane pick zones are simpler. We are now exploring how to build upon this accepting and reviewing animated site and safety plans in the future. As we continue to find ways to keep New Yorkers safe the Department also must allow development to forge ahead. Construction keeps our city vibrant with jobs for workers and neighborhoods revitalized for residents. Over the past four fiscal years we have seen increased new building permits in Manhattan, 60 percent, and Brooklyn nearly 87 percent. Not only are there more new buildings being permitted but these are larger structures. Construction floor area has been increasingly, has been increasing consistently. In fact over the past four fiscal years floor area has risen from nearly 16 million square feet to almost 27 and a half square feet. That is a rise of more than 72 percent. Simultaneously demolition permits

which is a sign of future new building activity have increased 16.5 percent over the same period. In recent years we have totally modernized the plan, plan approval process by launching multiple new programs some of which I will highlight. NYC development op. We launched this state of the art project review center in 2011. In doing so we're, we re-envisioned the approval process transforming it into an entirely electronic and collaborative platform. At their center our code experts collaborate with licensed professionals on how to comply with the various applicable codes. Through this more efficient process of electronic plan exam and virtual meetings crucial time and money are save in construction projects generating jobs faster. Since its launch the HUB has approved more than 16 hundred new buildings and major alterations. Another program is the HUB self-service. Building upon the HUB's success an industry demand to expand the program in 2012 we expanded it by launching HUB self-service. This extended the HUB's convenience to smaller projects and we now provide automated issuance of permits online typically within one business day of

submission. This means that licensed design professionals working on projects such as sidewalk, sheds, fences, boilers, façade repairs can submit their professionally certified plans, pay the necessary fees online, and have their permits issued without having to leave their offices. HUB full service, smaller construction projects such as apartment renovations and office improvements comprise a majority of work in New York City. To simplify the construction approval process helpful service offers virtual plan examination for minor alterations. The system supports design professionals who prefer department reviews of their smaller scale projects. They take part in the same collaborative process in video conferencing for project approvals. Since its launch last November helpful service has made 670 approvals. Another program is the HUB inspection services. When initially announced in 2011 we set a goal of performing every electrical plumbing and construction inspection within ten days of an appointment request. By realigning operations, leveraging technology, and centralizing command of resources we created the HUB inspection services, a

branch of the NYC development op. We set and are currently exceeding our 10 day goal. Modernizing our operations goes hand in hand with maintaining a set of construction codes that remain up to date to reflect today's processes and materials. New York City construction codes consist of one administrative and five technical volumes. Specifically these are the building, plumbing, mechanical, fuel gas, energy conservation, and administrative codes. The last contains permitting licensing fees and other provisions that apply universally to the five technical volumes. Periodically we revise these codes and the latest update to 2014 construction codes goes into effect October one of this year. This was an enormous effort that brought together stakeholders including architects, engineers, and representatives from a construction industry. Labor and real estate. Employees from 11 other city agencies also participated in revision process to ease multiagency regulation. To compare the construction industry we have already begun a widespread outreach effort to highlight the upcoming changes. Our technical experts are giving presentations to

professional organizations in multiple boroughs. We're also crafting an all-day training session that will accommodate approximately 900 industry stakeholders. We will offer this training later this year, provide the material online as well. Plus at this year's build safe, live safe conference our annual safety education program for the industry, each of our eight seminars will adjust changes in the 2014 codes. Later this year as the October one effective date approaches we will also begin intensive training of our employees so that they are efficient in the new requirements. Other code revisions are pending. We will begin revising the NYC electrical code this year. While not officially part of a construction codes, electrical code is under our purview. Plus we'll be proposing legislation to update the New York City energy conservation code this year. And in order for us to remain current with the New York State Amendments. In closing I would like to reiterate my appreciation for your support and I look forward to working together protecting all New Yorkers including the hundreds of thousands of construction

workers I will not see. I'll be happy to answer any questions you may have. Thank you.

CHAIRPERSON WILLIAMS: Thank you very much for your testimony. I'll recognize Council Member Mendez and Council Member Tish James was here before... Just really quick... you mentioned that I guess it's the new office of our building marshal raised with tenant harassment issues, what kind of issues are under the... when it comes to tenant harassment?

COMMISSIONER FARIELLO: Well this would be when... a prime example would be when a landlord has rent controlled tenants and he's trying to through construction or illegal construction is trying to get those, those folks out of there. So that's the prime example that I could have for a tenant.

CHAIRPERSON WILLIAMS: Have any of the investigations with the Building marshal work in tandem with the Department of Investigations?

COMMISSIONER FARIELLO: Yes. There's a number of them that work with them. Alright so we're working with all stakeholders that we can so...

2 CHAIRPERSON WILLIAMS: Okay. How many
3 building inspectors are staff at DOB?

4 COMMISSIONER FARIELLO: Total staff for
5 building inspectors, 351 that would include chief
6 inspectors and supervisor inspectors that are, you
7 know do some of the administrative portion and
8 supervision of them.

9 CHAIRPERSON WILLIAMS: What is DOB's
10 completion time frame with inspectors, the days to
11 complete first inspection?

12 COMMISSIONER FARIELLO: So as I said in
13 the, the testimony that we got a 10 day service
14 level target. So in fiscal year 13 and the plumbing
15 inspectors we are currently at 5.1 days. This is
16 when you call for inspection we will give you the
17 first date within 5.1 days. Electrical inspections
18 we are at 6.3 days. And construction inspectors we
19 have 4.7 days. So we are meeting, presently meeting
20 all of those goals.

21 CHAIRPERSON WILLIAMS: Just give me one
22 second.

23 [pause]

24 CHAIRPERSON WILLIAMS: Can you provide
25 more details on the building enforcement safety

team. That's... in the number of inspections they've conducted of major building sites this fiscal year.

COMMISSIONER FARIELLO: Sure. The best squad is a little... they're unique. So they do some proactive inspections and they do also enforcement inspections. So their, their jurisdiction would be the high-rise construction and any demolition projects that are going on in the city. Let's see they have, I have 32 staff in there. That includes a chief and assistant chief. And the last fiscal year they performed 11,828 proactive inspections. So they are on development spike, development sites and they are doing the safety inspections on those and they're also there for at least the demolition projects so... And on top of that they've responded on the enforcement side to 397 complaints that we received through 311.

CHAIRPERSON WILLIAMS: And how many inspectors are dedicated to conduct the inspections of smaller buildings? So feedback that we received was that there are a lot of inspectors going to some of the major projects but not as many going to the smaller projects. And where, also the accidents occur.

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2 COMMISSIONER FARIELLO: Well as you
3 said, the best squad their group goes to the high
4 rise construction and that's 32 lines there. The
5 remainder of it construct inspectors go to all the
6 other various sites, and that would include the
7 small, the smaller projects that are less than the
8 high rise size. So that's... I think we have 319
9 inspectors for those, that's the remaining ones.
10 And then... I mean we've done 130 thousand between
11 development and enforcement inspections on the
12 smaller sites.

13 CHAIRPERSON WILLIAMS: So there's 319
14 other inspectors that do everything else?

15 COMMISSIONER FARIELLO: Yeah I mean, so
16 I mean I have a boiler group, I have a scaffold
17 safety team. You know I have various borough
18 inspectors that go out and, and the bulk, I mean
19 the bulk of the city is on these smaller sites. So
20 the bulk of our inspectors and inspections are on
21 those smaller sites.

22 CHAIRPERSON WILLIAMS: Okay. I don't
23 know... Council Member Mendez do you have any
24 questions. I have some more but do you have any.
25 Okay. Does DOB maintain a database with information

on unsafe buildings or structures that propose a danger to public safety. Yes, I'm, we used our, this system building information system as our main database. And that's available to the public. We want to be as transparent as we can. So we go out to these unsafe, we go out to these sites and based on the inspector, inspection we have various different enforcement actions that happens. So if, to me the emergency we, we we will then work, start working with the owner right away well we can work with HPD if the owner is not stepping up to immediately take care of the unsafe condition or we have unsafe buildings unit which handles, they can do a precept case with New York State supreme court. And that starts a process with the board where the board then sends a surveyor out there and makes a decision what could be done based on our recommendation. So...

CHAIRPERSON WILLIAMS: Is it, is it available on a borough level?

COMMISSIONER FARIELLO: The information? The numbers? Yes. I have the numbers here... So in the unsafe building unit I have 457 buildings total working down by borough in the Bronx is 30.

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2 Brooklyn is 186. Manhattan is five, Queens is 209.
3 And Staten Island is 488. I hope that adds up to
4 457.

5 CHAIRPERSON WILLIAMS: Manhattan was
6 five you said?

7 COMMISSIONER FARIELLO: Yes.

8 CHAIRPERSON WILLIAMS: How many
9 buildings or structures does DOB estimate, oh you
10 said that already. Does DOB maintain a database
11 with information on building instructions that may
12 potentially pose a danger?

13 COMMISSIONER FARIELLO: Well we use our
14 best system as a database for everything right and
15 again we have it out there. It's on the internet
16 for everyone to see. So when we have our unsafe
17 buildings violations we have a failure to maintain
18 violations. All of that would go up on our, our
19 website and that would be our main database where
20 you can find it.

21 CHAIRPERSON WILLIAMS: And on the
22 mayor's management report for average time for
23 construction inspection, average wait time for a
24 permit inspection, average wait time for electrical
25

2 inspection for fiscal year 11 and fiscal year 12 it
3 says NA or not applicable. Do you know why that is?

4 COMMISSIONER FARIELLO: Right, in fiscal
5 year 2012 we changed the methodology of how we
6 calculated that number. So those previous years
7 2010 and 2011 became you know irrelevant. So that's
8 why they say NA. So just the way the methodology
9 changed. That's why the numbers are blank now.

10 CHAIRPERSON WILLIAMS: And just walk me
11 through... this was residential illegal conversion
12 completes where access was obtained... 46.9 percent
13 access obtained and violations were written 54.7
14 percent, this is fiscal year 11. And then work
15 with, without a permit complaints where access was
16 obtained and were written 68.9 percent. So I just
17 was trying to follow what happened because it
18 seemed to go up where access was obtained and
19 violations were written. And they're more than the
20 access obtained. So is this the written, the
21 complaints where access was obtained and violations
22 were written is of the 54.7 number. Do you
23 understand my question? So if you start from... it
24 says residential illegal conversions complaints
25 where access was obtained, let's say fiscal year

11. It starts off with 46.9 percent. And then of that 46.9 percent it says access obtained and violations were written so 54.7. And then it says work with a permit complaint where access was obtained and violations were written was 68.9 percent which is higher than the actual access obtained. So is it the percentage of the previous percentage? Oh, I'm sorry can you identify yourself for the record?

EDWARD PEMBERTON: My name is Ed Pemberton, Executive Director of Budget.

[background comments]

CHAIRPERSON WILLIAMS: So it says 40, 46.9 percent access, where access were obtained. The next one was 54.7 where access was obtained and violations were written which is actually higher than the access obtained. And the 68.9 percent where access obtained and violations were written without a permit... [crosstalk]

EDWARD PEMBERTON: ...actually I think one, one is just dealing with... or residential illegal conversion...

CHAIRPERSON WILLIAMS: Okay.

2 EDWARD PEMBERTON: And it's showing you
3 the picture where...

4 CHAIRPERSON WILLIAMS: That's the 46.9
5 percent?

6 EDWARD PEMBERTON: The 46.9 percent. The
7 other one is overall DOB's inspections and access
8 and where, where we write violations upon gaining
9 access to the... [crosstalk]

10 CHAIRPERSON WILLIAMS: But let's look at
11 the first two numbers. 46.9 percent where access
12 was obtained yes?

13 EDWARD PEMBERTON: For residential...
14 [crosstalk] right.

15 CHAIRPERSON WILLIAMS: And then access
16 obtained and violations were written 54.7 percent
17 which is higher than access obtained. How did you
18 write... Is this four, 54.7 of the 46.9 percent?

19 EDWARD PEMBERTON: So, so what is this,
20 this is telling you that when it comes to
21 residential properties...

22 CHAIRPERSON WILLIAMS: Yeah.

23 EDWARD PEMBERTON: ...we, we may not get
24 more access you know to those properties. So that's
25 why it, it's, it's going to be 46 percent. But when

it comes to nonresidential properties we gain better access and that's why it's, it's a higher percentage of violations written.

CHAIRPERSON WILLIAMS: So wait, you're saying this access obtained and violations were written that's not just residential?

EDWARD PEMBERTON: That, that's not just residential.

CHAIRPERSON WILLIAMS: Excuse me...

[background comments]

EDWARD PEMBERTON: Okay, so the residential legal conversion number, that's our access just for that type of complaint.

CHAIRPERSON WILLIAMS: Okay.

EDWARD PEMBERTON: Alright, now all the other complaints is the number that's below it, that's the access, that's the 54 percent, is for all the other complaint types. So that would be...
[crosstalk]

CHAIRPERSON WILLIAMS: ...whether or not you got access?

EDWARD PEMBERTON: Yeah, so, so in the non-illegal conversion complaints that we see right. So a commercial building or a manufacturing

building, we are getting in 54 percent of the time. When it's a residential illegal conversion we are getting in the 46.9 percent.

CHAIRPERSON WILLIAMS: Alright, I'm not... Maybe... I... but the way it's written here is not that. Because it's residential illegal conversion complaints where access was obtained. It doesn't say anything about violations written. It just says you obtain access 46.9 percent of the time. And then it says your access was obtained and violations were written 54.7 percent... .7... That doesn't really jive kind of with what I'm hearing. So it's... It may be just a wording issue I guess if we can kind of figure out...

EDWARD PEMBERTON: Right. I can follow up with the, with the committee and I can give you the breakdown on it,...

CHAIRPERSON WILLIAMS: Okay.

EDWARD PEMBERTON: ...what they, what they both mean.

CHAIRPERSON WILLIAMS: And it says work without a permit. I guess so that's a, that's a separate category? That's not, has to do, it

doesn't have to do with illegal conversion it's just whether they have a permit is that right?

EDWARD PEMBERTON: Correct.

COMMISSIONER FARIELLO: That's correct.

So when all, all the complaints as they come in get categorized. So work without a permit is one and then illegal conversion is...

CHAIRPERSON WILLIAMS: Okay. And the fiscal 2014 doing the reporting of the average response time to respond to priority B complaints remain higher than the performance goal of 40 days and was also higher than the comparable fiscal 2013 period. Can you tell me accounts for increasing response time?

COMMISSIONER FARIELLO: Right, so when, when the hurricane hit you know we took every one of our staff. And so especially inspection... from both sides development and, and enforcement. And we had them going out to every single site that we can. You know this is so we can you know get people back into their houses and, and you know identify unsafe conditions and so that kind of set us back and, and we're trying to get back from that... you

know we're trying to get that level down now. So just taking us a bit longer than we'd like.

EDWARD PEMBERTON: But one thing we are doing with the B complaints is triaging them. So based on the complaint that comes in and the category that it's in we're getting to the I would say the more unsafe ones in the B, within the same category, but the more unsafe ones we are getting to quicker. So we are, we are getting to the ones that we feel are you know unsafe within the B category.

CHAIRPERSON WILLIAMS: Okay, and in the budget do you, I mean I hate to ask this but I'm sure I know the answer, do you have enough inspectors, do you have enough resources to make sure that the buildings in the city of New York are, are inspected and up to code?

COMMISSIONER FARIELLO: Well I mean we'd always love to have more inspectors. But yeah I feel that the staff we have now, you know we can you know can take care of the load that we have so... Just when something large like the, the you know the superstorm Sandy it's, you know that kind of, it's not something we expect so...

2 CHAIRPERSON WILLIAMS: And if, if, you
3 may have answered it but if someone calls in, if I
4 call in a, an illegal work on Saturday how long
5 would it take an inspector to respond to that?

6 COMMISSIONER FARIELLO: So that will be
7 in the, the B category. That's the 48 days at this
8 point.

9 CHAIRPERSON WILLIAMS: Okay. And what
10 is, what is a response time for that?

11 COMMISSIONER FARIELLO: Our goal there
12 is, 44 days.

13 CHAIRPERSON WILLIAMS: So if they're
14 doing illegal... let's say today is Saturday, they're
15 doing illegal work on Saturday today it's going to
16 take 40 days for you to come and check whether they
17 did a little work that Saturday.

18 COMMISSIONER FARIELLO: That's the
19 average of all of them right. And so as I said
20 earlier we are putting the more unsafe within the B
21 category up forward right. So we are trying, we are
22 targeting 18 days for what we call in the office B
23 plus right. So within that B category ones that
24 are, We've looked at all the category, all the
25 inspections, all... I'm sorry, all the complaints

that are coming in within that B, that are in the B category and we're saying that these half are more, you know are, are areas that we need to get to quicker so...

CHAIRPERSON WILLIAMS: So today's Saturday and the landlords... do the work, if he doesn't do it again for the next two weeks there'll, there's, nothing happens?

COMMISSIONER FARIELLO: Right. That doesn't mean that we can't that the illegal work was done. We may not catch it when the contractor's there doing the work but we can see that the illegal work was done.

CHAIRPERSON WILLIAMS: And just explain how you would see that.

COMMISSIONER FARIELLO: Well you can see that the new work, especially in plumbing right, you can see the new piping that's there as opposed to the older piping so...

CHAIRPERSON WILLIAMS: If you came two weeks later he would have had two weeks' time to actually do the work. So...

COMMISSIONER FARIELLO: Right...
[crosstalk] the work would, presumably would be

there and we'd be able to see it and then we would write up the violation onto the owner...

CHAIRPERSON WILLIAMS: Yeah but he could have done it legally on the weekdays.

COMMISSIONER FARIELLO: Yeah. I, I mean but he... you know we, we are... he can do it illegally... Yeah, I, I mean... they call the complaint and we'll go out there right. So you know we are trying to catch them in the act but most of the time you know we're, we're not fast enough to catch them in the act so...

CHAIRPERSON WILLIAMS: Is that...

COMMISSIONER FARIELLO: We, we can see the work after it's been done right.

CHAIRPERSON WILLIAMS: Is that due to lack of resources, staffing, or what, how can we get quicker responses to, to like illegal work orders...

COMMISSIONER FARIELLO: Well it's...

CHAIRPERSON WILLIAMS: I mean not orders but illegal work.

COMMISSIONER FARIELLO: Right. Well in our categorizing the priorities for the inspections you know that illegal work although it's serious,

it's not as serious as something where you know a building shaking or vibrating or something's collapsing, or there's a big crack. I mean those are the ones that we've determined that we need to be out to you know right away.

CHAIRPERSON WILLIAMS: Alright that...

[crosstalk]

COMMISSIONER FARIELLO: ...putting our resources there.

CHAIRPERSON WILLIAMS: ...that concerns me a little bit because I had, I've had constituents complain about he worked on them in the evenings and on the weekends. And we don't have a way to really get to respond to them until a few weeks later it might be difficult to prove that it was done. So it can be just landlord, it might be worth it for them to do the illegal work as long as they're not going to get caught. So if we can think about... and this may not be the hearing for that, but if we can think about a mechanism to respond quicker. I don't know if there's maybe constituents could upload because they, they show me the pictures and the videos all the time. There might be a way to quickly upload it to a website at DOB

2 so that it can, that, that evidence can be given to
3 DOB at a time... they can respond. But we... find a
4 creative way I think to be able to respond to
5 those.

6 COMMISSIONER FARIELLO: Okay.

7 CHAIRPERSON WILLIAMS: Thank you.

8 Council Member... [static] questions?

9 COUNCIL MEMBER MENDEZ: Thank you Mr.

10 Chair. Mr. Commissioner thank you for being here
11 today. I, I think the, the real issue is the real
12 time enforcement. And so that was the question that
13 the chairman of this committee was asking. So how
14 do you know that that work wasn't done legally
15 during legal time and was done illegally on the day
16 we called it in?

17 COMMISSIONER FARIELLO: Well... I mean we
18 issue all the permits for the work. So if, if we
19 see that there's a complaint for us that its legal
20 work was done right. So one, first thing we do is
21 start to look at all the permits that have been
22 issued by her department. Right, So if say the work
23 is in the cellar right, and we look in our system
24 and we don't see any permits that were issued for
25 work in a cellar and we see brand new plumbing

1 piping or electrical work right and we will go
2 ahead and issue the violation onto the owner. And
3 then you know they'll go to ECB court.

4 COUNCIL MEMBER MENDEZ: Well what if
5 they're doing legal work at an illegal hour and
6 advancing the work? How do you determine that the
7 work was done illegally?

8 COMMISSIONER FARIELLO: Right, okay. So
9 when it's after hours work... Okay, so they have a
10 legal permit but they don't have an afterhours
11 permit to do the work right. So our, we have
12 emergency response team okay. And they work 24
13 hours a day, 7 days a week so they are after the,
14 the normal permit is good from 7:00 a.m. to 6:00
15 p.m. So if it's later than that and it's earlier
16 than that those guys are, it's their test to
17 respond so they will respond to the afterhours work
18 complaints.

19 COUNCIL MEMBER MENDEZ: The... Two
20 commissioners ago, before Lamandrea [phonetic] I
21 don't remember her name.

22 COMMISSIONER FARIELLO: Patricia
23 Landcaster.

2 COUNCIL MEMBER MENDEZ: Thank you,
3 Patricia Landcaster. When she was the Commissioner
4 there was a task force put... and inspectors would be
5 sent to spot check to see whether work was being
6 done without an afterhours variance. Is that still
7 taking place? Is that task force or... [crosstalk]

8 COMMISSIONER FARIELLO: ...response team
9 inspectors. So we have, we have three teams on a
10 night. That's their job to, to go onto those, those
11 complaints gets, gets routed to them and they go on
12 those nightly and on the weekends.

13 COUNCIL MEMBER MENDEZ: Thank you. A few
14 years ago the Department started putting some of
15 the plans online. Is, are all plans filed online
16 now?

17 COMMISSIONER FARIELLO: What's visible
18 to the public would be a ZD1 we call it, so it has
19 a zoning diagram of what the proposed construction
20 is. So it, it's... And it has an extra metric which
21 is sort of like a rendering of what the proposed
22 construction will look like for enlargements and
23 that kind of work. So that's there. We do take the
24 drawings in when we approve them, scan them in, and
25

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2 those available when you come to our office to see
3 them so...

4 COUCIL MEMBER MENDEZ: And, and all of
5 those are available online now?

6 COMMISSIONER FARIELLO: Yes.

7 COUNCIL MEMBER MENDEZ: And how about
8 the all, alteration permits and any renderings for
9 that? Is that...

10 COMMISSIONER FARIELLO: Right

11 COUNCIL MEMBER MENDEZ: ...available
12 online?

13 COMMISSIONER FARIELLO: So the non-ZD1
14 drawings you'd have to come into the office to see
15 what's going on. And within the ones with have
16 enlargements in their buildings it's that one sheet
17 that's available right. This is a process that we
18 worked out with NYPD because they had the, some
19 security issue so...

20 COUNCIL MEMBER MENDEZ: Okay. How many
21 staff hours or people did it take to put all of the
22 CDls online?

23 COMMISSIONER FARIELLO: I don't have
24 that number. The process would be when the plans
25 get approved that drawing is provided by the

2 architect or engineer and it's approved by us, by
3 the plan examiner and then it gets sent to a
4 scanning units that scans them. I can follow up
5 with the, the staff hours.

6 COUNCIL MEMBER MENDEZ: Yes because you
7 know that was implemented a couple years back so it
8 would be helpful to see how many staff dedicated,
9 staff or hours by staff it took to get that all
10 available online. You have 351 inspectors. Do you
11 have any inspectors that are specifically dedicated
12 to inspecting landmark buildings?

13 COMMISSIONER FARIELLO: They're not
14 dedicated to them but that would be part of their,
15 their route. So as we receive those complaints or
16 if they are, the developments project that's going
17 on a landmark building they would build to those
18 so...

19 COUNCIL MEMBER MENDEZ: And the
20 inspectors were trained to look, and they would
21 know whether it's an interior landmark or an
22 exterior landmark or both.

23 COMMISSIONER FARIELLO: Yes we, we
24 constantly are training inspectors. It's always a,
25 a balance of how much training to, how much field

you know... The supervisor wants them out in the field. We all want to train them so they get smarter and better at their, more efficient at their inspections. So yes they've been trained.

COUNCIL MEMBER MENDEZ: You know a few weeks, I don't even know was a few weeks ago, two weeks ago the glass, the gas explosion in the tragedy that happened in, in East Harlem was, was there any you know... What could DOB do in a case like that preventively? Is there anything that we could have done? Or is that something that's still being analyzed if our infrastructure is so dated and underground?

COMMISSIONER FARIELLO: Well I mean investigations are still going on right so the preliminary you know word that we're hearing is that you know the gas line on the street was an issue and so...

COUNCIL MEMBER MENDEZ: Gas line in the street?

COMMISSIONER FARIELLO: Yeah. That's, that's the late... I, I don't know. You know they're obviously not finished with the investigation just the preliminary report. And so we, we, any gas line

2 that gets done within the property lines gets
3 tested right before the gas is authorized. So, so
4 the plumber needs to execute the test, needs to
5 give us the results and then we coordinate with
6 ConEdison or the utility to allow that gas to be
7 turned on. And it's only after that, those tests
8 are done.

9 COUNCIL MEMBER MENDEZ: In the Build it
10 Back program... so DOB is issuing the permits to home
11 owners to get work done in build it back program.
12 And so how many additional staff, not that there's
13 been many build it back dollars given out at this
14 point, but how many staff has been dedicated to
15 doing this in, since Sandy until now or until the
16 end of last calendar year?

17 COMMISSIONER FARIELLO: So there's been
18 17 staff funded for the Build it Back program.

19 COUNCIL MEMBER MENDEZ: 17 since Sandy
20 happened? Or 17 now for this upcoming calendar
21 year?

22 COMMISSIONER FARIELLO: Well since Sandy
23 happened we, we used DOB staff for the rapid repair
24 programs... all the other inspections that had to be
25 done. But with the Build it Back program we're

working with OMB on funding staff and so far we've agreed to, to jumpstart the program with 17 construction inspectors, plumbing inspectors, electrical, and plan examiners.

COUNCIL MEMBER MENDEZ: Okay. And so those staff are going to be... are already made available or... going to be...

COMMISSIONER FARIELLO: We're recording... so far we've identified five of those, those staff. We just received them in the last fiscal plan so we're actively recruiting for those people to be prepared for the, the applications coming in.

COUNCIL MEMBER MENDEZ: Okay. I had another question but I was engrossed listening to your answer and now I forget the, the last question. Well thank you very much gentleman. Thank you Mr. Chair.

COMMISSIONER FARIELLO: Thank you.

[static]

CHAIRPERSON WILLIAMS: Thank you. How many staff people right now are in Build it Back?

COMMISSIONER FARIELLO: Right now actively we have two... [crosstalk] here at DOB and the other three are pending start dates.

2 CHAIRPERSON WILLIAMS: So you have five
3 this fiscal year.

4 COMMISSIONER FARIELLO: Well, well, well
5 we'll hope to have all 17 this, this fiscal year.
6 What we do, we do hiring pools and we have to go
7 through the normal service system to get these
8 people on board.

9 CHAIRPERSON WILLIAMS: So you have
10 funding for 17 but you only have two already?

11 COMMISSIONER FARIELLO: Two working and,
12 and three more identified. I mean they, they
13 already got approval and just waiting for their
14 start dates.

15 CHAIRPERSON WILLIAMS: And when did you
16 get the information that you had the funding for
17 17?

18 COMMISSIONER FARIELLO: This was done I
19 believe last plan was exec plan, sometime around
20 April.

21 CHAIRPERSON WILLIAMS: Of last year.

22 COMMISSIONER FARIELLO: Right.

23 CHAIRPERSON WILLIAMS: So what's been
24 holding up the, the hiring process?

2 COMMISSIONER FARIELLO: Well we've been
3 going through the normal channels of, of trying to
4 recruit the staff. There's, there's a lot of issues
5 with finding plan examiners. Those are heart filled
6 lines as well as construction lines.

7 CHAIRPERSON WILLIAMS: Okay. Well
8 hopefully we can speed that up whether it's been a,
9 it's been a year. So I hope we can speed up the
10 hiring, will be... Do you have additional question?
11 Sure thing.

12 COUNCIL MEMBER MENDEZ: You had a, had
13 count reduction at four that were transferred over
14 to the see serve program. So how does that affect
15 your staffing? Do you need to rehire the four, the
16 four to do the work whatever was being done at DOB?

17 COMMISSIONER FARIELLO: Well it's the,
18 it would be help desk staff that we had that were
19 dedicated just to us. And so they are now part of
20 the, the DoITT bigger picture help desk. So
21 whenever our staff needs help it's responded to by
22 the, the city... DoITT you know help desk system.

23 COUNCIL MEMBER MENDEZ: Okay, thank you.

24 CHAIRPERSON WILLIAMS: So I, I know we
25 have another, we have a hearing coming up on just

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2 build it back and Sandy. The 17 and the two... is
3 this... Build it Back itself has 17 staff people or
4 is that... 17 for DOB?

5 COMMISSIONER FARIELLO: Right we have,
6 we have been approved for 17 staff total...

7 CHAIRPERSON WILLIAMS: DOB alone?

8 COMMISSIONER FARIELLO: Or DOB alone. We
9 have two that are onboard right now. We have three
10 that are in the approval process. And then we are
11 recruiting the rest.

12 CHAIRPERSON WILLIAMS: Do you have any
13 idea how many staff are in Build it Back total?

14 COMMISSIONER FARIELLO: Outside of our
15 staff?

16 CHAIRPERSON WILLIAMS: Yeah.

17 COMMISSIONER FARIELLO: No I don't.

18 CHAIRPERSON WILLIAMS: When it comes to
19 NYCHA if someone calls in... say there's something
20 structurally with the building does DOB, is DOB the
21 one that goes to inspect it or is that, does that
22 get kicked over to NYCHA for the inspection?

23 COMMISSIONER FARIELLO: No, we, we go
24 and inspect those... all the buildings in the city.

25

2 CHAIRPERSON WILLIAMS: Do you have an
3 MOU with NYCHA?

4 COMMISSIONER FARIELLO: We have a couple
5 of MOUs.

6 [background comments]

7 COMMISSIONER FARIELLO: Yes we have
8 MOUs.

9 CHAIRPERSON WILLIAMS: Right.

10 COMMISSIONER FARIELLO: I could follow-
11 up and tell you what they are.

12 CHAIRPERSON WILLIAMS: Alright. And we'd
13 love to see a copy of the MOUs.

14 COMMISSIONER FARIELLO: Alright.

15 CHAIRPERSON WILLIAMS: Do you write
16 violations if you find violations on the building?

17 COMMISSIONER FARIELLO: I, let me, let
18 me go back and check.

19 CHAIRPERSON WILLIAMS: Okay, but just so
20 I can confirm DOB does confirm to code call, if a
21 call comes in for code violation and it's a
22 building, structural building DOB is the one that
23 responds instead of NYCHA?

24 COMMISSIONER FARIELLO: Yes. [crosstalk]
25 Yes.

2 CHAIRPERSON WILLIAMS: And you'll follow
3 up with how and if the inspections... sorry if
4 they're, if they are written violations and you
5 will give a copy of the MOU?

6 COMMISSIONER FARIELLO: Yes.

7 CHAIRPERSON WILLIAMS: Thank you. I
8 think, I have one more question Council Member...
9 What is the definition of unsafe building that
10 applies to the 457 buildings that you told us
11 about?

12 COMMISSIONER FARIELLO: So when an
13 inspector receives a complaint for... it's very
14 distinct so it goes from the short end to open and
15 unguarded abandoned buildings to, you know it's a
16 danger of collapse. So the inspector on the ground
17 makes a decision whether he needs some backup from
18 the, our forensic engineering unit which would be
19 professional engineers, that it's an immediate
20 situation or he will handle it within the violation
21 or he can issue an unsafe buildings violation. So
22 that sets in a New York State Supreme Court preset
23 process. So that goes to court. The court then
24 assigns a surveyor to go out to the site along with
25

one of our inspectors. And then the court makes a decision on you know what the remedy would be.

CHAIRPERSON WILLIAMS: So you have 457 buildings but that doesn't mean the whole 457 buildings are in danger of collapse... That could be a whole...

COMMISSIONER FARIELLO: No it... the, it varies like I said from seal the building to you know demolish it you know so there's a lot of things in between.

CHAIRPERSON WILLIAMS: Alright. Just want to say thank you again for your testimony. Look forward to working with you as we move forward. And we're going to merely call up the public for their testimony so...

COMMISSIONER FARIELLO: Thank you again. Thank you.

CHAIRPERSON WILLIAMS: Thank you. We have the Network Supportive Housing Network of New York who has submitted testimony for the hearing, for the hearing it's, it's on the record. And then we're going to call six who have signed up for testifying. So if you can try to make it fit over there. We have Cathy Dang from CAAV Organizing

Aging Communities. We have Maria Tonio [sp?] from Saint Arnold [sp?] Street Tenant Association, Barika Williams from ANHD, Rachel Fee [sp?] from Housing First, Jennifer Poindexter [sp?] from East Midplaza, I'm sorry Jane Poindexter [sp?] from East Midplaza and coops course united. Sally Stroming [sp?] something gardens... apologize.

[background comments]

CHAIRPERSON WILLIAMS: Sorry... You can say it when you come up. Okay.

[pause]

CHAIRPERSON WILLIAMS: And everyone will have four minutes to give their testimony.

[pause]

[static]

CHAIRPERSON WILLIAMS: We have one more that just came on if they can join us as well. The more the merrier. Halfesa Medals [sp?] from Kips Bay [sp?]

[pause]

CHAIRPERSON WILLIAMS: Okay everyone is going to have four minutes to give their testimony. You do not have to use all of it if you don't like to. But I'm going to ask everyone to please raise

your right hands. And do you swear or affirm to tell the truth, the whole truth and nothing but the truth before the committee today. That wasn't everybody in the back but thank you also. I guess everybody in here is now sworn in. You guys can decide who will go first and jump right in. You can start from here.

NICOLE BRANCA: Good afternoon. Thank you for the opportunity to testify. And thank you for the questions about supportive housing earlier to HPD. My name is Nicole Branca. I'm the Deputy Executive Director at the Supportive Housing Network of New York. I am here today to call attention to the need for a new city state agreement for supportive housing, that's low income housing tied to onsite social services for individuals and families who are homeless, disabled, and at risk. The Supportive Housing Network is a membership organization. We represent over 220 nonprofits across the state that builds and operate supportive housing for 47 thousand people across the state. Supportive housing is not the only solution to homelessness but it is proven to be the, one of the most effective and certainly

one of the most cost efficient and so I'm here today to talk a little bit about that and ask specifically that the council work with the administration to ensure that it's in the 200 thousand unit housing plan. New York City currently leads the nation in the amount of supportive housing we have in the city but as I'm sure you know the demand far exceeds the supply. Last night there were over 60 thousand homeless men, women, and children who stayed in our shelters because we don't have enough supportive housing or rental subsidies or just plain affordable housing. The city has to do a lot more than just supportive housing to meet the needs of these 60 thousand but supportive housing is essential to that plan. Over the last nine years the city has been creating supportive housing through an agreement called New York, New York 3. There were two previous agreements named New York, New York 1 and two signed in the 90s and together they are creating 9,000 units of supportive housing and it's targeting very specific populations including chronically homeless individuals with mental illness, HIV aids and other disabilities, families

with the head of household have the disability and youth aging out of foster care. By almost every standard New York, New York 3 has been a success. It's reduced the use of shelters, psych centers, prisons, and offer a total of 10 thousand dollars per person per year. So after the cost of the housing it's saving the city 10,000 dollars a year just to do what's right and give people affordable housing. It has decreased chronic homelessness by 47 percent. It has provided long term stability where 75 percent of the tenants have stayed for at least two years and recidivism rate is only five percent. It's also creating more additional affordable housing in communities for people making less than 60 percent of Arian median income. And by the end of the agreement we will have created over 10 thousand new construction jobs, mostly prevailing wage, and 15 hundred property management and social, social service jobs in the community. The problem is that New York, New York 3 is coming to an end. It's in the 9th year of 10 years and without a new capital agreement between the city and the state housing agencies, an agreement between the city and state human service agencies

the production of supportive housing will end. And so one of the only resources we have to house homeless people right now will come to a stop. So I, I include a little bit of information about what it would cost to finance a new, a new New York, New York agreement but I'm happy to, to, to provide more information if that's helpful in the future. Thank you.

CATHY DANG: Good afternoon, peace. My name is Cathy Dang. I'm Executive Director of CAAAV, organizing Asian communities. CAAAV, our base is primarily in Chinatown lower east side of organizing rent stabilized units but we are growing to organizing tenants in public housing to join, Asian tenants in public housing to join a multiracial fight. Our other issue area is police accountability. CAAAV's a member of a citywide coalition that has come together to fight the depletion of affordable housing in New York City at the hands of predatory equity. Thank you for the opportunity to let me testify this afternoon. So our predatory equity coalition is made up of 12 community organizations and one civil, one civil legal service provider. For everything from CAAAV

to community development project urban justice center AFI, Tri CDC all the way up to the Bronx for Mothers on the Move Northwest Bronx Community Clergy Coalition... Arian Community Council in Brooklyn and would set on the move in Queens. Over the past seven years New York City's affordable housing market has been severely destabilized by predatory equity companies that purchase large number of rent stabilized buildings at inflated prices and then push out the rent stabilized tenants so they can charge market rates using a wide range of harassment techniques from frivolous lawsuits to failing to provide heat or, or conduct necessary repairs. Despite these tactics many companies such as Vantage, Pinnacle, went bankrupt forcing their buildings into foreclosure and leaving rent stabilized tenants to languish in limbo without repairs. As the market has recovered new predatory equity companies such as chestnut holdings for urban American companies have purchased these foreclosed buildings and adopted the same business model. And as a result the city has lost thousands of rent regulated apartments over the last few years. As the crisis continues

organizers and lawyers have begun working with tenants in all five boroughs fighting back against these landlords' aggressive and illegal tactics. The strategies we use include organizing tenants in predatory equity buildings, educating about their rights, bringing lawsuits against the abusive landlords to compel them to make them, to make repairs, to restore their central services and cease the harassment. And intervening in foreclose, foreclosure proceedings to urge the court to sell foreclosed buildings to responsible owners who represent, who respect tenants' rights. We have had some success with these methods but for every tenant that we're able to help dozens more are losing their affordable housing at the hands of predatory equity. And at the, and the result is that thousands of rent regulated tenants are forced out of their homes each year. Every single example of predatory equities impact on affordable housing in our city is a three borough pool. A portfolio of 44 rent regulated buildings in Manhattan, Brooklyn, and the Bronx that were owned by predatory equity companies that had fallen to foreclosure. As a result the owners have stopped maintaining the

buildings which have more than 27 hundred violations combined. They are seeking refinancing in hopes of converting the building to market rate housing. If they succeed New York City will lose more 1,500 of these affordable rent stabilized units. Though many other predatory equity companies with similar citywide portfolios of rent stabilized buildings. And we're concerned about the impact that these practices have on the long term affordability in our city at a time when affordable housing's already scarce. The members of stabilizing NYC have mobilized against these practices to try and protect affordable rent stabilized housing in our communities. But these companies have old buildings all over the city. So our response to them must be citywide as well. Because predatory equity companies have far more resources than community organizations the preservation of rent stabilized units depend on assistance of New York City council. We're asking the council to step in and provide funding to stop the loss of these vital rent regulated apartments. With additional resources community organizers supported by attorneys can powerfully defend

tenants against dangerous predatory equity landlords. Tenants begin to fight back we can make sure that private investing corporations don't rob the city of its precious affordable housing. Once again thank you for the opportunity to testify.

JANE POINDEXTER: ...Oh thank you. I'm Jane Poindexter. I live at East Midtown Plaza Mitchell Lama coop in Manhattan and I'm a member and officer of Cooperators United for Mitchell Lama. Thank you for a bit of time here. And I hope you'll find my complaints are worthy of attention within your oversight responsibilities. I'm complaining here today that HPD does not always allow public review when making susceptible change in govern policies for Mitchell Lama housing. On two such matters in recent years HPD's failure to follow an open course for change is doing severe damage to the affordability of the Mitchell Lama cooperatives. The first such change that concerns me is HPD's insertion of paragraph 15 into section 314 I of the HPD rules to allow withdraw of a cooperative from the Mitchell Lama program by conversion to a housing development fund company cooperative. Such conversion degrades the

affordability of the Mitchell Lama Coop at two levels. It increases the sales price of the dwelling units seven to 10 fold and increases the monthly charges by various distressing amounts depending on the coop and the details of the planned conversion. In the summer of 2012 cooperators united submitted a position paper on this matter to agencies and the state attorney general. Some modifications were made to steps in the conversion process but the only meaningful remedy to this paragraph is to rescind the entire paragraph 15 of 314 I. In January 2013 cooperators united submitted to HPD a petition to that affect signed by 451 Mitchell Lama cooperators. To date there has been no response from the HPD to this effort by hundreds of Mitchell Lama cooperators to protect their developments from a severe loss of affordability. The second such change that distresses me is HPD's nearly silent introduction in 2005 and six at the so-called first sale capital assessment or FSCA. Briefly like paragraph 15 FSCE, A is a practice begun by HPD without seeking public comment. FSCA has not been adopted by HPD as an amendment to the rules and there is no first sale

capital assessment program at HPD. It's urged our Mitchell Lama cooperatives by HPD as far as I can tell by word of mouth. What is it? It is permission from HPD for the corporation to charge an incoming cooperator twice the statutory price of the unit. The statute which is PHFL article two section three, 31 A on the resale price of shares sets the resale price of a Mitchell Lama coop unit as the sum of what the outgoing cooperator has paid as a reasonable equity plus any assessments plus the apartment proportionate to your, of mortgages. The statutory price is repaid to the outgoing cooperator and the corporation keeps the difference. I was awakened to the details of this process by the introduction of FSCA at my coop as of January 18th, 2014. Until that date the resale price of my apartment was 37 five hundred dollars. Overnight the price became 75 thousand dollars. Meanwhile although apartment sales at EMP didn't, mid-January to mid-March have averaged nearly six units over the past six years. The number for 2014 is zero. Lack of sales is hardly a surprise but I'm sure that the double prices were a serious disappointment to applicants on our waiting list

both internal and external. I'm deeply disturbed that this so called assessment sooner or later, by this, by this assessment sooner or later the legality of charging double the statutory price for ML apartment would be challenged. And restitution of the excess payment already made by new cooperators so far involved will surely be problematic. My Webster's unabridged dictionary defines extortion as quotes the act or practice of arresting money etcetera from the person by force, threats, misuse of authority, or by any undue exercised power sometimes applied to the exception of too high a price. I don't know the legal definition of this term but the dictionary definition is altogether appropriate to FSCA which I regard as constituting an indefensible breach of faith with the public by attacking not just failing to protect a major component of affordable housing available to the people of New York.

[bell rings]

JANE POINDEXTER: I'll stop. The bell rang. Well one more sentence. My plea of the council is to examine the behavior of HPD in these matters and as for the lack of public input into

such changes is a flaw in need of correction at HPD. And again I thank you for the time to speak even to finish.

RACHEL FEE: Good afternoon. My name is Rachel Fee and I represent Housing... Oh it's not on, it's on... Good afternoon. My name is Rachel Fee and I represent Housing First Coalition seeking public investment and policy improvements to address New York City's affordable housing crisis. I'd like to thank Chair Williams and the members of the Committee on Housing and Budget for the opportunity to testify today on the capital budget. Mayor de Blasio's ambitious but achievable 200 thousand unit affordable housing plan is exactly the visionary initiative New York City needs to address sky-high rents and record homelessness. This housing development effort will be the largest in the nation and will produce far more affordable housing than any prior mayoral administration. Achieving this goal will also require the greatest investment in housing the city has ever made. Housing first estimates that 9.9 billion in public subsidy is the minimum required over 10 years and depending on the details of the plan up to six billion more in

public subsidy may be needed into private market fails to generate the 50 thousand subsidy free units expected the mayor's plan to transform the inclusionary zoning program. Additional subsidy will also be needed if the mayor intends to make units more affordable to very low income families who can pay less rent or more affordable to middle income families who are eligible for fewer federal financing tools. Lastly any new labor agreements that expand prevailing wage requirements will also increase costs. We estimate that the city's Department of Housing Preservation and Development requires at least 604 million annually in city capital over 10 years and that figure can rise up to 1.2 billion annually depending on the implementation of the guaranteed inclusionary housing program. We expect that about 3.9 billion can be funded through federal, state, and other local resources. Even if federal or other funds remain inadequate the city can allocate the additional capital confident that the housing created will more than repay this investment. It is expected that a 9.9 billion public investment will leverage 31 billion in private resources. The same

2 investment is projected to create 350, [coughs]
3 sorry 350 thousand jobs while generating 28.2
4 billion economic spinoff activity and reducing
5 public spending on shelters and other expensive
6 emergency interventions based on economic impact
7 findings of a 2012 study by HRNA advisors. While
8 the economics of benefits of creating affordable
9 housing are important to note the lack of
10 affordability and availability of housing for New
11 Yorkers is the real reason to increase investment
12 in affordable housing. With one in three New
13 Yorkers spending more than half of their income on
14 housing it is critical that the city invest in a
15 new housing plan by substantially increasing HPD's
16 budget this year. Timing is important as it will be
17 impossible for Mayor de Blasio to play catch up in
18 later years of the housing plan. By, by design his
19 plan is already dependent on much higher levels of
20 production in the later years since time must be
21 built in for rezonings which are required before 50
22 thousand guaranteed inclusionary units can be
23 generated. The mayor must also act now to increase
24 not only the HPD capital budget but also its
25 staffing capacity to fully maximize the city's

production and leverage finite resources allocated on an annual basis such as low income housing tax credits and tax exempt bond financing. Thank you again for the opportunity to testify in this important issue of capital financing for the development of preservation of affordable housing.

SALLY STROMING: Good afternoon. My name is Sally Stroming. I live in a Mitchell Lama Co-op on the lower east side Gouvier [phonetic] Gardens , that was the one that you couldn't recognize my handwriting. That's quite alright it's my problem. I also, I am also a member of the co-op united for Mitchell Lama, an organization to preserve affordable housing in our beloved city. I have presented handouts on the facts why I'm here today to testify on these concerns. I'm just going to speak on two points. Point number one I would like to address the committee to the same section 314 I 15 of the New York City housing preservation development rule that allow Mitchell Lama Co-ops to withdraw from the Mitchell Lama program. We constitute it as much less affordable housing article 11. My second point is the fact...to constitute the name to... I'm sorry [page flips] ...to

construct more affordable housing we used a successful model that Mitchell Lama Co-op embody that we have today. Thank you very much.

BARIKA WILLIAMS: Good afternoon. My name is Barika Williams. Thank you Chairman Williams and to the Housing and Buildings Committee for allowing me to testify. I'm the policy director at Association for Neighborhood and Housing Development, ANHD which is a trade association of nearly 100 affordable housing and community development groups across the city. I'm here to testify specifically about the lack of funding for our neighborhood preservation consultants program, NPCP which originally was funded at 1.08 million dollars and is now down to 560, 580 thousand dollars. So for more than 30 years NPCP has provided consistent funding for community graced and nonprofit organizations to work in neglected properties that have been, impacts the broader community, protect tenants from eviction and dangerous living conditions. It's really a key tool in our preservation strategy. These NPCP community based groups work building by building and block by block and they augment HPD's code enforcement

efforts and, and their staff to really try to find, examine, and, and address poor living conditions and put tenants into more stable housing and, and kind of prevent the larger neighborhood risk. Six years ago Mayor Bloomberg cut NPCP by sixty percent decreasing the funding a huge chunk and then two years later cut the funding by another 25 percent for a total of 70 percent cut in the funding since 2012. So the funding level is now down to 580 thousand which some groups get as small as, as small as 7,000 dollar grants, this is for 15 groups that serve the entire cities and it speaks to Chairman Williams your previous comments about neighborhoods being combined and served by community groups that are not even based in the neighborhood don't really know what's going on block by block let alone building by building and really hampers the ability for the program to be as effective as it could be if it were a more robust strategy. These cuts are particularly glaring given the fact that the city council has continued to support these preservation efforts through HPI, the housing preservation initiative, and CCC, the community consultant contract. We really feel it's

critical that the city council can't bear the full burden of neighborhood preservation efforts which currently there is a huge imbalance between what the city council funds out of its side of the budget and what the administration funds out of its side of the budget. And we really are looking for the new administration for their under the de Blasio administration for them to correct the cuts that were made under the Bloomberg Administration. So you see that this is an opportunity to forge a new and more productive relationship with these groups. And for the de Blasio administration to kind of take on this new opportunity to recommit to city investment in preservation and, the preservation of our affordable housing stock. This is balanced with the fact that there needs to be careful attention paid to the actual affordability needs both in terms of preservation and in terms of new construction and making sure all of our efforts contribute to the real affordability needs of communities on the ground and the permanent affordable housing needs that stabilize neighborhoods long term so that we aren't having some of these conversations about constant expiring

stock going out of pipeline and putting neighborhoods at risk in buildings under, under threat. It's important as a part of achieving these goals that there be proper capacity for our partner, partners in, in city government. So we do ask that the city council fully fund HPD. They have had their budget cut over time and it makes it very difficult when their budget isn't fully funded for these programs that sometimes seem a little bit less critical but are very critical for neighborhoods to end up on the chopping block and, and get reduced. So we do kind of see this as a long term savings and a long term investment and to invest this money in these key preservation programs to preserve and stabilize neighborhoods over the long term.

CHAIRPERSON WILLIAMS: Thank you everybody for the testimony. I have one, one question. Okay...

ROSA ABLE: Hi, good afternoon. My name is Rosa Able. I'm here to speak for the 21 Argon Street Association. We the tenant are here today to ask for your support in the restoration of loan promise funding to renovate... from which we have all

been relocated from over six years. It has been a really difficult path since we entered the Department of Housing Preservation and Developments. Tenants entering this program in 1991. For more than a decade we have attended training and manage our building, collected rent, maintained [phonetic] financial records and performed routine maintenance as required by the program. Several years into the program HPD install shelving [phonetic] throughout the building because of fears that it was falling down. In June of 2008 HPD vacated the building due to the dangerous condition with promise that the building will be renovated and we will be relocated for a little over a year. We were threatened by eviction if we didn't comply. New homes were arranged for us to move and we were told that the plans had been drawn by architects and that the city had set aside the funding for the renovation of our building. We were relocated to six different building throughout the neighborhood. In some cases elderly residents were placed on high floors and have difficulty reaching their apartments in walk up buildings. The response from HPD coordinator at the time was that people could

move elsewhere or be taken to court if they were, couldn't make up the stairs. Six years is a long time to be living in limbo in apartments that are not our old. Without the support of the people we have called neighbors for over 40 years. In November 2011 HPD transferred the building into its new affordable neighborhood comparative program. It took a year for HPD to move to the point where he was ready to move ahead with the project. In November 2012 representative from HPD met with the tenant association. And in my seat Council Member Ydanis Rodriguez promising that funds were available for the project that fiscal years. Based on those assurances and urged by HPD to move forward the tenant association and, and, NMIC [sic] proceeded with the project. They hire an architect incurring 50 thousand predevelopment cost including producing architectural plans and environmental testing. We were told that the renovations could start in the summer of 2004, in 14. Then in January 2014 HPD abruptly put the project on hold saying only that it will not move forward that fiscal year and offer no guarantees that the project will move forward I don't know. We wrote a letter to

Commissioner Ben about our situation and have, have not have a response. We have remained committed and united throughout this ordeal despite being scattered throughout the neighborhood. We have held meetings, collected rent, reported our income multiple times, completely monthly financial reports in compliant with all other HPD requirements. It is time for HPD to fulfil the commitment made over a decade ago and to allow us to return, return home as cooperative chair holders. Thank you.

CHAIRPERSON WILLIAMS: Okay thank you.

And, we're going to, give one second.

[background comments]

CHAIRPERSON WILLIAMS: Yeah, so one second and we're going to have another panel. You can just stay there. Thank you for those who just testified. I did have one question for... what did you say your name... oh, Ms. Poindexter. Just so I'm clear the new section in the HPD's law basically... HPD's rules basically just says that they can pull out, you're saying?

JANE POINDEXTER: Sorry I can't understand what you're asking about.

CHAIRPERSON WILLIAMS: The first set change I consider to be HPD insertion of paragraph 15, 315... which allows withdraw of cooperative...

JANE POINDEXTER: Oh, okay.

CHAIRPERSON WILLIAMS: ...in their program. When was that rule put in?

JANE POINDEXTER: That was installed in, in December 6th, 2011.

CHAIRPERSON WILLIAMS: Okay.

JANE POINDEXTER: It was added as an amendment without public hearing. Although there was public hearing about proposals that year and a long list of proposals and a lot of us testified. That one was not introduced and exposed.

CHAIRPERSON WILLIAMS: So I know... Mitchell Lamas were, were buy, people were buying out.

JANE POINDEXTER: No, that's different. That's under the state law that allows them to pull out and go private.

CHAIRPERSON WILLIAMS: So this is... so what's, what is this law... [crosstalk]

JANE POINDEXTER: ...different. This is article 11 of the, of the state law.

2 CHAIRPERSON WILLIAMS: And it allows
3 them to...

4 JANE POINDEXTER: I mean it puts, it
5 puts withdraw into a new pathway.

6 CHAIRPERSON WILLIAMS: Okay.

7 JANE POINDEXTER: So... And it doesn't
8 take the co-op private but it takes it to a housing
9 fund, housing development corporation [crosstalk]

10 CHAIRPERSON WILLIAMS: Okay.

11 JANE POINDEXTER: Yeah.

12 CHAIRPERSON WILLIAMS: And then the
13 second was... you said it basically allows them to
14 resale for double the amount?

15 JANE POINDEXTER: No. Yeah, well the co-
16 op, the corporation is allowed to charge an
17 incoming shareholder twice the price that the
18 statute allows. The statute, that's set in section
19 31A of the private housing finance law article two
20 and it is set by the sum of the three items that I
21 mentioned. But they are doubling it and the person
22 is not yet even living there.

23 CHAIRPERSON WILLIAMS: Okay.

24 JANE POINDEXTER: Okay.
25

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2 CHAIRPERSON WILLIAMS: Thank you very
3 much. Council Member I don't know if you have any
4 questions.

5 COUNCIL MEMBER MENDEZ: Can... Ms.
6 Poindexter can you elaborate a little bit on the
7 Article 11 and what the difference might be between
8 a Mitchell Lama Co-op and a Mitchell Lama rental?

9 JANE POINDEXTER: A, a cooperative
10 essentially governs itself like any cooperative
11 where as a rental has an owner or you know a group
12 of owners that constitute a board. Co-ops are self-
13 governing to the extent that you know within the
14 supervision that's provided to them. But the, the
15 amendment that was made in December of 2011 allows
16 the, a Mitchell Lama Co-op which is already a
17 cooperative to leave Mitchell Lama therefore lose
18 supervision and lose several of the aspects that
19 make Mitchell Lama cooperatives such divine housing
20 when they're properly governed.

21 COUNCIL MEMBER MENDEZ: Okay and that's
22 not the case for a rental 'cause... [crosstalk]

23 JANE POINDEXTER: No what a rental...
24 [crosstalk]

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2 COUNCIL MEMBER MENDEZ: ...so, right...

3 [crosstalk]

4 JANE POINDEXTER: It, the residents it
5 would govern themselves.

6 COUNCIL MEMBER MENDEZ: So it would be a
7 good thing for a rental because it would keep them
8 affordable.

9 JANE POINDEXTER: It's a great thing. We
10 have no objections once so ever to HDFC co-ops
11 being established. We would love to see more HDFC
12 co-ops but not at the expense of eliminating
13 Mitchell Lama Co-ops. That conversion is what we
14 are opposing, not the establishment of FD, HDFC co-
15 ops. They're a solution to many problems in the
16 affordable housing market.

17 COUNCIL MEMBER MENDEZ: Thank you. And
18 sorry I forgot your name from 21 Ardon [phonetic]
19 Street. So you, you and your building were vacated...
20 when were you vacated from your building?

21 ROSA ABLE: In 2008.

22 COUNCIL MEMBER MENDEZ: In 2008. So it
23 is now six years...

24 ROSA ABLE: Yes.
25

COUNCIL MEMBER MENDEZ: And they, they have no plans to bring you back to the building?

ROSA ABLE: Well we, we don't know. We, we, we were how, I mean we were expecting that, that they will begin this year the renovation and they said now that they have no time to start that everything is like being held you know.

COUNCIL MEMBER MENDEZ: And...

ROSA ABLE: So we have no response. I mean we haven't have any letter explaining or anything like that yet.

COUNCIL MEMBER MENDEZ: And you've been on the till [phonetic] program since 1990...

ROSA ABLE: One.

COUNCIL MEMBER MENDEZ: One.

ROSA ABLE: Yes.

COUNCIL MEMBER MENDEZ: Until 2008 and they never converted you to a co-op, to an HDFC during that time?

ROSA ABLE: Yes on 2000... [static] when they said we have to vacate the building and took everybody apart from, for other buildings until...

COUNCIL MEMBER MENDEZ: And where were the tenants vacated to?

2 ROSA ABLE: To different place. On
3 Academy Street there's like three families. And the
4 others at 191... [crosstalk]

5 COUNCIL MEMBER MENDEZ: ...other HPD
6 buildings? Other HPD run buildings or other TIL
7 buildings or...

8 ROSA ABLE: I believe they are a
9 cooperative from HPD that the, the same we starting
10 in the program.

11 COUNCIL MEMBER MENDEZ: Okay. Thank you.
12 Let me get to you. I'm trying to call you by your
13 name. Ms. Branca. So of these 9,000 units that were
14 built it, they were built over the span of 10
15 years?

16 NICOLE BRANCA: Yeah, we're about to
17 enter year nine of the 10 year agreement.

18 COUNCIL MEMBER MENDEZ: ..year nine now.

19 NICOLE BRANCA: And they're just a
20 little bit behind schedule. So most of them will be
21 up at that point.

22 COUNCIL MEMBER MENDEZ: And, so I'm
23 assuming these are... Okay, I see, I see them written
24 down here now in your testimony. Okay, so they
25 still haven't finished the 9,000, they're a little

bit behind schedule and we need we think at least
15 thousand extra over the next 10 years or...

NICOLE BRANCA: Correct, over 10 years.

COUNCIL MEMBER MENDEZ: Over 10 years
okay.

NICOLE BRANCA: There, there is
sufficient funding in this year's capital budget or
we expect there to be. HPD has been on track to
finish their housing but once this funding is spent
they'll be, they'll be done and there'll be no
other... they need the operating and service funding
to support it. So this is a larger discussion not
just with capital but with DHS's budget, and DOH
may just budget the state... But HPD needs a, needs
an agreement again for, for another ten years to be
able to continue what they're doing.

COUNCIL MEMBER MENDEZ: Okay, thank you
very much. Thank you Mr. Chair.

CHAIRPERSON WILLIAMS: Thank you. Ms.
Poindexter we'd like to hear more about that. I
think the two of you mentioned it and so this is my
staff member here. He's going to come up and, and
give a card. But also I know that Council Member
Mendez is very interested in, in Mitchell Lama

issues also so you can probably reach out to her as well. Oh, okay. Oh, okay. Okay well I would love to just get information but I can just speak to Council Member Mendez. And Ms., was is Ms. Tinio [sp?] Was that, is that your, what was your name ma'am?

UNKNOWN FEMALE: [off mic] I'm speaking... right there but she's, she's having... surgery...

CHAIRPERSON WILLIAMS: Oh, I see.

UNKNOWN FEMALE: [off mic] Yeah, I'm speaking for her.

CHAIRPERSON WILLIAMS: Well she, she can stay, I just also wanted to get more information from you you've been working with Council Member Rodriguez?

UNKNOWN FEMALE: Yes.

CHAIRPERSON WILLIAMS: Is that right?

UNKNOWN FEMALE: Yes.

CHAIRPERSON WILLIAMS: [off mic comments] Yeah, I'd, I'd love to... we can reach out to Council Member Rodriguez so maybe we can speak to HPD to find out what's really happening.

UNKNOWN FEMALE: Thank you.

CHAIRPERSON WILLIAMS: Okay. Thank you very much for those that testified and you can stay because I know you haven't as well. But the rest of the panel is free to go. And then we're going to call Stephanie Johnson, Eliz, I guess it's Elizabeth, oh, Elsbeth Reymer [sp?] and Hafissa Medals [sp?]. And if there's anyone else who were planning to testify we don't have your card so after this panel that will be it for the public testimony.

[background comments]

CHAIRPERSON WILLIAMS: Okay, I'll also call up Mario Contialis [sp?] Kips Bay [phonetic] and Susan Marines [phonetic] or Marias[phonetic]?

SUSAN MARINS: Marins.

CHAIRPERSON WILLIAMS: Marias [phonetic].

[pause]

CHAIRPERSON WILLIAMS: Ms. Janice Starks so also from Kips Bay.

[pause]

CHAIRPERSON WILLIAMS: I think people finished their testimony with, within about three minutes so I'm going to drop it down to three

minutes and hopefully if you can try to fit it into that time that will be great so... And if you need extra time just let me know. So we'll try to do it on the three minutes. You can choose who you'd like to speak first and you can just go ahead. Oh wait, you have to do the... Yeah, if everyone can raise their right hand please. Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth before the committee today?

[collective affirmations]

CHAIRPERSON WILLIAMS: Someone can just... start from here.

JANICE STARKS: Excuse me. Hi, my name is Janice Starks and I'm a Kips Bay tenant. I'm one of the tenants that's being affected by the downsizing. I live in a one bedroom and they want me to go down. I am disabled and I find that... They sent me a letter saying that they wanted me to see the apartment. I declined so I never saw the apartment. So I'm waiting for them to get back to me. I find this very devastating and upsetting. I've been living there 20 years and I don't see why I should have to move to a smaller apartment. No one has said that they will give us any money to

2 make, help us move. No one has really said
3 anything. There's a lot of unanswered questions and
4 I would like to be able to get some results. And
5 one of the questions I do want to ask is that if
6 you move, I mean if you don't move and you rent to
7 stay in your apartment is it a year to year basis.
8 I want to know if there will be some permanency.
9 That's all I have to say.

10 CHAIRPERSON WILLIAMS: I don't have the
11 answer to the question. We're trying to have a
12 hearing. We spoke to you earlier. I'm very sorry
13 that's... going through... My staff will even try to
14 follow up, see if we can help.

15 STEPHANIE JOHNSON: Hi, my name... Good
16 afternoon. My name is Stephanie Johnson and I live
17 on Second Avenue in Midtown Manhattan. And first of
18 all I'd like say that I've been living in New York
19 since the Been administration and I've really paid
20 attention to the business of housing. I've watched
21 buildings being gutted... families and neighbors. Not
22 so much neighborhoods but neighbors. And what do I
23 mean by that, you build relationships within your
24 building. People who live in Manhattan refer to, to
25 neighbors as people on my floor, people in my

building, people in my complex. As of the last blackout, not Sandy but the last blackout there was a lady on my floor who has a double illness and I actually stayed in her apartment during the blackout. She has already received a downsizing letter. And this would actually mean that not only would we be split up we'd be, probably be in two different buildings. And I think nobody ever pays attention to those kind of relationships. The second thing is as Janice said to me on my, Janice said just now on my right no one has come to us about moving expenses. And I know in my case I have a piano. And since I've moved in they've actually padded the elevator. I have no guarantee my piano's even going to fit in the elevator to move out. The other thing is no one has been able to tell us how is it determined who's at the head of this list to downsizing, who's at the end of the list. Meaning was it just some random pull a name out of a hat, was it a last name, what was it. And this has been going on since July that we've been asking these types of questions. The other thing is, is that I went to go and see an apartment and I was told that you supposedly have to look at the apartment. And

when I went to look at the apartment the first thing they said to me is well I understand if you have representation we can't show you, show you the apartment. So how can I agree or turn down something I don't get to see. And last but not least in our complex right now we have a lot of college students. And I want to know what is the building going to do when the second avenue subway comes barreling down second avenue in terms of construction. A lot of those apartments are going to go up for rent because they are not going to have people who want to move in there. Case in point I have an adult aged daughter who is actually looking at apartments on upper second avenue. And the prices have dropped because of the subway construction. And so it's like sometimes you feel that you're being uprooted but they have not made concessions for you. And this has happened to me twice in 40 years. So I'm like am I going to go through this again if I live to be like 85 years old. Because one thing I never really understood about the Mitchell Lama resolution when it came out was it was 20 years. That's 25 percent of a life

span or 20 percent of a life span. So are you required to move every 20 years? Thank you.

JAFEE JANETOS: Hi, my name is Jafee Janetos [phonetic] and I also am a resident of Kips Bay. I've actually been there for 23 years and I have a grown son, 23 years old. And for 39 years I've been a mother. You know my son's grown. We've also received downsizing letters, have five grandkids. And I, I, I guess for me is that I never asked to be a part of HPD or anything like that. And two of my biggest fears have been for one ending up on welfare which I haven't done yet and number two not having a place to live. I've done well as far as raising my kids but I'm really concerned. And I didn't go to see the movie 12 years a slave but I actually watched it this weekend and the thing that concerned me the most about it was the housing. And I just don't understand after a person could live somewhere for 23 years that you cannot take into consideration that they have families and they have other people. But you want them to be downsized to a place. And it's hard you know period. You're talking about a grown man. This is not my husband. This is my son.

2 And you think, not you, but the people that make
3 these decisions, I think that, a lot of people
4 think that people are busy sleeping it's, on the
5 backs of people that was in Mitchell Lama so called
6 middle income before this economy went down that
7 you got tax breaks for people like me and my
8 neighbors. And I have watched in the last month,
9 people have heart attacks, stressed out, I,
10 literally going crazy, probably like me. You know
11 because you never saw yourself having to, to make a
12 decision. I too have a piano. What do we do with
13 all of this stuff? Does it not matter? Does it not
14 matter that we live somewhere for 23 years and
15 because of a sequester, or so called sequester
16 where you're making your money off the backs of
17 working people that we don't even have a say in how
18 we get to live the rest of our life at sixty. And
19 really that's how I really feel. And I'm in a one
20 bedroom with a grown son. You know and I'm sorry
21 but I wouldn't wish that on anybody. And thank you
22 for listening.

23 CHAIRPERSON WILLIAMS: You say you're in
24 a one bedroom now?

2 JAFEE JANETOS: I'm about to be
3 downsized to a one bedroom because... And the other
4 part of that is that when you first moved in, into
5 these apartment Mitchell Lama it was meant that if
6 you had sons, I've had two, I've raised two boys,
7 you know one has moved on with the family and have
8 three kids and my 23 year old is still with me. Now
9 we're going to be, we can barely live together in
10 the two bedroom. Now you want to me to live with
11 this kid, forgive me I love him, in a one bedroom,
12 it's almost impossible. Forgive me, I'm sorry.

13 CHAIRPERSON WILLIAMS: Thank you.

14 JAFEE JANETOS: Thank you.

15 ELSBETH HEIMANN: [off mic] First off I
16 would like to thank you for your patience and the
17 new administration gives so much hope... [paper
18 crumpling] I live on the upper east side, used to
19 be a rundown neighborhood... It's on the, on the
20 west. Then the Mitchell Lama apartment was created
21 to provide housing for people who are not poor for
22 public housing not rich enough to investment. It's
23 just the best program. It should be a model for the
24 whole country. Unfortunately the state gave the
25 permission of the... the land loan who put some of

their own money that that's the 20 year, it can buy out. But that has decimated a lot of the affordable housing. Now that has never been the case of many of the co-op which were created by non for profit organization who secured a leg in our case... houses, 650 apartment that... at the urban renewal able to buy the land or to get a lot of the benefit. It took them 10 year in the neighborhood to, under the Lindsey administration to secure that. It was the best program. Now it's based on income. We used to pay 25 percent of our gross income now don't... under the... it went up to 30. But today it's a lot of money. It's a lot of money for the average people. But the other program is, it's done by a lottery, which means it's, has to be published by, it brings in people from all, all race, all ethnic group, all religion. And that is a real asset because people leave, visit each other and they go to the same school, to the same neighborhood instead of putting the people in little box. The other thing also it was a dream come true for so many New Yorker to have decent housing. Because decent housing is a problem for the family for the... It has all the ramification just like... it's a, the basic where

2 people can be informed and educated. It's, it's
3 very crucial. But I, that's why I ask you please
4 don't destroy that. The problem is HPD. We have two
5 supervising... HUD and HPD. Now the problem you have...
6 the board but... at the top either the president or
7 the treasurer. You don't... if that's the only thing...
8 world... people... And then you have a few people in
9 the country... everything. You need to have
10 transparency which is really important. Again I
11 thank you so much for your patience.

12 CHAIRPERSON WILLIAMS: Sorry can you say
13 your name please for the, for the record.

14 ELSBETH HEIMANN: [off mic] What?

15 CHAIRPERSON WILLIAMS: Can you say your
16 name into the mic...

17 ELSBETH HEINAMM: [off mic] Elsbeth...

18 CHAIRPERSON WILLIAMS: Into the mic.

19 ELSBETH HEINAMM: Heinamm. Elsbeth, E L
20 S B E T H, last name is Heinann [sp?], E I N A two
21 M [static]. I will say I have the accent. When I
22 speak French today they, they say I have an
23 American accent so I'm well rounded. I came here
24 in, in New York 1968.

25 CHAIRPERSON WILLIAMS: Merci

2 SUSAN MARINS: I'm Susan Marins from
3 Kips Bay Court. I'm the President of the tenant
4 association and also part of HCAD on the board of
5 Housing and Coalition Against Downsizing. There's
6 so many aspects that I'd like to touch on. I don't
7 even know which is the first. I think that the, the
8 issues though that are most important are the
9 transparency issue. The fact that this came about
10 in July 15th by an edict of HPD that had no for,
11 forewarning. They published apparently in a very
12 local, regional journal which did not go out to the
13 mainstream. People such as the elected officials
14 had no knowledge of the hearing that they were
15 having. The public didn't know about it. There was
16 no way that we could come together and talk about
17 and have a conversation about the downsizing before
18 it became an actual policy change and was starting
19 to be instituted. So July 15th people throughout
20 the city the 11 hundred and 67 people or families
21 that you spoke about have been having a health
22 crisis. There have been people that have been
23 ongoing into the emergency room, having strokes,
24 having seizures, having heart attacks, and anxiety
25 attacks all because of the way this egregious

2 policy has come about and how people don't get
3 clear uniform standard process and procedures. Each
4 development seems to have their own way of
5 implementing. It has been given over by HPD to the
6 developments themselves, to the management
7 landlords to implement in the way they wish. Our 15
8 day letter may have business days and other
9 development may say regular calendar days. Another
10 development doesn't even get days. It doesn't even
11 get an accept or deny on the letter. They get a
12 priority list so everybody in their development
13 knows what number they're at. We do not get
14 anything. Landlords are getting enriched on the
15 back of this program. We are being penalized when
16 there is a shortfall but yet every year including
17 this year landlords have gotten an increase in the
18 contract rent approval that they requested. So how
19 is, how are they going to come up with funds to pay
20 landlords when there are no funds to subsidize the
21 tenants. There should be an equation that brings
22 the landlords into play when there is such a
23 funding shortfall and gap. Why do landlords
24 constantly get at independence plaza I think a two
25 bedroom is being contracted for six or seven

thousand dollars. At Kips Bay it's about four to five thousand dollars. There's no uniformity, no standardization. I could go on but thank you very much.

MARIO CONTIALIS: Hi, my name is Mario Contialis. We live at Kips Bay Court. When I moved into my apartment my rent was a little under 500 dollars. Now it's a few bucks on the four thousand dollars. The reason I believe that this has come about is because the building...[static] landlords are allowed to raise the rent. Every time someone moves out and someone moves in the rent goes up. So now we have students moving in on short term leases four months, three months, six months, they take a course at NYU, they're done with the course, they move out, the rent goes up. Because these rents are going up so high I believe that that is why there's a shortfall in the budget. I don't see any, any forensic accounting or assessment of how this downsizing is going to make up for that shortfall. Anybody could make up a pie chart and put a number on it on a piece of paper. That means nothing to me. That doesn't show me anything. We have tenants in our complex who have been living there for 30,

40 years. Some of them are in their 90s, 80s, 60s. Many of them are seniors, many of them are seniors with disabilities. Some of them are on wheelchairs. Being asked now after living in the... all these years to downsize. You can call HPD from my complex and speak to someone at HPD and get a completely different answer from someone who calls from a different complex ask the same question. There's no consistency in the answers. There's no... we don't know who to believe. We don't know, we're lost, we have no help. The only help we've ever received is a letter from Carol Maloney. We send letters to Mayor de Blasio and he, he forwards them to HPD the very organization that wants to downsize us. Nobody is giving us any answers. Some of us have already been downsized.

MARIO CONTIALIS: I'm sorry Sir... that question?

UNIDENTIFIEDWARD PEMBERTON FEMALE: Can I speak on his?

MARIO CONTIALIS: Can she... question for me please?

UNIDENTIFIEDWARD PEMBERTON FEMALE: The affordable housing that's advertised in the

2 newspapers that have the logo of HPD and DHCR
3 though they are having different funding streams
4 are utilizing the same standard family composition
5 standard for that particular grouping of, of
6 applicants for future and current open lists for
7 affordable housing. At the same time that we're
8 being denied the old family standard composition
9 that is still good for a different class of people.

10 UNIDENTIFIEDWARD PEMBERTON FEMALE: [off
11 mic] Could I just say one other thing please. I
12 walked into... Sorry. [on mic] I walked into
13 management last Monday to view the new downsized
14 apartment that I'm supposed to take. And I was very
15 annoyed with the first question that was are you
16 represented by council, because if you are you
17 can't see the apartment. Because it really makes me
18 wonder what are they doing to people who don't have
19 attorneys.

20 CHAIRPERSON WILLIAMS: Alright so we,
21 just because we're, we're actually trying to put
22 together a hearing on the downsizing issue. But I
23 know it's of concern and everybody has personal
24 stories. So I'm glad you came today. I think
25 someone's going to try to get everyone's email to

invite you back to the downsizing hearing. And everybody here is Mitchell Lama yes? Well is... former...

[background comments]

CHAIRPERSON WILLIAMS: ...Mitchell Lama.

[background comments]

CHAIRPERSON WILLIAMS: Is it downsizing, is it connected to any sequestration or what's the genesis of it.

UNIDENTIFIEDWARD PEMBERTON FEMALE: Yes.

All the former Mitchell Lamas, in order to keep some of the residents and keep it affordable were given enhanced vouchers. With the sequestration HPD was 35 million short in their budget. Their way of filling their budget gap is to redefine what is a one family household and two family household making people downsize according to them saving them 10, 10 and a half million in the budget for the next calendar year.

CHAIRPERSON WILLIAMS: So all this is former Mitchell Lama, everybody's former Mitchell Lama tenants with enhanced vouchers?

UNIDENTIFIEDWARD PEMBERTON FEMALE:

Correct.

2 CHAIRPERSON WILLIAMS: Okay. Thank you
3 very much for your story today. I want to recognize
4 Council Member Ydanis Rodriguez. I want to thank
5 you for being here. And I don't know Council Member
6 Mendez if you have any questions. Okay.

7 COUNCIL MEMBER MENDEZ: I just want to
8 thank everyone for showing up and giving their
9 testimony in the record. I'm running late for
10 another hearing. Thank you Mr. Chair.[crosstalk]

11 CHAIRPERSON WILLIAMS: ...missed the whole
12 hearing...

13 COUNCIL MEMBER MENDEZ: Yes.

14 [collective thanks]

15 COUNCIL MEMBER RODRIGUEZ: I guess I
16 want to say first of all I apologize I was not here
17 from the beginning because I was supporting a
18 family at the criminal court in a case of hit and
19 run, a case that I've been working for weeks since
20 finally at least a decision that they person who
21 did a hit and run and can, and, and... a recent
22 college graduate student being dead. It will be now
23 subject to 1 to 4 years in jail so that's the
24 reason why I couldn't be here. So I apologize to
25 my, the tenants from my district that I know that

they've been here from the beginning. But publically I would like to acknowledge the letters here from Maria, and all the tenants of 21 Arnold Street. As you know the story that we heard from these panel, you hear the same story citywide. So when it come to fighting for affordable housing Mitchell Lama, NYCHA, and all the, is the same story. I say the difference is that the person who chaired this committee is someone that his background has been a tenant organizer. Sometime it's difficult to find someone that we can say he or she is about tenants. So we will be working with developers and landlords because they are part of the reality in the city. But I know that his agenda, my agenda that you know most member of this committee is to be sure that we keep housing affordable in our city. So this is what I can say a guarantee that you have. At this particular moment that your mind is willing is a truly progressive, someone that have been fighting for tenant right all his life. But Maria and Rosa and the other tenants of 21 Argon, the same thing that I told him weeks ago. We will be having conversation. 21 Argon wants promise that the HPD will have the money to

do, to renovate the building and we're going to working to be sure that that will happen. Okay. Mucho Gracias.

CHAIRPERSON WILLIAMS: Okay, thank you for the kind word. Yes ma'am.

[off mic comments]

ELSBETH HEINAMM: It is cheaper to maintain the Mitchell Lama to forbid the buyout because the buyout in co-op it had the, for instead supposed to be by shareholder. But when people make a little more money she slack, oh they make a little money to look down on the other people and she thinks they are going to be millionaire. So that is where you can maintain the co-ops as, like our founder it was never meant to be a luxury apartment. But he created this buildings as a basic family entity so you come in on the lower level and then you make a little more money in your salary you pay a little more. It's still 30 percent of the base rent. And then it pays the surcharge. On the surcharge of those who are higher income on that money can be equalized to maintain those cooperative which will be saving in quotation.

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2 CHAIRPERSON WILLIAMS: True. Thank you
3 very much. Thank you all and I want to thank the
4 staff, for the staff for helping me today and get
5 the list so I'm going to forget somebody. But I
6 apologize. Thank you staff. And the meeting's
7 adjourned.

8 [gavel]

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 April 28, 2014