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NEW YORK CITY DEPARTMENT OF BUILDINGS

HEARING BEFORE THE NEW YORK CITY COUNCIL
COMMITTEES ON HOUSING & BUILDINGS
AND FINANCE
ON THE FISCAL YEAR 2016 EXECUTIVE BUDGET
June 4, 2015

Good afternoon, Chair Williams, Chair Ferreras, and members of the Housing & Buildings and Finance Committees. I am Rick Chandler, Commissioner of the New York City Department of Buildings. I am joined by First Deputy Commissioner Thomas Fariello and Deputy Commissioner of Finance and Administration Sharon Neill, along with other members of my senior staff.

The Department's role in supporting the City's economy cannot be overstated. By enforcing construction laws, we facilitate job creation, spur the development of affordable housing and uphold high standards in energy efficiency – while adhering to our principle mandate to promote the safety of those who live, work and build in our City.

I am pleased to be here to discuss with you the Department's Fiscal Year 2016 Executive Budget and how it supports our bold initiative announced on May 14th to transform the Buildings Department. Our plan, titled *Building One City* and included with my testimony, seeks to fundamentally reform the Buildings Department to enhance public and worksite safety, slash wait times and delays, and modernize all aspects of the Department to meet the needs of the largest and most complex city in America.

Allow me to begin with an overview of the budget. The Fiscal Year 2016 Executive Budget allocates approximately \$149 million in expense funds to the Department. Of this,

approximately \$109 million are for Personal Services (PS) and \$40 million are for Other Than Personal Services (OTPS). The Executive Budget's revenue forecast for the Department is approximately \$214.9 million which exceeds our expenses by 45% and does not include more than \$40 million in Department-issued Environmental Control Board fines that the City collects each year. The Department's budgeted employees for the Executive Budget is 1,438.

In Calendar Year 2014, more than 3,100 New Building applications were filed with the Department, a 23 percent increase from the prior year, and more than 87,100 Alteration applications were filed, nearly a 15 percent increase. Through May 15th of this year, New Building and Alteration applications are up slightly as compared to the same period in 2014. In 2014 the Department issued more than 100,000 initial construction permits, a 6 percent increase from the prior year, and more than 45,000 permit renewals, a 4 percent increase. Through May 15th initial construction permits are up 5 percent as compared to the same period in 2014. Finally, one sign of future new building activity is initial demolition permits. In 2014 the Department issued more than 1,600 demolition permits, which was a nearly 18 percent increase from the prior year. And through May 15th of this year initial demolition permits are nearly 27 percent higher as compared to the same period in 2014. Not only is construction activity showing no signs of abating, but in several respects it has intensified.

Since my appointment last July, I embarked on a strategic planning effort to identify areas where our operations can be strengthened. During this several month process, I held a day-long retreat to solicit ideas from Department staff, established several working groups focusing on specific issue areas, engaged in countless hours of dialogue with staff and external stakeholders, and with the invaluable support of First Deputy Mayor Tony Shorris and the Mayor's Office of Operations, *Building One City* provides the blueprint for this effort.

Building One City focuses on four core areas. They include enhancing public safety and integrity, streamlining Department processes, increasing transparency and improving customer service.

Enhance Public Safety and Integrity

Our Department's core mission is to advance public safety by enforcing laws that govern construction and facilitate compliant development. As the City's building stock continues to age and as new construction becomes more complex, enforcement challenges heighten. The increased enforcement resources identified in the Executive Budget will address these challenges. The Department conducts extensive outreach to construction professionals to educate them on Code requirements and to promote worker and public safety. The Department also holds construction professionals accountable for conditions at job sites through inspections. In 2014 the Department responded to nearly 94,000 complaints and issued nearly 52,000 Environmental Control Board violations totaling just under \$130 million in penalties.

The Department is improving enforcement methods to safeguard the public and strengthen integrity compliance. These changes are intended to promote safe work practices by construction professionals and allow the Department to proactively assess and mitigate risks associated with construction sites and professionals that may pose a danger to the public. Through proactive enforcement and additional discipline of "bad actors" the Department is strengthening and reaffirming a commitment to its core mission of keeping New Yorkers safe. Public safety and integrity reforms include:

- **Create a Risk Management Office**

The Department has established its first ever Risk Management Office. This Office is tasked with analyzing the extensive amounts of data maintained by the Department to determine where vulnerabilities exist and devise solutions that eliminate or mitigate risk. Using business intelligence and analytics tools, this Office's efforts will allow us to proactively identify and pursue punishment of “bad actors,” identify buildings that pose a threat to public safety and root out corrupt behavior.

- **Release Industry Code of Conduct**

Another first for the Department will be the launch of the Industry Code of Conduct this summer. This plain-language guide will clarify what is expected of developers, design professionals and other stakeholders that interact with the Department.

- **Enhance Legal Action Against Bad Actors**

The Department will increase its legal resources and incorporate new technology to enhance disciplinary enforcement against applicants, owners, licensees and other construction professionals that repeatedly abuse the Construction Codes.

Streamline Department Processes

Building in New York City is an extraordinarily complex undertaking, often involving numerous City agencies and requiring interaction with outdated systems and disjointed processes. It is imperative that the Department minimize bureaucracy to ensure rapid but safe development. In order to support the Mayor's goal of dramatically increasing the development of affordable

housing and reducing project delays across all types of development, the Department is deepening its investment in plan review through technological improvements, and by hiring nearly 200 plan examiners and development inspectors. Process enhancements include:

- **Redesign the Plan Review Process and Online Interface to Reduce Wait Times**

The technology to review online plan submissions will be in use by examiners in all five borough offices by the end of the year. This coupled with a significant increase in plan examiners will reduce wait times for virtual reviews. By the end of Fiscal Year 2016 service levels will improve as follows:

- Initial review of New Building and Major Alteration applications will decrease by 34 percent and 19 percent respectively to an average of ten days.
- Subsequent reviews of plans will occur within ten days of request.
- Average wait time for most inspection types will decrease by as much as 78 percent to an average of five days.

As the Department redesigns its online presence, a new public-facing web interface will replace the antiquated Building Information System (BIS). This will allow customers to conduct any transaction online. Customers will be able to manage more robust accounts, where they can make payments, check the status of their project and have virtual interactions with staff. These changes will eventually eliminate the need for in-person visits. A paperless Department that integrates efficient virtual examinations and electronic transactions will result in dramatic reductions in the time necessary to perform reviews and inspections.

- **Establish a Unit to Prioritize Processing of Affordable Housing Projects**

An Affordable Housing Acceleration Unit will be tasked with prioritizing plan examination and inspections on affordable housing projects. This team will work closely with other agencies, including the Department of Housing Preservation and Development to mitigate delays in interagency hand-offs. By the end of Fiscal Year 2016 service levels will improve as follows:

- Initial review of New Building and Major Alteration affordable housing applications will decrease by 54 percent and 44 percent respectively to within seven days.
- Subsequent reviews of plans will occur within seven days of request.
- Development inspections (construction, electrical and plumbing) will occur within three days of request.
- Average wait time for most other inspection types will decrease by as much as 78 percent to an average of five days.

- **Implement Online Appointment Scheduling and Optimize Routing**

The Department will launch the second component of the Inspection Ready program. This will allow inspection routes to be better optimized as well as enhance our reporting capabilities. These changes will continue to improve inspection quality and reduce inspection wait times.

- **Develop an Interagency Working Group to Simplify Development**

The development and construction process is, at times, a complex web of agency checkpoints and hand-offs. A new interagency work group – including City agencies and utilities critical to the success of development and construction in New York City – will meet regularly to identify and solve problematic touch-points and recurring cross-agency issues.

Increasing Transparency

Regulatory transparency and industry outreach and engagement remain necessary for promoting safe and sustainable development. By clarifying existing regulations and building awareness of best practices within the development community, the Department will be better able to ensure industry compliance with regulations, and reduce delays in the plan exam and inspection process.

Transparency improvements include:

- **Consolidate the Building Codes to Enhance Compliance**

The Department of Buildings currently administers multiple construction codes applicable to alterations of buildings based on the code in place at the time of initial construction. Developing a unified code for existing buildings will allow the Department to streamline permitting and simplify regulations governing building upgrades and resiliency improvements for the existing housing and building stock. It will also make it much easier for applicants to comply with the Building Code and reduce the need for unnecessary intermediaries.

- **Standardize the Plan Objection Process to Reduce Re-examinations**

The Department is currently reviewing plan exam disapprovals to identify the most common objections and standardize them across examiners and project submissions. By identifying common objections by project type, the Department will be able to educate its customers about Code compliance requirements and increase the efficiency of the plan review process. This will reduce the number of reviews required to reach approval.

Improving Customer Service

The Department, at its core, is a customer service agency and we will significantly change the way New Yorkers are able to interact with us. In addition to the initiatives I have already mentioned, the Department will enhance the customer service experience by investing in our staff and offices to better serve the public. Customer service improvements include:

- **In-House Project Advocacy to Resolve Project Complications**

The Department will hire ten Project Advocates over the next two years to work in each of the boroughs. These individuals will supplement existing resources to help New Yorkers navigate their interaction with the Department. Project Advocates will provide an additional point of contact within the Department to assist in the resolution of technical and operational issues relating to a project or property and will serve as a particular resource for those who do not deal with the Department on a regular basis.

- **Provide After-Hour Inspection Services**

To best serve the City that never sleeps, the Department has begun offering after-hours and weekend inspections. This week the Department began testing this initiative starting with high-rise inspections and will expand it further. To receive prompt service at the times that work best for them, developers will have the opportunity to request early morning, evening or weekend inspections.

- **Develop an Equitable Fee Structure**

The Department will seek legislative approval for a more equitable fee structure. Under this concept, larger and more complex projects will pay fees at a rate that is comparable to the scale of development they are undertaking and the enhanced services the Department is providing.

- **Redesign Borough Office Public Spaces**

Over the next year, the public spaces in the Department's borough offices will be evaluated for redesign to enhance service and streamline the flow of traffic with a focus on incorporating those modernizations that will occur as additional online processes are incorporated into the Department's business model.

Building One City will be funded with an unprecedented commitment of City resources including \$50 million in new funding over the course of two years and the addition of 320 staff positions. These positions include 163 plan examiners, 94 inspectors and 63 support staff. For the first year of the Plan in Fiscal Year 2016, the Executive Budget commits \$29 million and the

addition of 194 positions. Approximately \$11.4 million and 83 positions will be targeted toward enhancing operations and improving customer service. Approximately \$10.9 million and 39 positions will be targeted toward streamlining processes and increasing transparency. And \$6.8 million and 72 positions will be targeted toward improving public safety and integrity.

In conclusion, New Yorkers deserve a better Buildings Department. A Buildings Department that can employ sophisticated, risk-based, data analytics to target unsafe construction sites and negligent professionals before tragedies occur. A Buildings Department that can harness new technology to eliminate maddening paper-driven processes, provide greater transparency and speed-up approvals. A Buildings Department that receives the resources necessary to perform plan reviews and conduct inspections commensurate with the 140,000 permits we issue and the 97,000 complaints we respond to each year.

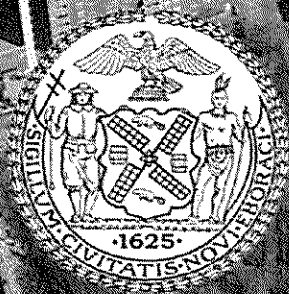
With this plan and the continued dedication and skill of the employees at the Buildings Department I have the privilege of leading, New Yorkers will have a better Buildings Department.

Thank you for your attention and the opportunity to testify before you today. I welcome any questions you may have.

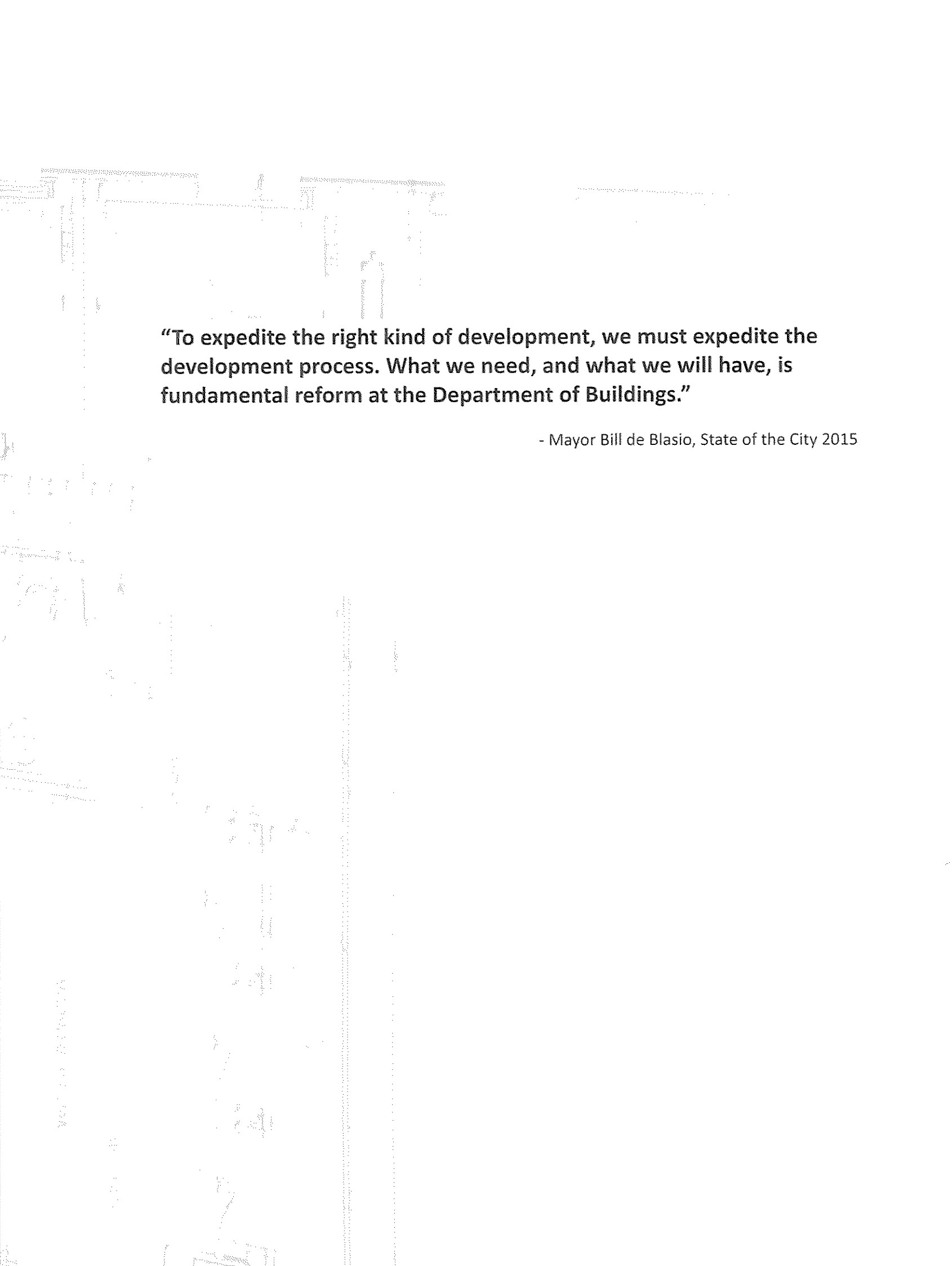
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BUILDING ONE CITY

A Blueprint for Fundamental Transformation
at the New York City Department of Buildings



Bill de Blasio, Mayor
Anthony Shorris, First Deputy Mayor
Rick Chandler, Commissioner
Department of Buildings



“To expedite the right kind of development, we must expedite the development process. What we need, and what we will have, is fundamental reform at the Department of Buildings.”

- Mayor Bill de Blasio, State of the City 2015



To My Fellow New Yorkers:

New York City is the world's leading destination for opportunity. Like many other transplants, I have seen the City change dramatically during my time here. Unlike many other New Yorkers, I understand first-hand the complexities of regulating construction and ensuring public safety from my time at the Department of Buildings.

In my various roles at the Department, I have been struck by the dedication of the staff to protect the City while simultaneously supporting its development. This team juggles the responsibilities of being staunch enforcers of the New York City Construction Codes and advocates for growth – keeping projects moving, the economy expanding, people employed, and businesses opening.

As a Council Member, Mayor de Blasio pushed for an equitable and efficient Department of Buildings. Responding to that vision, we provide an outline for change. Through an unprecedented infusion of resources, we have been afforded a singular opportunity to transform the Department. These efforts are in lockstep with the Mayor's goals to develop affordable housing; support small businesses; improve the efficiency of our buildings; and build a thriving, equitable, sustainable, and resilient city.

Development is crucial to our great City. Our partnership provides the foundation for the future of New York City's built environment. Your hard work keeps our City vibrant, and together, our work will have a lasting, positive impact on New York.

Commissioner Rick D. Chandler, P.E.

COMMUNICATIONS

OFFICE OF THE COMMISSIONER



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INTRODUCTION

From the towering skyscrapers that shape our skyline, to the shops that line our main streets, to the apartment buildings and single family homes that form our neighborhoods, the Department of Buildings works with New Yorkers to ensure safe construction of our homes and businesses. Department of Buildings (DOB) employees are responsible for enforcing the New York City Construction Codes and Zoning Resolution on over one million buildings and construction sites throughout the City. In 2014, the Department issued more than 140,000 construction permits.

DOB is integral to solving some of New York's most daunting challenges: ensuring continued economic growth and prosperity; spurring the development of affordable housing; improving energy efficiency and reducing greenhouse gas emission; and helping our buildings and neighborhoods withstand sea level rise and other extreme consequences of climate change. DOB is an essential partner in the success of the Mayor's Housing New York and One City Built to Last initiatives. Through the skilled application of code and zoning regulations and a keen understanding of safety concerns in construction, DOB will advance the Mayor's vision for safe and sustainable development across New York City. This transformation effort aligns directly with the goals of One New York: The Plan for a Strong and Just City.

New Yorkers deserve a DOB that is efficient, effective, transparent, and fair. In his State of the City speech in 2015, Mayor de Blasio stated that "fundamental reform" was needed at the agency. With an unprecedented infusion of resources, including 320 new positions and \$120 million over four years, and root and branch reforms to internal processes and public interactions, we can have a world class Department of Buildings that is worthy of a 21st century urban leader. A revolutionized agency will benefit all New Yorkers, including the hard-working men and women at the Department of Buildings, who deserve technology advancements and optimized processes to get the job done right.

This document outlines a vision of change – including long-term targets and immediate action items – focused on identifying areas where reinvestment will strengthen the agency to carry out its core mission of safe and lawful use of buildings, as well as supporting the creation of a thriving, equitable, sustainable, and resilient 21st century New York.

How will we know if we're succeeding? A successful Department of Buildings will be fast and transparent, with exceptional and responsive customer service, streamlined operations, utmost integrity, and an ingrained ethos of ensuring public safety. Together we will:

- Improve customer service by increasing online offerings; improving public spaces where New Yorkers interact with DOB; and enhancing educational offerings.

- Streamline operations and reduce processing times, enabling New Yorkers to quickly navigate regulatory processes.

- Perform with the utmost integrity, creating a foundation of trust between DOB and the public. Reinforce public safety by strengthening proactive enforcement and strategically deploying enforcement resources.

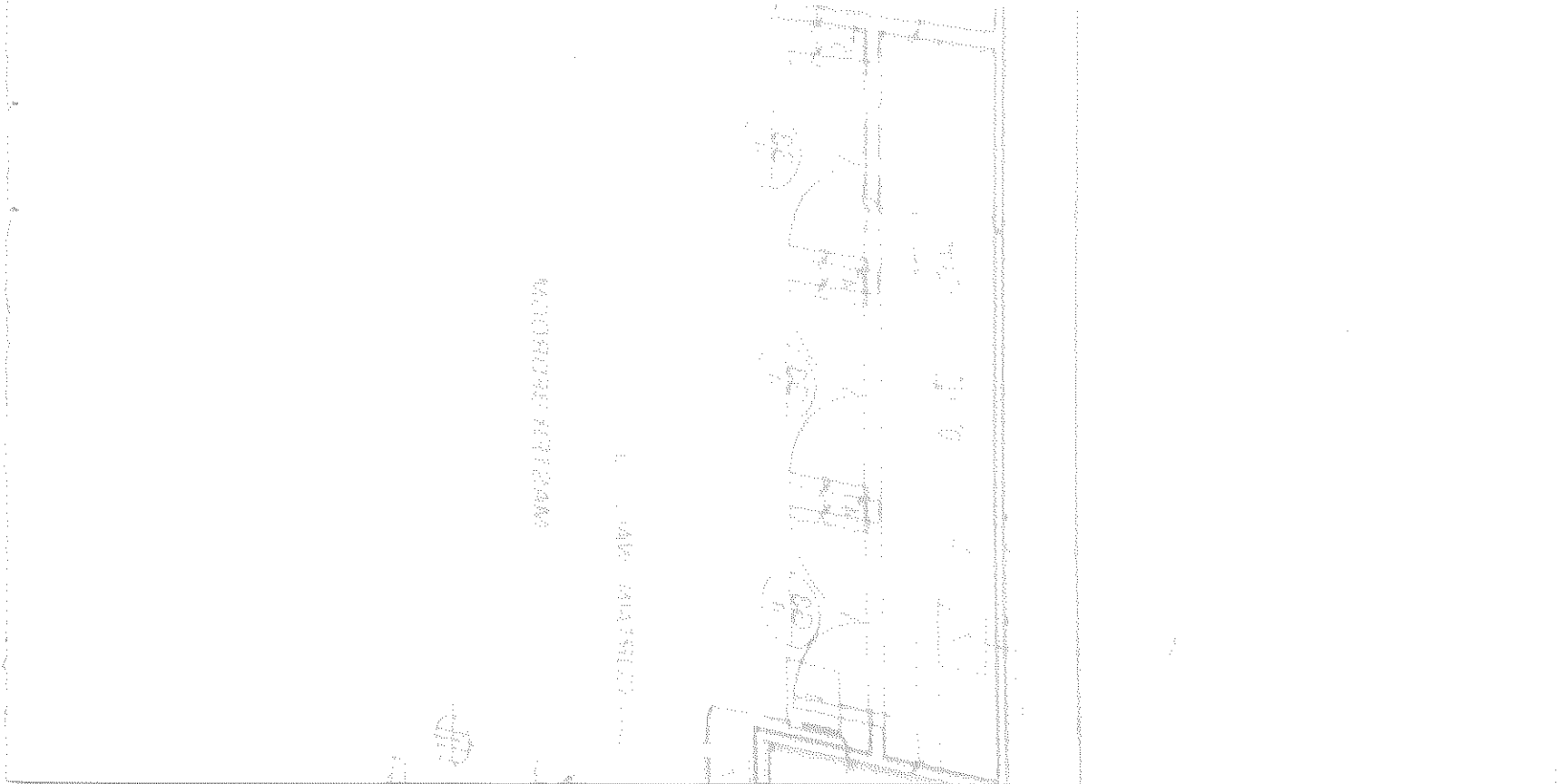
- Increase transparency by providing clear information about status, process, and requirements without the need for unnecessary intermediaries.

- Ensure that everyone who interacts with DOB receives an appropriate and equitable level of service.

A 21st Century Department of Buildings

At the end of our effort, New Yorkers will interact with a revolutionized DOB in which:

- **100% of applications, reviews, payments and scheduling** can be handled **online**.
- **100% of projects have a clear and transparent status**.
- **Integrity** is deeply ingrained among all DOB staff and the risk of fraud is reduced through **quick, transparent processes**.
- **100%** of inter-agency **inspection and review** transfers that are part of the development process are **automated**.
- Cycle times for major processes are **best-in-class for major US cities**.
- Resources are targeted to the highest risk and highest priority work.
- More low-risk filings are **self-certified**, and auditing resources are targeted to self-certified jobs based on risk.
- An **Affordable Housing** unit works to facilitate and expedite the construction of new affordable housing.
- The building industry's first ever **Code of Conduct** is in place.
- Proactive enforcement increases compliance with all **public safety standards**.



CURRENT CHALLENGES

The New York City Department of Buildings is tasked with enforcing the New York City Construction Codes in order to ensure that construction across the five boroughs is completed safely and within the City's zoning regulations. The main functions include issuing of construction permits; inspecting construction sites; and licensing and registration of trades, contractors, and other industry professionals.

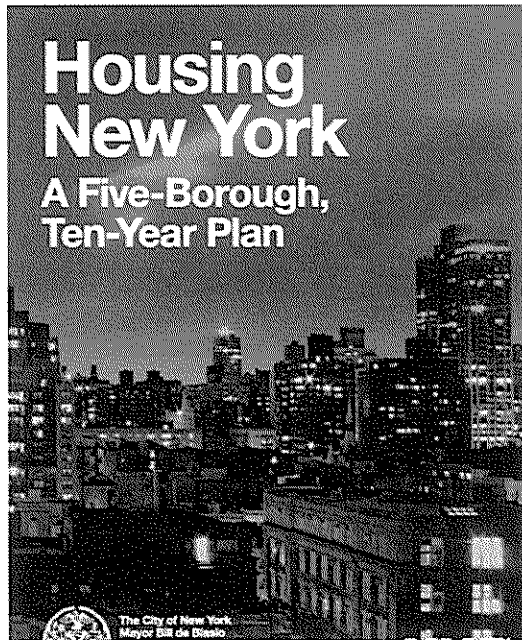
As in previous times of economic growth, in the past three years New York City has seen a surge in development applications. This increase in demand has revealed some additional needs in DOB's staffing levels and organizational structure. In the past, the agency has been under-resourced to meet the demand for quick and thorough plan reviews.

Many of the challenges faced by the agency have their root in technological limitations. Currently, DOB maintains its data in an outdated legacy mainframe system. As a result, DOB's customers have limited access to and understanding of their status within the DOB process. Too often, New Yorkers need to rely on intermediaries to navigate DOB's processes, unfairly making developers, architects, engineers, and DOB employees reliant on incomplete or second-hand information. Existing technology limitations also reduce the speed at which DOB employees can process applications.

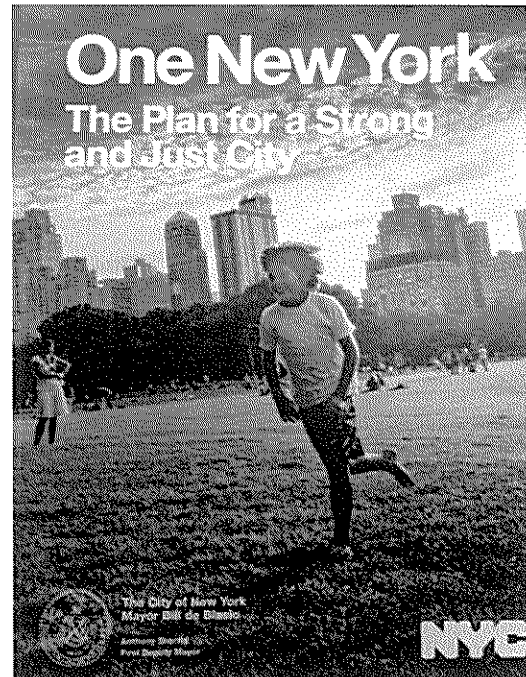
DOB has pursued a number of technological advances to simplify the development process, but there is more to be done. In 2011, the Department launched the Development Hub to allow electronic filing and virtual plan review. These simplifications have eased traffic at the Department's five Borough Offices and allowed for faster reviews of the City's largest projects. In 2015, DOB rolled out the Inspection Ready program that has armed agency staff with tablets to expedite inspections by giving staff access to more information from the field.

In order to put it on a transformative trajectory, the Department of Buildings has developed a number of initiatives to fundamentally improve the agency. With new resources, DOB will increase its vigilance to ensure public safety and integrity; dramatically reduce processing times generally and for affordable housing projects in particular; increase transparency; improve customer service; and improve internal operations.

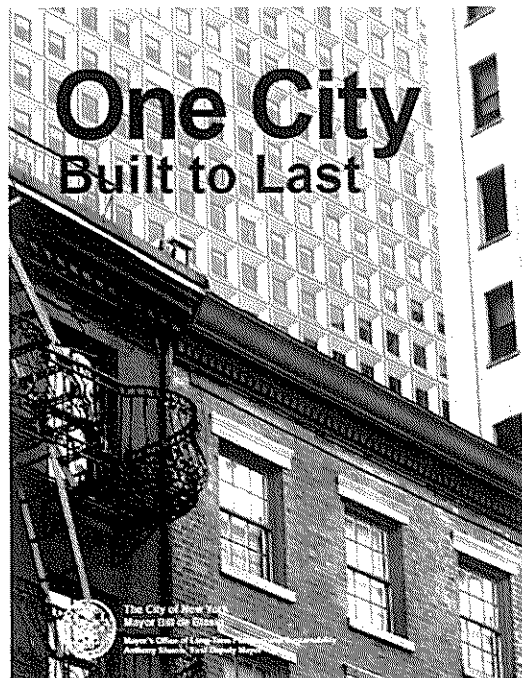
The vision and goals of the Department of Buildings as outlined in this report are in lockstep with the Mayor's goals to develop affordable housing, support small businesses, improve the efficiency of our buildings, and build a thriving, equitable, sustainable, and resilient city. Several of these other Mayoral platform initiatives are detailed in these recent reports from the Mayor's Office:



*One New York
The Plan for a Strong and Just City*



*Housing New York
A Five-Borough, Ten-Year Plan*



*One City
Built to Last*



*Small Business First
Better Government, Stronger Businesses*

ACTION PLAN

Public Safety and Integrity

Public safety and integrity are the underpinnings of optimal operations of the Department of Buildings. The most significant mission of DOB is to ensure safe construction practices across the City, keeping residents, business owners and work sites free from the danger of unsafe construction practices. As development activity rises across the City, it is increasingly important to identify and mitigate noncompliant practices to identify and punish individuals whose actions put the public in danger and to clearly communicate our standards for behavior to those responsible for developing housing and all other construction projects. To that end DOB will take the following steps:

- New Office of Risk Management will identify and mitigate risk.
- Auditing resources will be targeted to self-certified jobs based on risk.
- Litigation against bad actors will be strengthened.
- Industry Code of Conduct will clarify requirements for developers, professionals and other stakeholders.

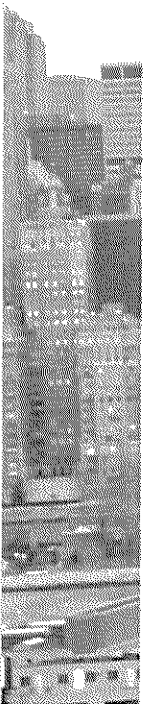
Processing

Building in New York City is an extraordinarily complex undertaking, often involving numerous City agencies and requiring transactions with outdated systems and incongruent processes. DOB recognizes the importance of minimizing bureaucracy to ensure safe and rapid development.

DOB is deepening its investment in plan review and approval, implementing creative strategies to deploy data, technology improvement, and the proven technical expertise of agency staff to speed up approvals. These efforts will transform the development process as well as support the Mayor's goal of accelerating the development of affordable housing. Significant technological enhancements to outdated DOB systems will improve processing times by streamlining the plan exam process; improving decision-making; and reducing the amount of time it takes to conduct transactions with DOB.

Interagency coordination efforts will improve the required handoffs between agencies and will result in projects being approved more expeditiously. DOB will:

- Dramatically reduce plan examination and inspection times, with an increase of 159 plan examiners and 34 development inspectors over two years.
- Launch an affordable housing unit to expedite affordable housing development.
- Redesign DOB's online presence to reduce the need for in-person visits.
- Equip inspectors with tablets to expand field capabilities and improve efficiency.
- Make online plan review and submission the default practice.
- Ensure interagency handoffs are seamless and automated.



Increase Transparency

Transparency and consistency have been significant challenges to the success of DOB's mission. Understanding the need for clarity in the rules and regulations that govern development in the City, DOB will standardize objections, consolidate codes, and strengthen the ongoing communication with the industry and stakeholders. DOB will:

- Standardize objections to improve transparency, clarity, and consistency of the plan review process.
- Continue to engage and educate the industry to create and share best practices.
- Consolidate Construction Codes, enabling customers to more easily ensure compliance.

Customer Service

The Department of Buildings, at its core, is a customer service agency. To that end, DOB will restructure its interface with the public. Including technological advancements noted above, the agency will invest in the physical plant of its Borough Offices and increase availability of DOB staff in order to speed approvals. DOB will:

- Re-design Borough Office public spaces with a focus on customer service and online processes.
- Develop and deploy a more equitable fee structure to support transformation.
- Add 10 project advocates over two years to provide more resources to navigate DOB's review and approval processes.
- Test after hour inspections.
- Invest in our staff through additional training and technology, leading to an improved customer experience.

CONCLUSION

The transformation of the Department of Buildings will lead to a best-in-class operation. Through a dramatic increase in funding and staffing allocated in the Mayor's 2016 Executive Budget, DOB will have the resources to strengthen public safety, devote attention to high risk work, and ensure that transactions with the agency are easier and faster, all with the utmost integrity.

Implementation is already underway. DOB has deployed multi-disciplinary workgroups, which will be supported and directed by a new Change Management Office that will deliver on the commitments outlined in this report.

A number of changes require collaboration and coordination with external entities. DOB will work closely with City and state agencies, authorities, utilities, elected officials, and other stakeholders to achieve results.

TIMELINE OF ACTION PLAN

Public Safety and Integrity	3 months	6 months	2016	2017 +
New Office of Risk Management	<div></div>			
Target auditing resources to higher-risk self certified jobs	<div></div>			
Litigation against bad actors will be strengthened	<div></div>			
Industry Code of Conduct will clarify requirements	<div></div>			
Processing	3 months	6 months	2016	2017 +
Dramatically reduce plan examination and inspection times	<div></div>			
Launch an affordable housing unit	<div></div>			
Redesign DOB's online presence	<div></div>			
Equip inspectors with tablets	<div></div>			
Make online plan review and submission the default practice	<div></div>			
Ensure agency handoffs are seamless and automated	<div></div>			
Increase Transparency	3 months	6 months	2016	2017 +
Standardize objections to improve transparency	<div></div>			
Continue to engage and educate the industry	<div></div>			
Consolidate Construction Codes	<div></div>			
Customer Service	3 months	6 months	2016	2017 +
Re-design Borough Office public spaces	<div></div>			
Develop and deploy a more equitable fee structure	<div></div>			
Add 10 project advocates over two years	<div></div>			
Pilot after hour inspections	<div></div>			

APPENDIX

Public Safety and Integrity

Risk Management

The recently created Office of Risk Management will proactively assess risk for the City. Using business intelligence and analytics tools, this office will identify and pursue punishment of “bad actors;” identify buildings that pose a threat to public safety; and actively penalize unsafe and corrupt behavior.

Enhance Audit Structures for Professional Certification

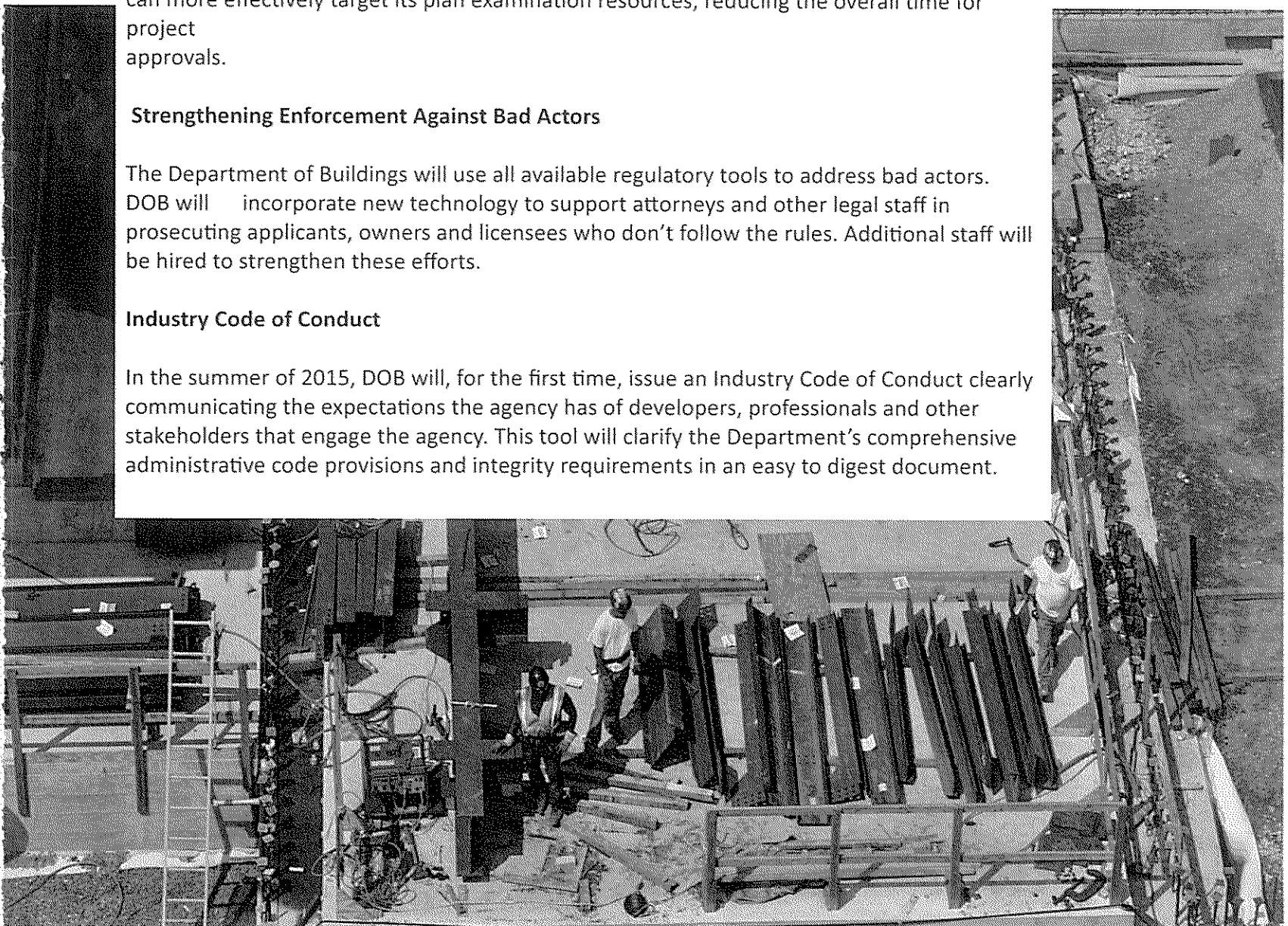
The Department of Buildings conducts audits on a targeted number of projects that are professionally certified (a provision that allows architects and engineers to affirm that their plans meet the regulations stipulated by the construction codes). Moving forward, DOB will adopt a risk-based model that places additional attention on the largest and most complicated projects. By enhancing the audit structure for Professional Certifications, DOB can more effectively target its plan examination resources, reducing the overall time for project approvals.

Strengthening Enforcement Against Bad Actors

The Department of Buildings will use all available regulatory tools to address bad actors. DOB will incorporate new technology to support attorneys and other legal staff in prosecuting applicants, owners and licensees who don't follow the rules. Additional staff will be hired to strengthen these efforts.

Industry Code of Conduct

In the summer of 2015, DOB will, for the first time, issue an Industry Code of Conduct clearly communicating the expectations the agency has of developers, professionals and other stakeholders that engage the agency. This tool will clarify the Department's comprehensive administrative code provisions and integrity requirements in an easy to digest document.



Processing

Indicator	Current State	Future State	Future State Affordable Housing
Time to First Review (New Buildings)	15.1 days	10 days	7 days
Time to First Review (Alt - 1s, Borough Office)*	12.4 days	10 days	7 days
Time to First Review (Alt - 2s and Alt - 3s, Borough Office)**	3.7 days	2 days	N/A
Average Wait for Boiler Inspectors	22.2 days	5 days	5 days
Average Wait for Elevator Inspectors	23.2	5 days	5 days

*Alt-1s are applications to existing buildings that require a new or amended certificate of occupancy.

**Alt 2s are construction filings with multiple work types (i.e. plumbing, general construction) and Alt 3s are filings with a single work type.

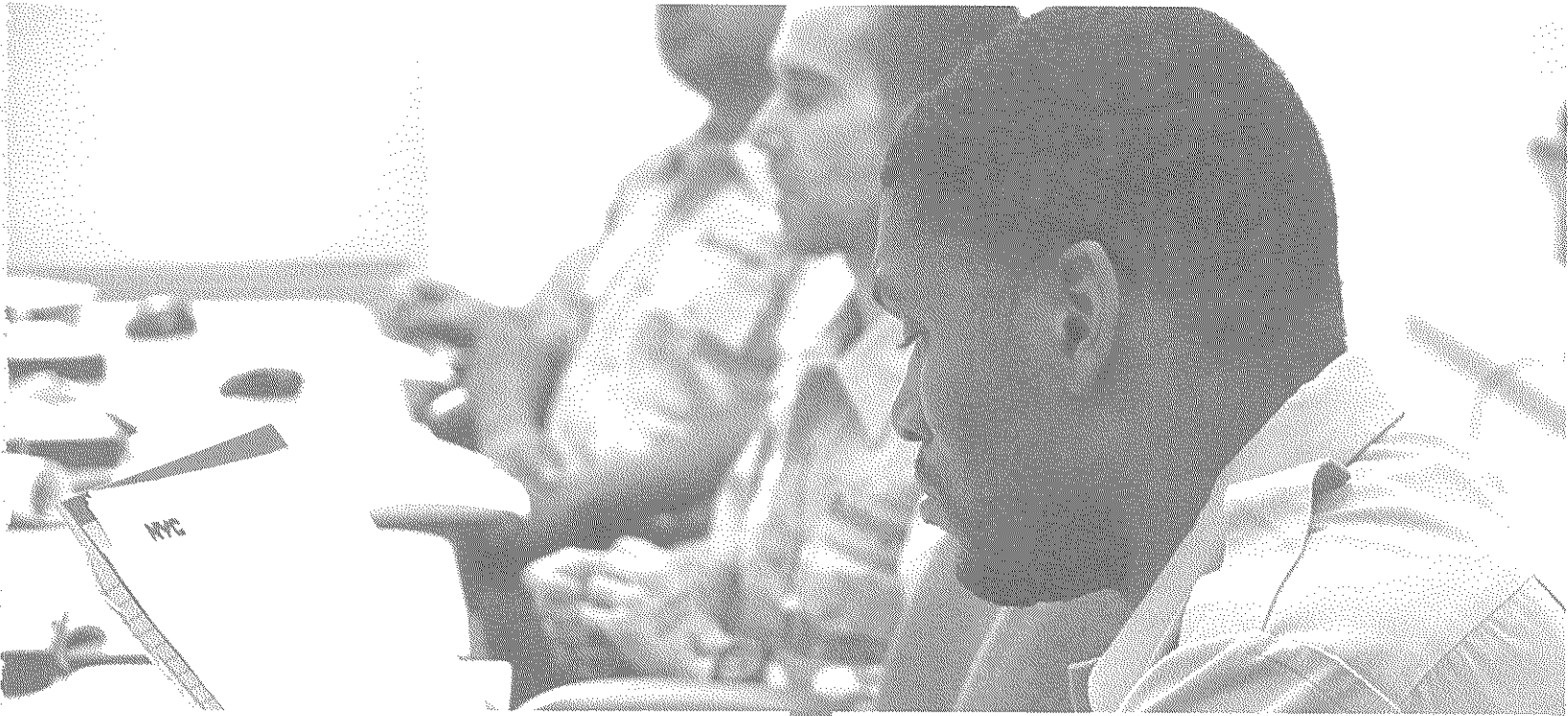
Reduce Plan Examination and Inspection Times

The Department of Buildings will increase and re-allocate resources to reduce the time it takes an applicant to get all necessary plan exam approvals and inspections. Over the course of the next two years, DOB will hire over 159 new plan examiners to improve performance and service levels. Additionally, Assistant Chief Plan Examiners, who advise and mentor plan Examiners, guide difficult projects, and provide more rapid problem solving and plan review consistency, will be hired to provide more immediate support to plan examiners.

This infusion of resources is expected to create a best-in-class process for large cities, as identified in the table below. With these additional resources, DOB will complete initial reviews on all filings within an average of 10 days from initial submission, and will have plan examiner appointments available within 10 business days of request. The average service level targets will be faster for affordable housing.

DOB will hire 34 additional development inspectors to more quickly meet the increasing needs of DOB's customers. Wait times for most inspection types will be reduced to an average of five business days by the end of FY16.

Processing (cont.)



Launch an Affordable Housing Unit

A new unit housed within the DOB Development HUB will prioritize plan review and development inspections for affordable housing projects. This group will focus on reviewing projects that will reduce inequity in New York City's housing stock.

This unit will provide significantly faster service, provided by staff knowledgeable and experienced with affordable housing. The team will consist of both plan examiners and inspectors who will coordinate closely with the Department of Housing Preservation and Development and other agencies involved in the plan review process. Two project advocates will be tasked with facilitating internal and external interagency hand-offs and coordination.

This office will enable:

- Completion of first plan review within seven days of filing
- Availability of subsequent plan review appointments within seven days of request
- Development inspections (construction, electrical, and plumbing) within three days of request
- Boiler and elevator inspections within five days of request

Redesign DOB's online public interface

A new public facing web interface will allow customers to conduct any transaction online. Customers will be able to manage more robust online accounts, where they can make payments, check the status of their project, and have virtual interactions with agency staff. These efforts will reduce the number of in-person visits to DOB offices, and will be enabled by the replacement of DOB's current mainframe system, the Building Information System (BIS).

Expand Inspection Ready

The Department will launch the second portion of the Inspection Ready program which has already provided handheld tablets to enforcement inspectors. The next round of enhancements will enable online scheduling of development inspections, notify applicants of inspection results, and optimize inspectors' routes. These changes will continue to improve inspection quality, increase the number of inspections conducted each day, and reduce inspection wait times.

Processing *(cont.)*

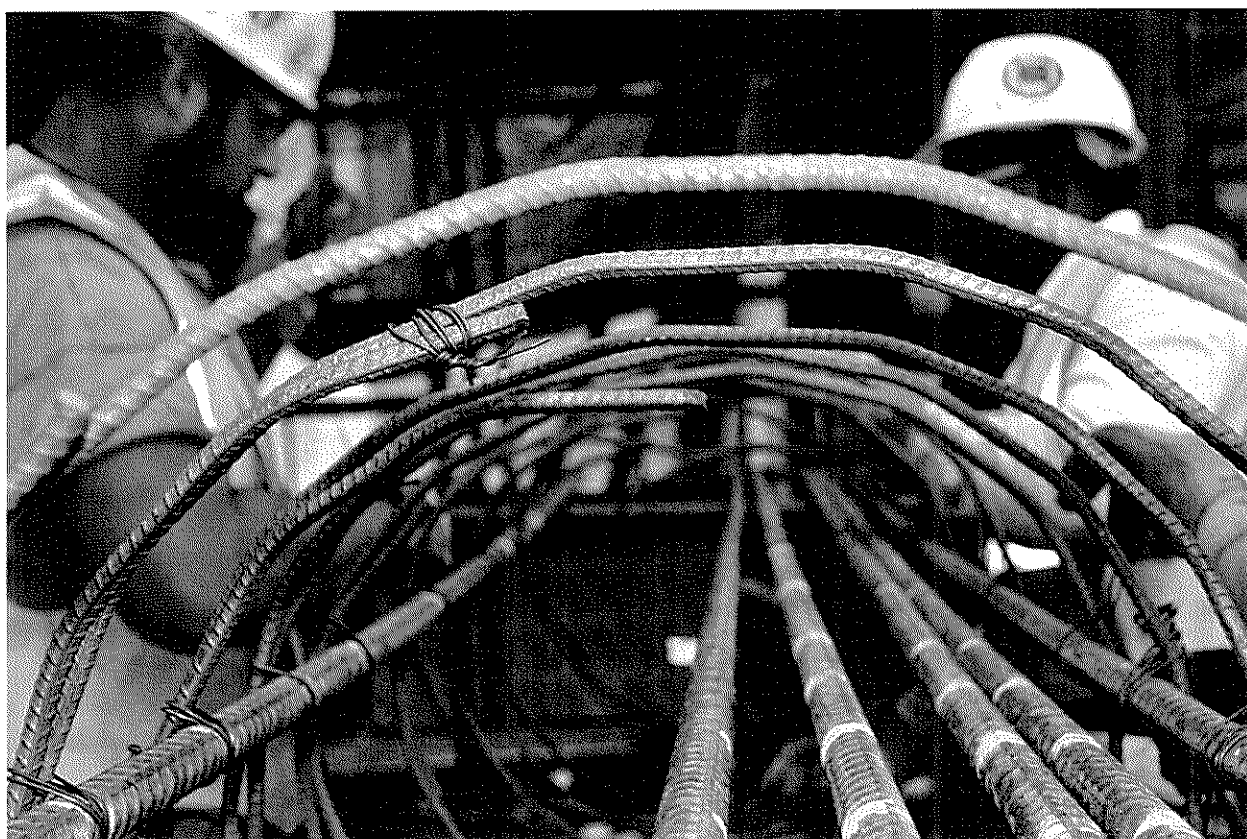
Online plan submission and review

By the end of Calendar Year 2015, all applicants and owners will be able to review plans and objections alongside their plan examiner virtually or in-person. Services currently available at the DOB Development HUB will be enhanced and expanded to the five borough offices. The virtual review software will eliminate the need for developers to visit a borough office and will allow the applicant to access reviewer comments and objections online.

Additionally, this initiative will allow DOB to better allocate plan examiner workloads. By more evenly distributing work across the five boroughs, DOB can ensure faster initial plan reviews and shorter wait times for an appointment.

Interagency Work Group

The development and construction process is, at times, a complex web of agency checkpoints and hand-offs. A new interagency work group, including agencies and utilities critical to the success of development and construction in New York City, will meet regularly to identify and solve problematic touch-points and reoccurring cross-agency issues.





Increase Transparency

Standardize Objections

DOB will make a number of changes to increase predictability and consistency of plan exam objections.

In partnership with Small Business First, DOB will identify the most common objections found when reviewing plans for restaurants and other small businesses. This analysis will enable the agency to communicate to small business owners about DOB's code and common issues, helping the small business community to move more quickly through the plan review process.

Building on this initiative, DOB will conduct a broader review of common objections to plans across all job types. The Department will then work to standardize objection language to increase consistency across plan reviewers. DOB will also work with its customers to ensure that the information can support a better understanding of code requirements, reducing the number of reviews required to reach approval.

Engage and Educate Industry

DOB will deepen its industry engagement by utilizing new technology and analytics to discern best practices. DOB will promote best practices for developers and trade organizations at existing industry meetings and create new pathways for information sharing.

Increase Transparency (cont.)

Single Code for Existing Buildings

The Department of Buildings will create a building code based on the International Existing Building Code (IEBC).

The Department of Buildings currently administers multiple construction codes applicable to alterations of buildings based on the code in place at the time of initial construction. The Department moved to a suite of construction codes in 2008, with revisions in 2014, to bring widely used national standards to New York City. These model codes are most applicable to new buildings constructed after 2008, leaving existing buildings under the standards applicable at the time of their construction. Multiple codes make compliance more challenging.

Developing a code for existing buildings will allow DOB to streamline permitting and simplify regulations governing building upgrades and resiliency improvements for the existing housing and building stock. It will also make it much easier for applicants to comply with the Building Code.

DOB will contract with a group of building code experts to assist in this development effort. DOB will begin by engaging the City's experts and stakeholders in June 2015 to identify issues



that should be addressed in this development effort. DOB will establish an Existing Buildings Code Revision Committee, consisting of relevant experts and stakeholders.

It is anticipated that these changes will be submitted as proposed legislation to the City Council by the end of 2017. This new single code will be used for all alterations by 2018. Once the code is adopted, DOB will establish and maintain industry-wide training programs on the new code.

Customer Service

Redesign Borough Office Public Spaces

To enhance the customer experience, the Department of Buildings will modernize a number of public areas in its borough offices. The renovated space will provide more open and user-friendly areas to enhance service delivery and will integrate additional technology into day-to-day operations.

Fee Structure

DOB will seek legislative approval for a more equitable fee structure in which larger development projects will pay fees that better represent the level of interaction they have with the agency, while fees for small business and homeowners would be determined based on a structure more appropriate to their scope of work.

Increase Number of Project Advocates

Project Advocates provide a single point of contact within DOB to assist in the resolution of technical and operational issues relating to a project or property. DOB will hire 10 additional Project Advocates over the next two years who will facilitate efficient decision making within DOB.

After Hours Inspections

To best serve the City that never sleeps, DOB will begin offering after-hours and weekend inspections for a reasonable fee. DOB will test this initiative using high rise inspections in the summer of 2015 and will then expand it further. To receive fast service at the times that work best for them, developers will have the opportunity to request early morning, night or weekend inspections.

Investing in Staff

DOB will invest in staff development and retention through educational opportunities, including leveraging Buildings University – its successful training programs – and implementing additional technologies to help staff execute their daily responsibilities.



NOTES

Photo Credit:
DOB: pgs. 1-6, 8, 9, 11, 13-18
Mayor's Office: 7

Prepared by:
The Department of Buildings
The Mayor's Office of Operations



TESTIMONY OF COMMISSIONER VICKI BEEN OF THE DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT TO THE CITY COUNCIL ON THE
FY16 EXECUTIVE BUDGET
THURSDAY, JUNE 4, 2015 - 1:00 PM

Thank you Chairman Williams and Chairwoman Ferreras for the opportunity to talk with the Committees today about the New York City Housing Preservation and Development's Fiscal Year 2016 Executive Budget. I am Commissioner Vicki Been, Commissioner of the Department. I am joined by Eva Trimble, Deputy Commissioner of Financial Management and Tenant Resources, and Baaba Halm, Assistant Commissioner of Government Affairs. HPD has had an enormously successful year, making significant progress towards the goals of the *Housing New York Plan*. *Housing New York* is a comprehensive approach to the affordable housing crisis, so each and every part of the agency is engaged and focused on implementing its ambitious goals. For today's presentation I will focus on some of the highlights of the progress we've made, giving some examples from each part of the agency. Next, I will discuss how our proposed expense budget for Fiscal Year 16 and the 10-year capital plan position us for the work ahead.

Since launching the Housing New York Plan last May, we have made across-the-board changes to our development and preservation programs to stretch city subsidy housing dollars further. For example, we defer interest to the end of the regulatory period to both make more money available to increase affordability upfront, and to give us more leverage to encourage people to stay in the program when they reach the end. HPD started 18,393 units through March 2015, including closing more units in the Inclusionary Housing program than any year since 1988.

HPD created the Office of Neighborhood Strategies to better coordinate neighborhood engagement. The Office of Enforcement and Neighborhood Services (ENS) responded to more than 230,000 heat-related calls during this heat season, which is an increase of 9% from last season. We launched the Tenant Harassment Prevention Taskforce to conduct joint inspections and to investigate and bring enforcement actions – including criminal charges – against landlords who harass tenants.

Within the Office of Asset and Property Management, we created a new homeless re-rental unit to ensure that properties with units reserved for the homeless are tracked and leased up efficiently. And we are increasing access to Housing Connect, our housing lottery, by translating instructional materials to additional languages.

I know that the Council is particularly concerned about the number of units we produce that serve extremely low income and low income New Yorkers. We share that commitment. As this chart shows, 86% of our production to date serves households below 80% AML. The goal of the *Housing New York Plan* is to increase production in the very low income and extremely low income categories so that combined they will equal 20% of all the units we produce over

the next 10 years. We did not hit those numbers this first year, but we just rolled out our new Extremely Low and Low-Income Affordability Program (ELLA) and our Senior Affordable Rental Apartments Program (SARA) programs in the fall, and with those programs in place, and what we hope will be the new 40% of AMI units achieved through 421-a, we should start to see more of the lowest AMI units come on line.

Looking at the breakdown of units to date by new construction and preservation, as you can see, 64% of our units to date are preservation and 36% are new construction. This is close to our HNY goal of 60% preservation and 40% new construction, which calls for us to double the average rate of affordable new construction over the past ten years. At the same time, it is critical that we protect the billions of dollars that have already been invested in subsidized affordable housing and insure that these investments are not lost because of market pressures and/or the expiration of regulatory agreements. We also must protect the affordability of the existing rent-regulated and unsubsidized housing stock to lock in affordability as neighborhoods change. I want to thank the Council for your efforts in Albany to secure better protections for tenants in rent regulated units.

These are just a few examples of the progress we made in Fiscal Year 2015. I now want to turn to the Fiscal Year 2016 Executive Budget. As I begin, it is important to note that HPD receives only 11% of our total funding from City Tax Levy funds. We are primarily funded through Federal grant funding. This means that our funding comes with Federal spending restrictions that limit our flexibility to make programmatic decisions and it means that future funding levels are highly uncertain.

We use City Tax Levy to fill gaps in programs primarily funded through Federal grants, as a required match to Federal grants, and to fund programs that are not eligible for Federal grant funding. To put it bluntly, City Tax Levy dollars are critical to meeting our mission. They allow us the flexibility and nimbleness to innovate, to address new problems as they arise, and to tailor our programs to address the City's many housing challenges. So, I want to thank you for our tax levy funds. Having a source of less constrained and rigidly circumscribed funds is absolutely critical to our work.

HPD's Fiscal Year 2016 Budget totals \$726.1 million, with the vast majority of that associated with Federal Rental Subsidies -- the Section 8 program. In addition we have significant funding for disaster recovery efforts. Both of these sources are highly constrained Federal funding and therefore provide no direct operational support for the agency. Our primary funding source for agency operations is the Federal Community Development Block Grant (CDBG) program.

As I've noted, HPD is highly dependent on the mood in Washington, which has been, in a word, bad. Although the Federal Fiscal Year 2015 Budget was fairly harmless for CDBG and Section 8 funding, our HOME grant was reduced by 11%.

As part of the Executive Budget, HPD has received some critical new funding to support new staff and emergency response efforts. We received funding to support 48 new staff for Fiscal Year 2016. We also received \$5 million in new funding to support emergency demolition activities at both the Castleton site on Staten Island and activities surrounding the Lower East Side gas explosion. We appreciate the Mayor's recognition that our budget does not have the capacity to address such tragedies and unusual situations and therefore requires additional funding.

This new funding starts a reversal of the dramatic downward trend in headcount that HPD experienced since 2008. As you can see, HPD headcount dropped approximately 25% between 2018 and 2014. Since coming into office, Mayor de Blasio has provided additional operating support for HPD and our headcount has started to grow for the first time since 2008.

Since the start of 2015 we have begun to replace previously lost headcount so that HPD can expand capacity in key areas, including Neighborhood Strategies, Development, Asset Management, Enforcement Services, and our Technology division that supports the whole agency. We continue to evaluate our needs, asking for new needs strategically at each round as we continue to steadily ramp up our production and other activities to support the Housing Plan.

Switching to the Capital Budget, HPD's allocation over the next 10 years totals \$7.5 billion. This allocation includes \$7.1 billion from the Mayor, and the rest is a combination of HOME and Reso-A funding. The 10-year capital plan represents the Mayor's full commitment towards the *Housing New York* Plan – everything the Mayor committed to in the Housing Plan is allocated. The Plan made clear that we need another \$1.9 billion from new sources to make the Plan work, and we appreciate the Council's support for the fair and progressive mansion tax that we have proposed to fill that gap. The budget articulated in the plan should be sufficient based on the best information we have at this time. Of course, there are many things that could change our needs. For example, changes in the market, in interest rates, in the prices paid for Low Income Housing Tax Credits, or delays in the rezonings that are so critical to the housing plan could increase the cost of production. We adjust our budget during the year and over the years to reflect changing needs.

For example, as part of the Executive Budget, the Mayor added additional funding to support two programs that leverage rental assistance for homeless families. We received \$64 million for Fiscal Year 2016 in order to support an additional 450 homeless set aside units within our ELLA program. These funds will help cover shortfalls where we expected rental subsidies or other programs to materialize.

In order to help address the homelessness issue, HPD is transferring \$18 million per year from our HOME grant to the Human Resources Administration to facilitate a Tenant Based Rental Assistance Program (TBRA). We expect this program to serve 1,250 homeless families. To offset the loss of HOME funds, the Mayor provided HPD with \$18 million of capital.

One major change since the Mayor announced his housing plan is how closely we are working with other agencies and how we are aligned across the City to achieve the goals of *Housing New York*. A good example of this relates to infrastructure strategy. The 10-year capital plan includes over \$1 billion for direct housing related to infrastructure, and an additional \$1 billion in other infrastructure investments that will indirectly benefit housing. The direct investments will unlock housing opportunities and make potential development sites viable. These funds are in the budgets of the Economic Development Corporation and Department of Environmental Protection. We worked closely with these agencies to secure these funds and will continue working together on planning and implementing individual projects.

With the budget in place to support our mission, we are not resting on our laurels but using our momentum from the first year to energize us for our ambitious second year goals. We are preparing new RFPs to capture opportunities on City owned sites and ensure a robust production pipeline for future years. We also have a new focus on small building owners with the goal to lock in affordability in neighborhoods across the City where rents are increasing. We just launched the new Green Preservation Loan Program to assist owners of small- to mid-sized multifamily buildings in financing Energy Efficiency and Water Conservation rehabilitation projects in exchange for affordability.

ENS is revamping operations in order to increase the number of ENS inspectors in the field, improve customer service, and bolster internal controls. And we will continue to improve Housing Connect so that everyone has equal and easy access to affordable housing.

These are only a few of the many goals that we have set as we look ahead to the next year. There is much more to be done, and we welcome your suggestions about our priorities. While we took our first lap at a fast clip, we also will be picking up the pace. We look forward to working with the Council to align budget resources to help HPD achieve our goals and shape a better future for our City.

Thank you for your time today, and I am happy to answer your questions.

Fiscal Year 2016 Executive Budget Hearing

June 4, 2015

Vicki Been
Commissioner

NYC
Department of
Housing Preservation
& Development

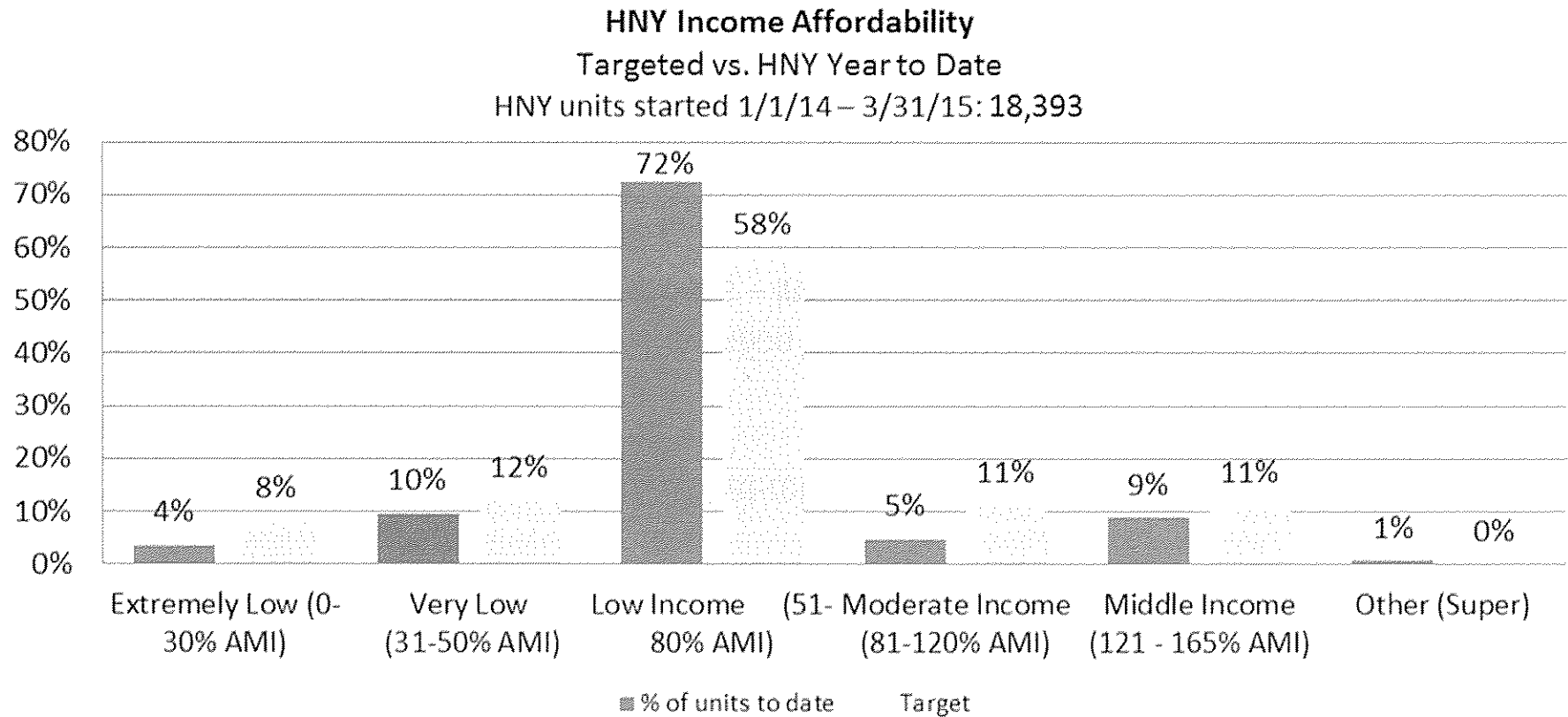
HPD Update

- We had a year of enormous progress towards the ambitious goals of *Housing New York*. All parts of HPD have been focused and energized around building new tools, improving our processes, and devising new strategies to build and preserve affordable housing.
- HPD's budget is positioned to build on our momentum and ensure that we meet our goals in the second year of Housing New York.

Housing New York: Year 1 Accomplishments

- Made across-the-board changes to our development and preservation programs to stretch city subsidy housing dollars further.
- Started 18,393 units since the start of the plan, with 86% of the units for households with income below 80% of AMI.
- Created the Office of Neighborhood Strategies to better coordinate neighborhood engagement.
- ENS responded to more than 230,000 heat-related calls during this heat season; increase of 9% from last season.
- Launched the Tenant Harassment Prevention Taskforce to conduct joint inspections and to investigate and bring enforcement actions – including criminal charges – against landlords who harass tenants.
- Created a new homeless re-rental unit to ensure that properties with units reserved for homeless are tracked and leased up efficiently.
- Increasing access to Housing Connect by translating instructional materials to additional languages.

Housing New York Production

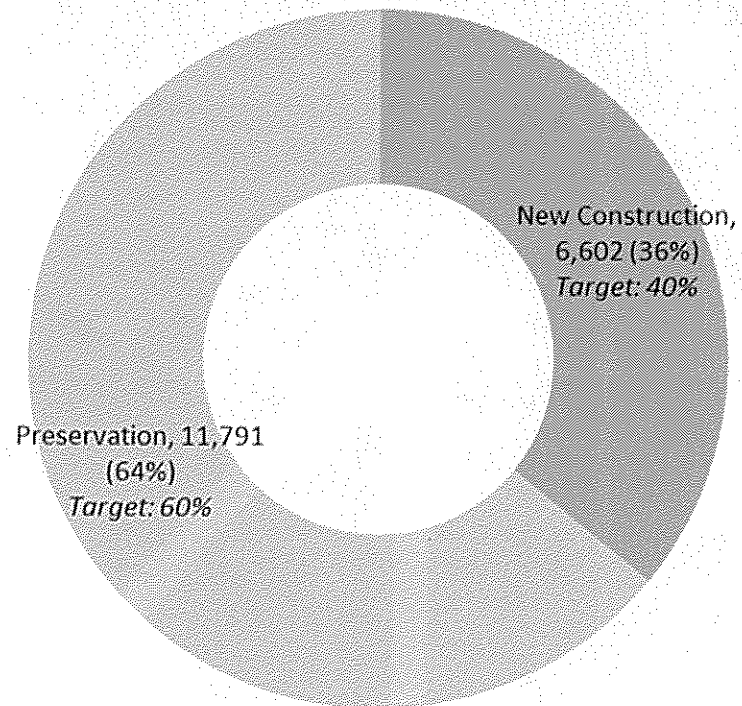


Housing New York Production

HNY Affordable Housing Units

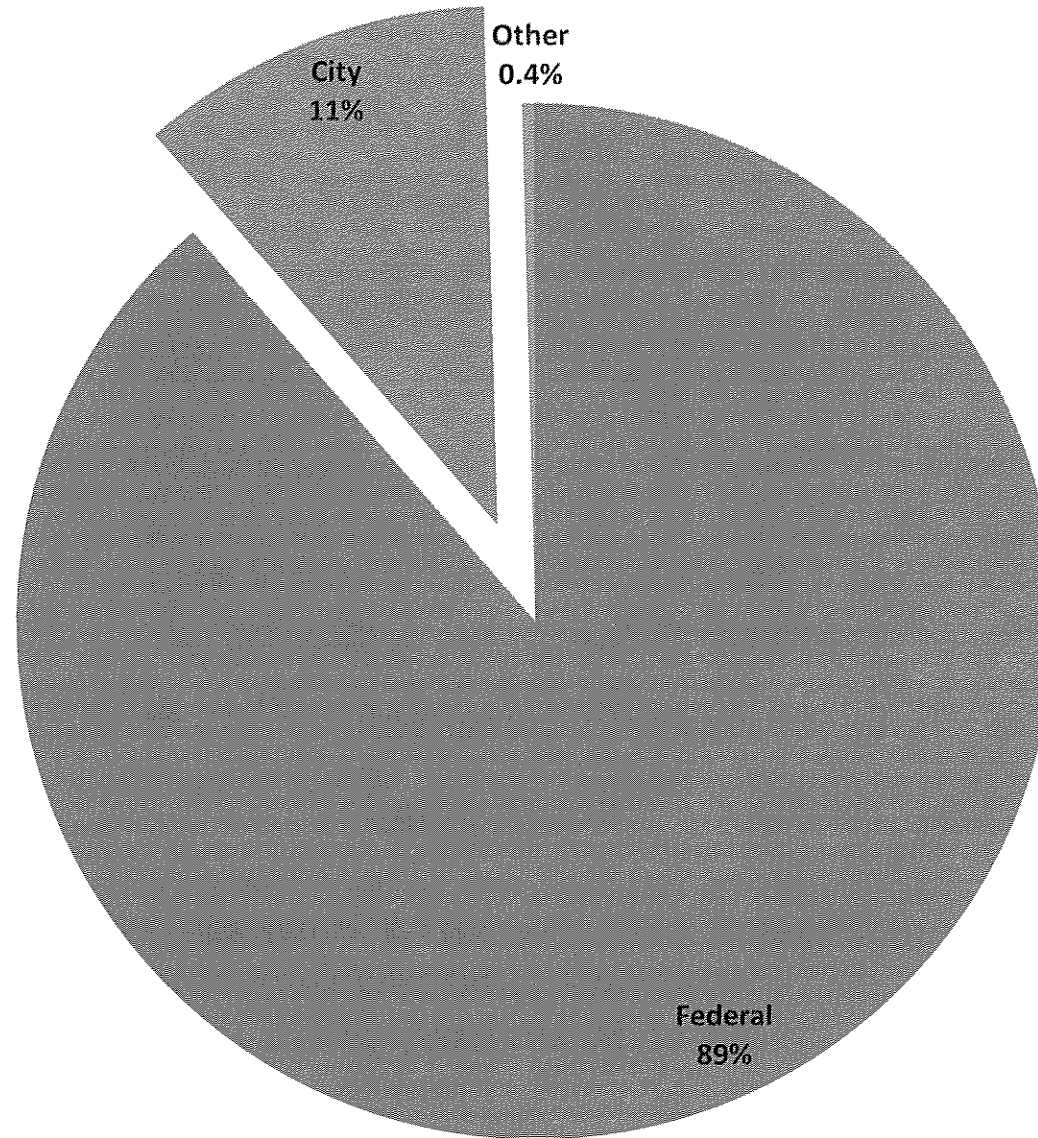
New Construction/Preservation

HNY units started 1/1/2014 - 3/31/15: 18,393



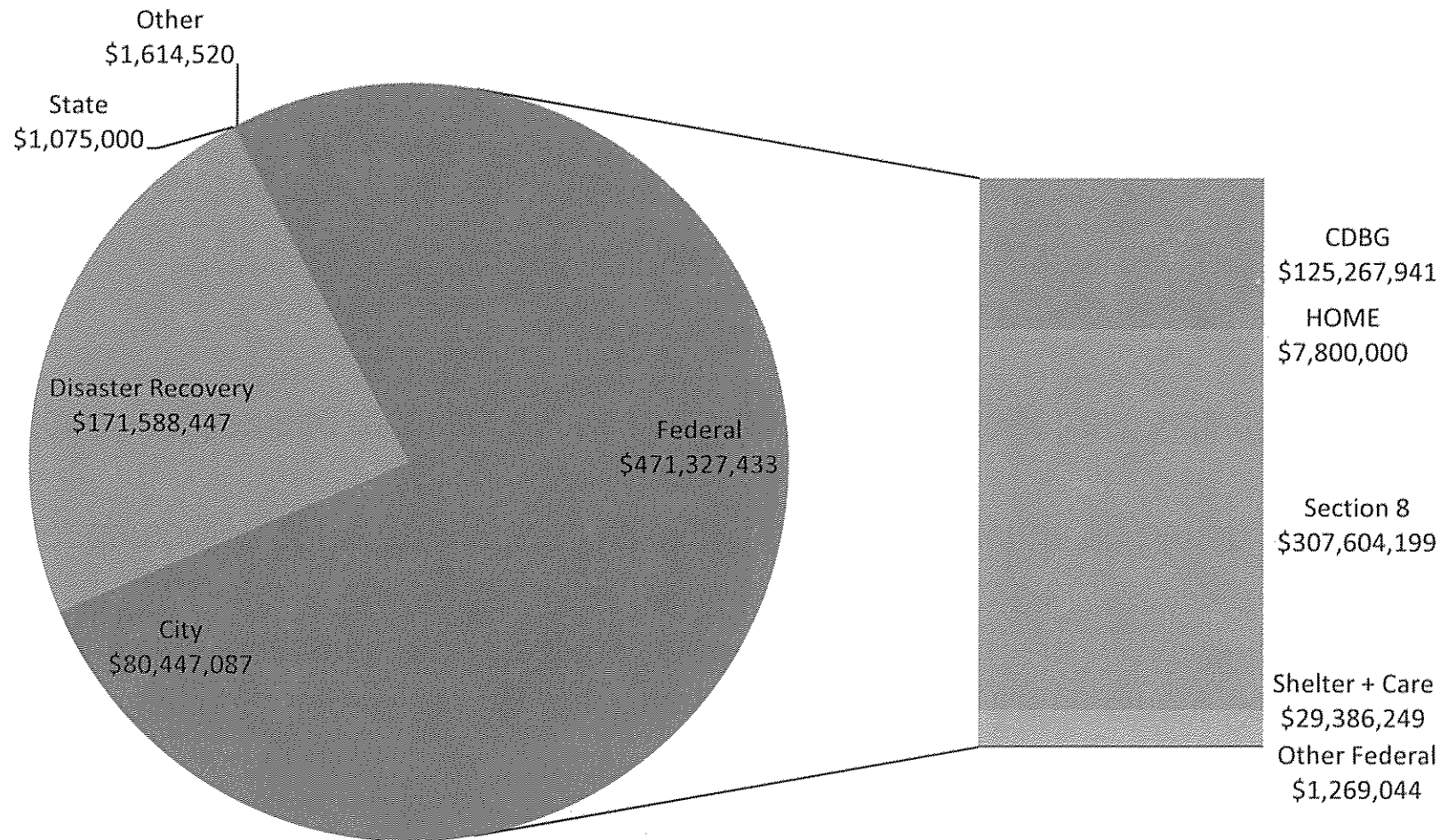
FY16 Budget – Expense Budget by Funding Source

FY 2016 City vs Federal and Other Sources



FY16 Budget – Federal Sources

FY2016 Executive Budget: \$726.1 Million



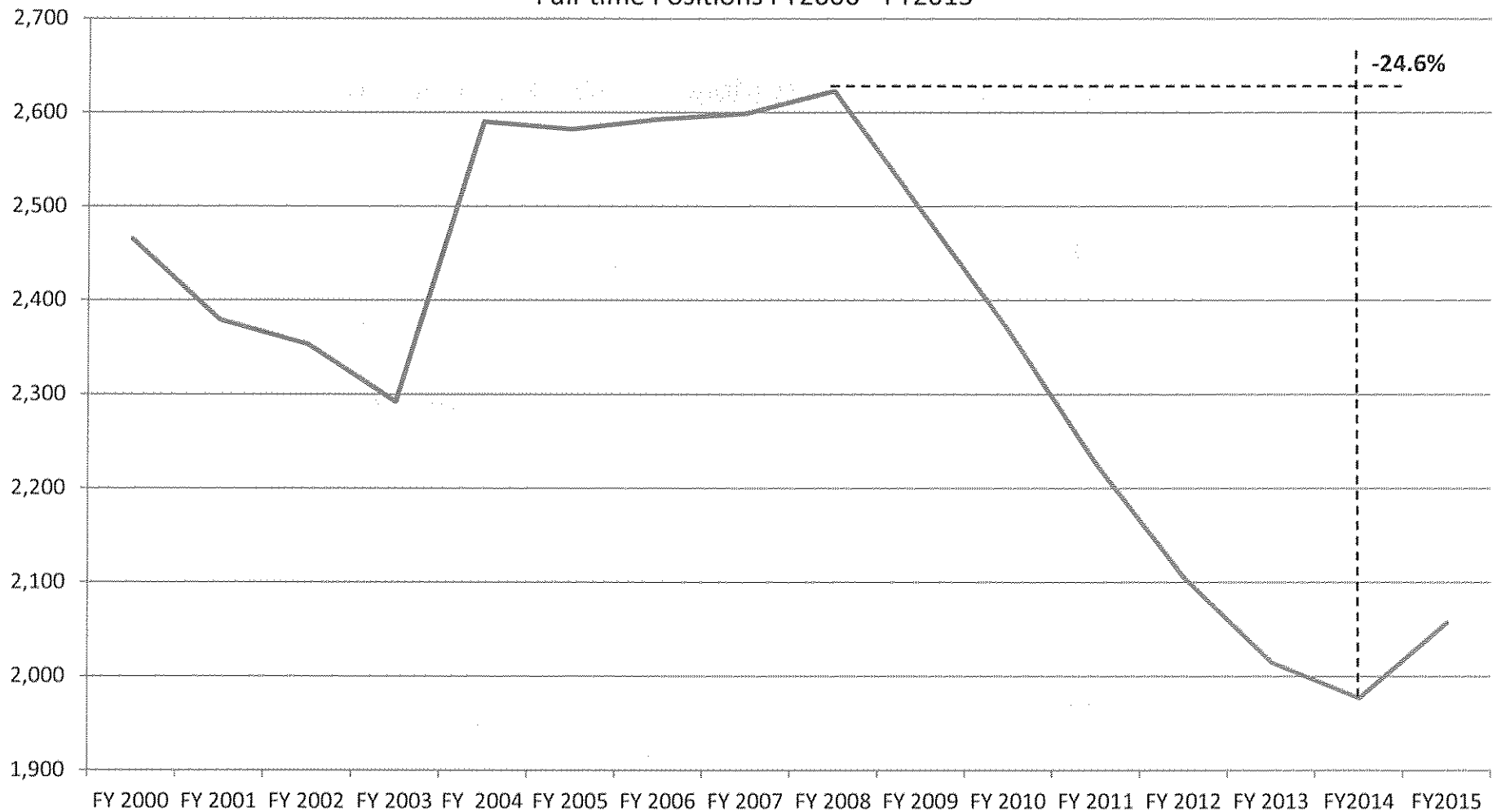
2016 Executive Expense Budget Highlights

HPD received critical funding to support new staff and emergency response activities.

- 48 new positions spread across the agency including Technology, Enforcement Services, Development, Policy Research, and Neighborhood Strategies.
- \$3 million for demolition of the former hospital at 101 Castleton Avenue on Staten Island.
- \$2 million for demolition and recovery efforts resulting from the Lower East Side gas line explosion.

HPD Historic Headcount

Housing Preservation and Development Full-time Positions FY2000 - FY2015



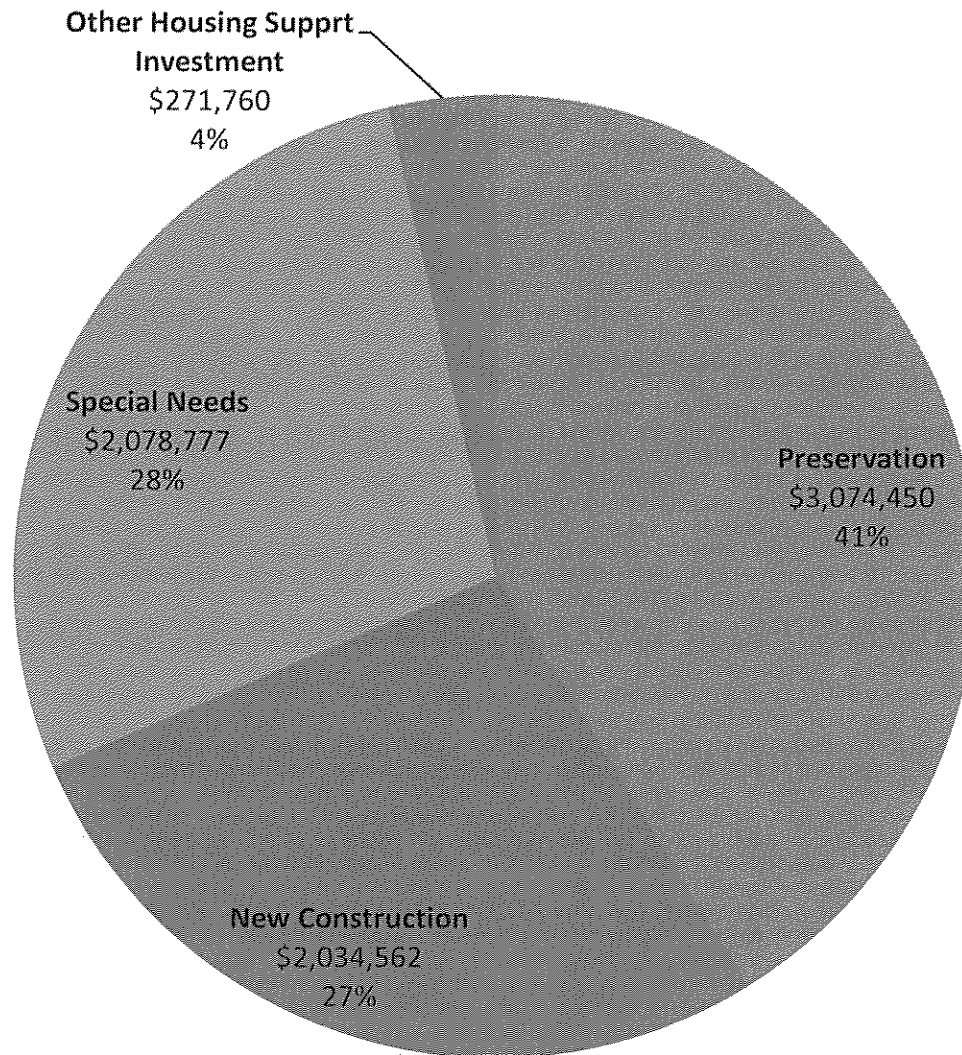
* Actual full-time positions as of June 30 of each year through 2014 and as of May 26, 2015

New Staff Allocations

<u>OFFICE</u>	<u>Total</u>
Neighborhood Strategies	24
Development	35
Legal Affairs	3
Policy Research	5
Asset & Property Management	15
Enforcement & Neighborhood Services	44
Administration	12
Technology & Strategic Development	<u>28</u>
Total New Positions	166

FY16 Executive Capital Budget

HPD's 10-year capital plan totals \$7.5 billion and fully funds the Mayor's commitment to the Housing New York Plan



Figures in thousands

2016 Executive Capital Budget Highlights

The City's commitment under Housing New York was previously fully funded but additional funding was added at Executive Budget to leverage rental assistance for homeless families:

- \$64 million in FY16 for 450 homeless set aside units in the Extremely Low and Low-Income Affordability program (ELLA).
- \$18 million each year to offset the transfer of HPD's HOME grant to the Human Resources Administration (HRA) to support a Tenant Based Rental Assistance program for 1,250 homeless families.

Capital Budget – 10-Year Infrastructure Strategy

The 10-Year Capital Strategy also includes over \$1 billion for direct housing related infrastructure through other agencies budgets

Direct Housing Infrastructure Investments:

- \$586 million for projects already identified that will unlock housing opportunities including Southwest Bronx, and Hunter's Point South.
- \$512 million for the Affordable Housing Fund dedicated to infrastructure investments required to make potential development sites viable.

Indirect Housing Related Infrastructure Investments:

- \$75 million for the Acquisition Fund
- \$700 million for the Neighborhood Development Fund
- \$330 million for sewer infrastructure

Housing New York: Year 2 Goals

- HPD is focused on preparing new RFPs to capture opportunities on City owned sites and ensure a robust production pipeline for future years.
- New focus on small building owners to lock in affordability in neighborhoods across the City where rents are increasing.
- New Green Preservation Loan Program to assist owners of small- to mid-sized multifamily buildings by financing Energy Efficiency and Water Conservation rehabilitation projects in exchange for affordability.
- Increase the number of ENS inspectors in the field, improve customer service and bolster internal controls.
- Continue to improve Housing Connect.

Conclusion

These are only a few of the many goals that we've set as we look ahead to the next year.

We look forward to working with the Council to align budget resources to shape a better future for our City.

Thank You!

Questions?

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL COMMITTEES ON FINANCE, LAND USE, AND TECHNOLOGY
FISCAL YEAR 2016 EXECUTIVE BUDGET
THURSDAY, JUNE 4, 2015

Good morning Chairs Ferreras-Copeland, Greenfield, and Vacca, and members of the City Council Committees on Finance, Land Use, and Technology. My name is Anne Roest and I am the Commissioner of the Department of Information Technology and Telecommunications (DoITT), and New York City's Chief Information Officer. Thank you for the opportunity to testify today about DoITT's Fiscal 2016 Executive Budget. With me are Annette Heintz, Deputy Commissioner for Financial Management and Administration, John Winker, our Associate Commissioner for Financial Services, and Charles Fraser, our General Counsel.

DoITT's Fiscal 2016 Executive Budget provides for operating expenses of approximately \$550.5 million, allocating \$134.7 million in Personal Services to support 1,613 full-time positions and \$415.8 million for Other than Personal Services. Totalling \$120 million, Intra-City funds transferred from other agencies to DoITT for services provided accounts for nearly one-third of the budget allocation. Telecommunications costs and the citywide Microsoft ELA represent the largest portion of the Intra-City expense, at \$91.6 million and \$11.8 million, respectively, in Fiscal 2015.

Before taking questions this morning I would like to briefly outline some of the major initiatives DoITT will be pursuing in the year to come.

Thirteen months ago I was honored to be asked by Mayor de Blasio to lead DoITT, and in that time I have been consistently impressed by the incredibly dedicated professionals we have working every day to support City agencies and the New Yorkers they serve. To further refine these efforts, last fall we began a strategic planning exercise aimed at improving the services we offer and establishing DoITT as a premier destination for technology professionals to start and build their careers. The result, DoITT's *Strategic Plan 2015-2017*, contains specific, measurable objectives by which we will better facilitate access to technology, information, and public services to City residents, businesses, employees, and visitors.

Primary among the goals of our Strategic Plan is a fundamental consideration of the de Blasio Administration: Facilitating greater access to technology for all New Yorkers. With Counsel to the Mayor Maya Wiley and partners across the city, newly-appointed Deputy Commissioner Alphonso Jenkins and DoITT's broadband team are working to increase the proliferation of **free and low-cost broadband across the five boroughs**, most noticeably in Fiscal 2016 by initial rollout of LinkNYC. Following rounds of public feedback and pilot programs exploring how best to replace the city's aging payphone infrastructure, LinkNYC will provide free, up to gigabit-speed Wi-Fi access for New Yorkers in neighborhoods across each of the five boroughs and offer free domestic calling and 911 and 311 access. Moreover, LinkNYC is expected to generate at least \$500 million for the City over the next 12 years. Our Executive Budget also includes a \$10 million allocation for expansion of broadband access and programs.

As part of our ongoing work with the Mayor's Office of Data Analytics and agencies citywide we will also facilitate greater, **more meaningful access to City data**. Recent and planned improvements to the NYC OpenData portal will enhance our status among the leading open data cities in the country as we continue implementation of Local Law 11 of 2012, New York City's landmark open data law. In consultation with the civic technology community we have enhanced the portal's search functionality and created the ability to search or browse by specific City agency.

In July we will be releasing the second annual update to the City's comprehensive open data plan (the third iteration of the plan overall), and in the coming year we will focus our efforts on automating data sets, increasing community partnerships and interaction, redesigning the open data site to make it more user-friendly, and quantifying the impact of the open data initiative overall.

No initiative, however, is as important as the investment we make in human capital. So also included in our Strategic Plan is creation of a new unit: the Office of Diversity and Inclusion. The office is led by DoITT's first-ever **Chief Diversity and Inclusion Officer**, Kenneth Hunter, who is here with us today. This position, requested and funded in our Preliminary Budget, enabled us to recruit a top-notch executive with vast experience in this arena.

DoITT is a diverse agency – 68% of our staff and 55% of my direct reports are women, minorities, or both – but we know that relative lack of diversity in the technology field overall persists. We also realize that achieving statistical diversity alone does not mean that we have an equitable and inclusive workplace. New ideas and varied perspectives can only help us be better technologists, so our Office of Diversity and Inclusion will develop strategies and initiatives specific to increasing workforce diversity as well as work to fostering and maintaining an inclusive workplace culture – and we look forward to updating the Council on our progress.

Increasing diversity is where the investment in our employees begins, not ends. This work also includes ensuring our employees have the tools they need to thrive and excel in the technology workforce. To that end we have reorganized existing agency staff to create DoITT's first **Office of Organizational and Professional Development**. This group will focus specifically on increasing employee engagement, creating a work environment conducive to success through coaching, expanding recognition programs, developing internal workforce capacity, and increasing training opportunities. In this way we will keep the skills of our workforce current with new technologies so that we can look for talent in house first, before going the route of consultant engagements.

With regard to consultants, under the leadership of Mayor de Blasio DoITT has continued to reduce its reliance on them whenever appropriate, and is constantly looking for new opportunities to do so. Over the past several years we have successfully converted more than 200 consultant positions to DoITT staff, saving millions of taxpayer dollars annually. We are now furthering these efforts by converting an additional 70 consultant positions in Fiscal 2016 and hiring another 30 City employees to implement anticipated City projects that would otherwise require consultant resources. While consulting services are and will continue to be needed for certain highly-specialized skillsets and short-term engagements, we simply believe there are many roles being filled with consultants today that can and should be filled by City employees – and we are working to do just that.

I conclude today by noting the additional funding we have received for **IT Security**, and we regard our citywide leadership role in this area as a top priority. A key element of our Strategic Plan is to secure the City's technology, telecommunications, and information assets from attack and disruption.

Working closely with the Mayor's Office, the Police Department, and Emergency Management Department – as well as with State and Federal partners – DoITT regularly detects, assesses, and mitigates numerous potential cyber security threats daily, employing a wide range of industry-leading tools to protect the security of the City's infrastructure and the personal information of New Yorkers.

We are always looking to improve upon these efforts, and to further ensure that City agencies can meet the challenge of protecting their systems we have \$2.6 million in new funding over the next four years to implement a robust cyber security training program. We have also received an increase in headcount for our Citywide IT Security Operations Center staffing and are allocating an additional \$30 million in capital funding over the next four years to invest in next-generation security platforms. These enhancements build upon the \$35 million already dedicated to security technologies. In this way we are keeping security a foremost consideration in City operations.

Thank you for the opportunity this morning to discuss DoITT's Fiscal 2016 Executive budget and some key agency initiatives for the coming year. I look forward to answering your questions.

Thank you.



TESTIMONY

Presented by

**Donna M. Corrado, Ph.D.
Commissioner**

on

FY 2016 Executive Budget

before the

**New York City Council
Committee on Finance, Committee on Aging & Subcommittee on Senior Centers**

on

**Thursday, June 4, 2015
11:00 A.M.**

at

**Council Chambers, City Hall
New York, NY 10007**

Good morning, Chairpersons Ferreras-Copeland, Chin, Vallone, and members of the Finance and Aging Committees. I am Donna Corrado, Commissioner of the New York City Department for the Aging (DFTA). I am joined today by Joy Wang, Associate Commissioner for Budget and Fiscal Operations, to discuss DFTA's Executive Budget for Fiscal Year 2016.

OVERVIEW

The FY '16 Executive Budget projects \$269.2 million in funding. The budget includes allocations of \$114 million to support senior centers, \$36 million for home delivered meals, \$24 million for case management services, \$18 million to support home care for homebound seniors who are not Medicaid eligible, \$6.5 million for Naturally Occurring Retirement Community (NORC) programs, and \$4 million for caregiver support services.

As you know, one of DFTA's priorities in FY '16 is to address geriatric mental health needs. DFTA joined First Lady Chirlane McCray in launching her mental health initiative to "shatter the stigma" earlier this year. We held a roundtable discussion at DFTA and visited a senior center and geriatric mental health clinics to focus on the mental health needs of older adults. The FY '16 Executive Budget includes \$1.4 million for geriatric mental health services at more than 20 senior centers citywide.

As the number of older New Yorkers continues to rise, the number of seniors who are frail, living in poverty and experiencing food insecurity increases concomitantly. Consequently, the demand for services such as home delivered meals has grown. The FY '16 Executive Budget includes an additional \$1.8 million to expand the capacity of the home delivered meals network by five percent. This will result in an increase of more than 200,000 home delivered meals.

DFTA INITIATIVES

NYCHA Senior Social Clubs

DFTA is working with NYCHA to transition 17 senior clubs to DFTA sponsorship beginning on July 1, 2015. These programs will be operated by our community based provider network. Services at these sites will include a combination of education/recreation, health promotion and

case assistance. DFTA is in the process of identifying providers for the 17 sites, and has begun planning for this transition.

Integrated Benefits Pilot Program

Given the fact that more than 20 percent of older New Yorkers live in poverty, connecting seniors to vital safety net programs is a high priority. In collaboration with Single Stop, the Aging in New York Fund, HRA, the Medicare Rights Center, LiveOn NY, philanthropic partners, and other stakeholders, DFTA launched an integrated benefits pilot program citywide at 14 senior centers on June 1, 2015. Enrollment counselors provide eligibility screening and facilitated enrollment and recertification for a range of benefits, including SNAP, SCRIE, Medicaid, and Medicare low-income subsidy programs.

OneCity Health

One key State Medicaid Redesign effort is known as the Delivery System Reform Incentive Program or DSRIP. DFTA has been actively engaged in planning efforts with HHC on their DSRIP initiative, known as OneCity Health, with the goal to reduce hospitalizations and improve population health outcomes. It is DFTA's objective to become an integral part of HHC's network of safety net providers via evidence based health programming, care transition initiatives and other supportive services.

NY Connects

NY Connects: Choices for Long Term Care is a statewide system that provides comprehensive information on long term care services and supports regardless of age, income, disability, or diagnosis. DFTA will have oversight and monitoring responsibility as the Local Administrative Agency for NY Connects in New York City. In this role, DFTA will be working with HRA, MOPD and other stakeholders to establish a No Wrong Door Hub under NY Connects. DFTA will receive \$6.8 million to launch NY Connects locally.

Interagency Collaboration on Aftercare Services

DFTA is working in close collaboration with DHS to establish an aftercare program for older adults exiting shelter with the LINC IV subsidy. Aftercare services include assisting clients with

establishing themselves in the community and linking them to neighborhood resources, especially programs available through the older adult services network. The overall goal is to ensure the clients remain housed and do not return to shelter, and the expectation is that their service needs are met as they are connected to resources in their new communities.

Volunteer Resource Center

In FY '15, DFTA established its Volunteer Resource Center (VRC) to centralize recruitment, training and tracking of volunteers for agency programs; this was made possible with generous support from NYC Service. The agency programs include Health Promotion, Health Insurance Information Counseling & Assistance Program, Foster Grandparents, Bill Payer Services, and new initiatives focused on increasing enrollment in entitlements and benefits. Active recruitment of volunteers began in January of 2015. Since then, the VRC has recruited 320 volunteers. On May 21st, DFTA and NYC Service cosponsored a summit to support our network providers in strengthening their volunteer infrastructure.

NEIGHBORHOOD NORC FEASIBILITY STUDY

Through a Council funded planning grant, CRE is assessing opportunities to develop a Neighborhood NORC in Far Rockaway and Staten Island. The final report will be completed later this month.

SOCIAL ADULT DAY CARE (SADC) OVERSIGHT

As you are aware, under Local Law 9 of 2015, DFTA is required to 1) create a registration process for all SADCs; 2) designate an Ombudsperson; 3) develop a system to receive comments and complaints regarding any SADC in New York City; and 4) mandate that all SADCs post signage indicating the designated Ombudsperson and contact information. Currently, DFTA is in the midst of the rulemaking process to implement Local Law 9.

The State Department of Health, in conjunction with the State Office of the Medicaid Inspector General and the State Office for the Aging (SOFA), has established a new annual self-certification process for social adult day care programs. Self-certification must be completed by June 30, 2015 for SADC sites contracting with Managed Long Term Care (MLTC) plans. The

certification will attest to the SADC's compliance with SOFA program regulations. Until certification has been successfully completed by an SADC, no MLTC plan can enter into a new contract with that entity.

CONCLUSION

Thank you for this opportunity to testify about DFTA's Executive Budget for FY '16. I look forward to continuing the partnership with the City Council in these efforts. I am pleased to answer any questions you may have.

Visiting Neighbors, Inc.

**Testimony
NYC Council Preliminary Budget Hearings
Committee on Aging
June 4, 2015**

Thank you for this opportunity to express our concerns regarding the needs of one of our City's most vulnerable and underserved populations: the oldest old. In New York City, nearly one third of seniors 65+ live alone, and of seniors 85+, nearly half live alone.

Since 1972, Visiting Neighbors has been providing vital support services that help seniors remain independent, part of the vibrant communities they helped create and still cherish. Visiting Neighbors is a lifeline to over 800 home bound frail elderly who have nowhere else to turn. Half of the seniors we serve are over the age of 88. We now are serving fifteen seniors age 100 and older. For most of our vulnerable isolated elderly, Visiting Neighbors is their only link with the outside world. Most of these seniors have lost their family and friends, and have no one nearby to whom they can turn for support and encouragement as they face the challenges of aging alone. They suffer with multiple chronic health conditions that limit their ability to leave their apartments, and face economic hardship living on their limited fixed incomes. They often neglect their health, become depressed, and struggle to survive on their own. As one 86-year old client wrote to us when we sent her a birthday card made by students in our community, "Thank you for thinking of me and for remembering my birthday. Visiting Neighbors is the only family I've got."

While the City has helped sustain senior centers, home-delivered meals and some other valuable services, they have neglected to support some of seniors' most urgent needs, the very cost-effective programs that enable the seniors to remain in their cherished apartments rather than being forced into nursing homes. If you think funding senior centers and meal programs is enough, you are seriously mistaken. Seniors will continue to be hospitalized or require costly long-term care if organizations like Visiting Neighbors can no longer assist them getting to/from doctors, or keep them connected with the outside world.

Although seniors make up one-fifth of Manhattan's population, they account for almost half of Manhattan's pedestrian traffic fatalities. Many seniors' lives could have been saved if they had someone walking with them, someone to hold on to, and someone to guide them across our busy thoroughfares. Think about a senior trying to cross the notorious 6th Avenue/Houston Street intersection. Even if they start to cross the minute the light changes to green, they can't make it all the way across before the light turn's red and traffic comes barreling down at them. Someone with a steady arm to lean on could hold up a hand to warn drivers to slow down until the senior is safely across the street. Many seniors also have been knocked down by pedestrians who were so busy on their cell phones that they didn't watch where they were walking. We are here to protect our seniors, to help ensure their safety and well-being. That's what we're here to do.

Health and safety are among the most urgent concerns of most seniors. Visiting Neighbors' Health Advocate provides information about conditions affecting seniors, so they are well informed. Visiting Neighbors makes referrals to free or low-cost health services, and encourages seniors to ask their doctors the important questions. Falls, both in-home and out-doors, are a major cause of seniors' hospitalizations, loss of independence, and even death. We work hard to prevent falls so our seniors can stay safe and able to enjoy the freedom of living on their own. VN volunteers save lives, alerting the staff immediately of any change in a senior's health or outlook so they can get the help they need before an emergency occurs.

VN volunteers and staff encourage seniors to visit their doctors regularly, to follow through on medical advice, to get their blood pressure checked on a regular basis, ask questions about the medication they're taking, and take a proactive stance regarding their health.

Loneliness is as painful a condition and state of being as any other. Most of our clients (whose average age is 90) live alone, have lost family and friends and without Visiting Neighbors, would be completely socially isolated, frightened and at risk of becoming depressed. Friendly Visiting, which really is crisis prevention, should be deemed a "core service." Volunteer Friendly Visitors provide companionship, emotional support and encouragement to face a new day as well as encouraging seniors to take care of themselves (physically, mentally, spiritually and emotionally). The City cannot continue to turn our backs on those who need us the most, the invisible seniors who spend their days hidden behind the locked doors of their apartments. Our seniors enjoy sharing their wisdom and this in turn fosters their self-esteem. We let our seniors know that they matter in a City that wishes to consider itself age friendly, that they are not forgotten and disregarded.

We also hope the Council will restore funding for Intergenerational programs that engage high school students in helping seniors. It works well for both generations; (1) they learn from each other; (2) they share hopes and dreams; (3) they discuss life experiences and its challenges. Our seniors, many of whom have no one to talk to, always encourage the students to follow their dreams, to stay in school and to appreciate our city's resources. The students love learning about the seniors' lives and families, their careers and their struggles. Students enjoy teaching the seniors about today's technology, and take pride in the knowledge that they are helping someone. Bringing generations together to help one another and learn from each other was the core of our intergenerational program until funding was abruptly cut a few years ago.

To truly be an "age friendly city," we must encourage more community involvement, where trained volunteers of all ages, working under the supervision of dedicated professionals, maintain regular contact with isolated seniors.

We implore you: please provide funding for these vital, cost-effective services for our seniors! They have given so much to our City. I'm sure that most of you share our commitment to helping our seniors stay safe and able to enjoy their independence as long as they can safely do so. Please provide the necessary support to Visiting Neighbors and other cost-effective programs like ours so we can continue as trusted lifelines for our City's elderly. We need to be here to continue to reach out to seniors to let them know we care. Based on our 43 years of experience, we know it's not only the right thing to do – It's the humane thing to do. To quote Mahatma Ghandi, ".....the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly;....."

If we are wise now and lucky later, we will all be able to age in place, at home, with dignity, friends and the support we need.

Thank you.

Cynthia Maurer, Ph.D.
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Visiting Neighbors, Inc.
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New York, NY 10012
(212) 260-6200
www.visitingneighbors.org

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☐ in favor ☐ in opposition

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Address: _____

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Address: 280 Broadway

I represent: DOB

Address: 1.1

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Name: Vicki Been, HPD

Address: _____

I represent: _____

Address: 100 Gold Street

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Name: Donna Corallo

Address: Commissioner

I represent: DFTA

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Name: Joy Wang

Address: Associate Commissioner, Budget & Fiscal

I represent: Operations

Address: DFTA

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Name: _____

Alfonso Jenkins, Jr.

Address: _____

Deputy Commissioner -

I represent: _____

DOITT

Telecommunications

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Name: _____

Charles R. Fraser

Address: _____

255 Greenwich St., 9th floor

I represent: _____

DOITT

Address: _____

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(PLEASE PRINT)

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Address: 255 GREENWICH ST NYC

I represent: DOITT

Address: 255 GREENWICH ST NYC

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I represent: DOITT

Address: NYC

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