

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

Jointly with

COMMITTEE ON TECHNOLOGY
COMMITTEE ON AGING
COMMITTEE ON LAND USE
COMMITTEE ON HOUSING
& BUILDINGS
SUBCOMMITTEE ON SENIOR
CENTERS

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June 4, 2015
Start: 10:23 a.m.
Recess: 4:20 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: Julissa Ferreras-Copeland
Chairperson

James Vacca
Chairperson

David G. Greenfield
Chairperson

Margaret S. Chin
Chairperson

Paul A. Vallone
Chairperson

Jumaane D. Williams
Chairperson

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A P P E A R A N C E S (CONTINUED)

Anne Roest
Commissioner of Department of Information,
Technology and Telecommunications

Annette Heintz
Deputy Commissioner for Financial Management and
Administration at DoITT

John Winker
Associate Commissioner for Financial Services at
DoITT

Charles Fraser
General Counsel for DoITT

Kenneth Hunter
Chief Diversity and Inclusion Officer

Al Jenkins
Deputy Commissioner for Telecommunications DoITT

Donna Corrado
Commissioner of Department of Aging

Joy Wang
Associate Commissioner for Budget and Fiscal
Operations

Vicki Been
Commissioner of Department of Housing,
Preservation and Development

A P P E A R A N C E S (CONTINUED)

Baaba Halm
Associate Commissioner of Governmental Relations
and Regulatory Compliance

Eva Trimble
Deputy Commissioner of Financial Management

Rick Chandler
Commissioner of Department of Buildings

Thomas Fariello
First Deputy Commissioner

Sharon Neill
Deputy Commissioner of Finance and
Administration

2 CHAIRPERSON FERRERAS-COPELAND: We're

3 going to be starting in about two minutes. We're

4 waiting for Council Member Greenfield. Good morning

5 and welcome to the City Council's 10th day of

6 hearings on the Mayor's Executive Budget for Fiscal

7 2016. I am Julissa Ferreras-Copeland, and I am the

8 Chair of the Finance Committee. We are joined by the

9 Committee on Land Use chaired by Council Member David

10 Greenfield and the Committee on Technology chaired by

11 Council Member Jimmy Vacca. We've been joined by

12 Council Member Palma, Weprin, Kallos, Treyger, and

13 Dickens. Today, we will hear from the Department of

14 Information Technology and Telecommunications. The

15 Finance Committee will then be joined by the

16 Committee on Aging and the Subcommittee on Senior

17 Centers to hear from the Department of Aging, and

18 finally, we will be joined by the Committee on

19 Housing and Buildings to hear from the Department of

20 Housing Preservation and Development and the

21 Department of Buildings. Before we begin, I want to

22 thank the Finance Division staff for putting this

23 hearing together, including Director Latonya McKinney

24 [sp?], Chief Counsel Tenisha Edward [sp?], Assistant

25 Counsel Rebecca Chaison [sp?], Deputy Directors

1 COMMITTEES ON FINANCE, TECHNOLOGY, LAND USE, AGING, HOUSING AND
BUILDINGS. & SUBCOMMITTEE ON SENIOR CENTERS 6

2 Regina Perita-Ryan [sp?] and Nathan Toth [sp?], Unit
3 Head John Russell and Emra Ediv [sp?], Senior Finance
4 Analyst Dohemi Sampora [sp?] who covers DIFTA, and
5 Finance Analyst Sarah Gastalum [sp?] who covers HPD
6 and DOB, Finance Analyst Kenny Grace who covers
7 DOITT, and the Finance Division Administrative
8 Support Unit Nicole Anderson, Maria Pargon [sp?],
9 Roberta Caterano [sp?] who pull everything together.

10 I also like to acknowledge our Sergeant at Arms,
11 Director Carl Diabla [sp?], Chief Raphael Perez
12 [sp?], Sergeant Colin Todd [sp?], Sergeant Angel
13 Chicon [sp?], our sound Paul Henev-Powell [sp?], and
14 streaming Aaron Seca [sp?], and Amir Sukalik [sp?].
15 Sorry if I murdered your names. Thank you all for
16 your efforts. I'd also like to remind everyone that
17 the public will be invited to testify on the last day
18 of budget hearings on June 9th beginning at
19 approximately 1:30 p.m. in this room. For members of
20 the public who wish to testify but cannot attend the
21 hearings, you can email your testimony to the Finance
22 Division at financetestimony@council.nyc.gov, and the
23 staff will make it part of the official record.

24 Today's Executive Budget Hearing kicks off with the
25 Department of Information Technology and

2 Telecommunication. The Department's Fiscal 2016
3 Executive Budget totals 550.5 million dollars, which
4 represents a 63 million dollar increase from Fiscal
5 2015 adopted budget. DoITT's capital commitment plan
6 includes 241 million dollars to complete the
7 emergency communications transformation program, or
8 ECTP, on top of the 1.8 billion dollars that has
9 already been committed since the project began. As
10 we all know, the project has endured significant
11 delays and cost over-runs and was a subject of an
12 independent review by the Department of
13 Investigation. The Department's budget also includes
14 a 1.1 million dollars in the Fiscal 2016/2017 budgets
15 and 360,000 dollars in Fiscal 18 and 2019 budgets for
16 integrity monitoring and implement the Department of
17 Investigation's preliminary recommendations that were
18 made last year. I look forward to hearing testimony
19 about the progress of ECTP projects and details
20 regarding the anticipated competition date. I would
21 also like to hear testimony about the New York City's
22 wireless network or NYCWiN, for which the city has
23 already committed 400 million dollars for
24 infrastructure and equipment. I understand the
25 Department has now put out a formal request for

2 expression of interest for a company to take over the
3 system. This council would like to understand the
4 Department's vision for NYCWiN and what is the
5 expectation with respect to the request of expression
6 for interest, particularly since the city has already
7 invested so much in NYCWiN's creation and operation.
8 Before you begin, I would like to give my colleagues-
9 -we've been joined by Council Member Matteo. I'd
10 like to remind my colleagues that the first round of
11 questions for the agency will be limited to five
12 minutes per Council Members, and if Council Members
13 have additional questions, we will have a second
14 round of questions of three minutes per Council
15 Member. I now turn my mic over to my Co-Chairs,
16 Council Member Greenfield and Council Member Vacca
17 for their statements, and then we will hear from
18 DoITT's Commissioner.

19 CHAIRPERSON VACCA: Thank you. Thank you,
20 Chair Julissa Ferreras, and I welcome everyone to our
21 hearing. I'm James Vacca. I'm Chair of the
22 Technology Committee of the New York City Council.
23 The goal of the committees today convening for these
24 hearings going forth is to ensure that the city's tax
25 payers are getting the best bang for their buck. We

2 will be examining DoITT's financial plans, budget
3 proposals, cost savings plans, and other operational
4 issues. Specifically, we would like to discuss the
5 Citywide Savings Program, since all agencies were
6 asked to identify alternative funding sources and
7 programmatic changes that would yield budgetary
8 savings. We look forward to working with DoITT to
9 further identify budget savings and operational
10 efficiencies and to ensure that the city's budget for
11 this agency is accurate and transparent. In the
12 Fiscal 2016 Executive Budget, funding for DoITT
13 totals 550.5 million dollars, which is approximately
14 42.5 million higher than the Preliminary Budget
15 estimate. A large portion of this total is allocated
16 toward paying the telecommunications bill for most of
17 the agencies, which is budgeted at 120 million.

18 Today, we will examine all components of DoITT's
19 Fiscal 2016 budget including the approximately 29.8
20 million in new needs, some of which are items that
21 this committee has pushed regarding contract
22 oversight and cyber security. Following a thorough
23 Department of Investigation report and subsequent
24 Council hearings, DoITT will add integrity monitoring
25 over the city's 911 overhaul project, the Emergency

2 Communication Transformation Project, ECTP, which
3 includes Peace Act [sic] Two in my district. This
4 addition will cost 1.1 million and we look forward to
5 learning more about this. Additionally, another new
6 need is a base line of 653,000 dollars to train IT
7 professionals in every city agency to help prevent
8 cyber-attacks. This year there have been several
9 publicized cyber-attacks on city agencies, including
10 the Administration of Children's Services, the
11 Mayor's Office and the New York City Council. The
12 committee will examine how the new funds will enhance
13 and fortify the city's cyber security efforts. We'd
14 like to hear more about DoITT's budget plan with
15 regards to decreasing their reliance on outside
16 contractors and consultants, their broadband access
17 pilot, the new LinkNYC public pay phone to Wi-Fi
18 franchise, and an update on ECTP as a whole and the
19 New York City wireless network. So, without further
20 to say, I welcome Commissioner Roest and her staff.
21 Thank you.

22 CHAIRPERSON FERRERAS-COPELAND: Thank you,
23 and as soon as we are joined by Council Member
24 Greenfield, we'll ask him to do his opening
25

2 statement. My Counsel will swear you in, and then we
3 will begin with your testimony.

4 COMMITTEE COUNSEL: Do affirm that your
5 testimony will be truthful to the best of your
6 knowledge, information and belief?

7 COMMISSIONER ROEST: I do.

8 COMMITTEE COUNSEL: Thank you.

9 COMMISSIONER ROEST: Okay. Ready? Okay.
10 Good morning Chairs Ferreras-Copeland, Greenfield and
11 Vacca, and members of the City Council Committees on
12 Finance, Land Use and Technology. My name is Anne
13 Roest and I am the Commissioner of the Department of
14 Information Technology and Telecommunications, or
15 DoITT, and I'm New York City's Chief Information
16 Officer. Thank you for the opportunity to testify
17 today about DoITT's Fiscal 2016 Executive Budget.
18 With me are Annette Heintz, Deputy Commissioner for
19 Financial Management and Administration, John Winker,
20 our Associate Commissioner for Financial Services,
21 and Charles Fraser, our General Counsel. DoITT's
22 Fiscal 2016 Executive Budget provides for operating
23 expenses of approximately 550.5 million dollars,
24 allocating 134.7 million in Personal Services to
25 support 1,613 full-time positions and 514.8 million

2 for other than Personal Services. Totaling 120

3 million dollars, the Intra-City funds transferred

4 from other agencies to DoITT for services provided

5 accounts for nearly one-third of budget allocation.

6 Telecommunications costs and the citywide Microsoft

7 ELA represent the largest portion of the Intra-City

8 expense at 91.6 million and 11.8 million respectively

9 in Fiscal 2015. Before taking questions this morning

10 I would like to briefly outline some of the major

11 initiatives DoITT will be pursuing in the year to

12 come. Thirteen months ago I was honored to be asked

13 by Mayor de Blasio to lead DoITT, and in that time I

14 have been consistently impressed by the incredible

15 dedicated professionals we have working every day to

16 support City agencies and the New Yorkers they serve.

17 To further refine these efforts, last fall we began a

18 strategic planning exercise aimed at improving the

19 services we offer and establishing DoITT as a premier

20 destination for technology professionals to start and

21 build their careers. The result, DoITT's Strategic

22 Plan for 2015 to 2017, contains specific, measurable

23 objectives by which we will better facilitate access

24 to technology, information and public services to

25 City residents, businesses, employees, and visitors.

2 Primary among the goals in our strategic plan is a
3 fundamental consideration of the de Blasio
4 Administration: Facilitating greater access to
5 technology for all New Yorkers. With Counsel to the
6 Mayor Maya Wiley and partners across the city, newly-
7 appointed Deputy Commissioner Alphonso Jenkins and
8 DoITT's broadband team are working to increase the
9 proliferation of free and low-cost broadband across
10 the five boroughs, most noticeably in Fiscal 2016 by
11 the initial rollout of LinkNYC. Following rounds of
12 public feedback and pilot programs exploring how best
13 to replace the city's aging payphone infrastructure,
14 LinkNYC will provide free up to gigabit Wi-Fi access
15 for New Yorkers in neighborhoods across each of the
16 five boroughs and offer free domestic calling and 911
17 and 311 access. Moreover, LinkNYC is expected to
18 generate at least 500 million for the City over the
19 next 12 years. Our Executive Budget also includes 10
20 million dollars allocation for expansion of broadband
21 access and programs. As part of our ongoing work
22 with the Mayor's Office of Data Analytics and
23 agencies citywide we will also facilitate greater,
24 more meaningful access to City data. Recent and
25 planned improvements to the New York City open data

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 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 partnership 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're making in human capital. We also included in our Strategic Plan a 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.

2 Sixty-eight percent of our staff and 55 percent of my
3 direct reports are women, minorities or both, but we
4 know that relative lack of diversity in technology
5 field overall persists. We also realize that
6 achieving statistical diversity alone does not mean
7 that we have an equitable and inclusive workplace.
8 New ideas and varied perspectives can only make us
9 better technologists, so our Office of Diversity and
10 Inclusion will develop strategies and initiatives
11 specific to increasing workforce diversity as well as
12 work toward fostering and maintaining an inclusive
13 workplace culture, and we look forward to updating
14 the Council on our progress. Increasing diversity is
15 where the investment in our employee begins but not
16 ends--

17 [off mic]

18 COMMISSIONER ROEST: This work also
19 includes ensuring our employees have the tools they
20 need to thrive and excel in the technology workforce.
21 To that end, we have reorganized existing agency
22 staff to create DoITT's first Office of
23 Organizational and Professional Development. This
24 group will focus specifically on increasing employee
25 engagement, creating a work environment conducive to

2 success through coaching, expanding recognition
3 programs, developing internal workforce capacity and
4 increasing training opportunities. In this way we
5 will keep the skills of our workforce current with
6 new technologies so that we can look for talent in
7 house first, before going the route of consultant
8 engagements. With regard to consultants, under the
9 leadership of Mayor de Blasio DoITT has continued to
10 reduce its reliance on them wherever appropriate and
11 is constantly looking for new opportunities to do so.
12 Over the past several years we have successfully
13 converted more than 200 consultant positions to DoITT
14 staff, saving millions of taxpayer dollars annually.
15 We are now furthering these efforts by converting an
16 additional 70 consultant positions in Fiscal 2016 and
17 hiring another 30 city employees to implement
18 anticipated city projects that would have otherwise
19 required consultant resources. While consultant
20 services are will continue to be needed for certain
21 highly-specialized skillsets and short-term
22 engagements, we simply believe there are many roles
23 being filled with consultants today that can and
24 should be filled with City employees, and we are
25 working to do just that. I will conclude today by

2 noting the additional funding we have received for IT
3 Security, and we regard our citywide leadership role
4 in this area as a top priority. A key of our
5 Strategic Plan is to secure the City's technology,
6 telecommunications and information assets from attack
7 and disruption. Working closely with the Mayor's
8 Office, the Police Department and the Emergency
9 Management Department, as well as with State and
10 Federal partners, DoITT regularly detects, assesses
11 and mitigates numerous potential cyber security
12 threats daily, employing a wide range of industry
13 leading tools to protect the security of the City's
14 infrastructure and the personal information of New
15 Yorkers. We are always looking to improve upon these
16 efforts and to further ensure that city agencies can
17 meet the challenge of protecting their systems. We
18 have 2.6 million in new funding over the next four
19 years to implement a robust cyber security training
20 program. We have also received an increase in
21 headcount for our citywide IT Security Operations
22 Center staffing--

23 CHAIRPERSON FERRERAS-COPELAND:

24 [interposing] I'm sorry, ma'am. I'm having a very
25 hard time listening to the Commissioner, so can we

2 please keep our voices down so that we can hear the
3 testimony?

4 COMMISSIONER ROEST: Thank you. We have
5 also received an increase in headcount for our
6 Citywide IT Security Operations Center staffing and
7 are allocating additional 30 million in capital
8 funding over the next four years to invest in next-
9 generation security platforms. These enhancements
10 build upon the 35 million already dedicated to
11 security technologies. In this way we are keeping
12 security a foremost consideration in City operations.
13 Thank you for the opportunity this morning to discuss
14 DoITT's 2016 Executive Budget and some key agency
15 initiatives for the coming year. I look forward to
16 answering your questions.

17 CHAIRPERSON FERRERAS-COPELAND: Thank
18 you, Commissioner. We've been joined by Council
19 Member Cornegy and Arroyo. I have two series of
20 questions and I'm going to open it up to my colleague
21 and Chair. Since DoITT took the lead in the
22 management of this multi-million dollar project last
23 spring, it identified over 38 million in capital
24 budget savings. What were the savings that DoITT

2 identified, and what does it believe the total cost
3 of the project will be?

4 COMMISSIONER ROEST: So, the savings were
5 identified through an examination of particular
6 technologies, changing some of the scope of some of
7 the technologies and actually eliminating some scope
8 that was redundant to things that we already had in
9 the city. As we work through the rest of the
10 project, we can't say what the final savings will be,
11 but what we're committed to is complete the project
12 within the 2.031 billion dollar budget.

13 [gavel]

14 CHAIRPERSON FERRERAS-COPELAND: I'm going
15 to have to ask you to please keep your voices down.
16 We really need to hear this testimony.

17 SERGEANT AT ARMS: Quiet in the chambers,
18 please. Quiet or we will remove you.

19 CHAIRPERSON FERRERAS-COPELAND: When you
20 do you expect--when do you anticipate the project
21 will be completed, and are you on track for that
22 timeline?

23 COMMISSIONER ROEST: Yes, in fact, we're
24 on the same timeline that we announced at the end of
25 the assessment last year, which means that major

2 components of the project will be delivered in 2016,
3 and that will be the opening of Peace Act Two [sic]
4 and the first call taken and the fire--and the new
5 fire CAD system will be completed in 2016 with other
6 components completed through 2017.

7 CHAIRPERSON FERRERAS-COPELAND: And what
8 controls--I mean, as you can imagine, I know the
9 Chair has had several hearings on this topic. We've
10 been trying to figure out how to avoid this. So,
11 what are the controls that you have in place so that
12 we don't have these cost over-runs or that there
13 isn't more delays, because we're not as confident
14 from the Council's perspective that this is just not
15 a project that's never going to end?

16 COMMISSIONER ROEST: I certainly
17 understand that. The controls we have in place are a
18 governance structure that was announced post-
19 assessment which includes all of the stakeholder
20 agencies, so police, fire, DoITT, and City Hall have
21 multi-level governing structure, which includes up at
22 the top the Commissioners of each of those agencies,
23 and we have, as I think Chair Vacca noted, we have an
24 integrity monitor that is just starting that reports
25 into DOI as well as we've added some staff to our

2 controls unit within the agency to monitor
3 procurements and invoices and payments. So, we've
4 added several governance layers and controls layers
5 in addition to the integrity monitor that Chair Vacca
6 mentioned.

7 CHAIRPERSON FERRERAS-COPELAND: Okay.

8 Well, you know, we're going to have faith that maybe
9 that's enough, but we feel like that probably won't
10 be enough. So, I'm sure you'll have more oversight
11 hearings on this topic and much more to say. The
12 Chair will follow up on my questions, but I wanted to
13 talk about NYCWiN. To date, the city has committed
14 approximately 400 million dollars to NYCWiN
15 infrastructure and equipment, and its annual
16 maintenance budget is approximately 40 million. Just
17 before that preliminary budget, the Administration
18 released a formal request for expression of interest
19 for another company to take over the system. Has
20 DoITT explored ways to find savings in this project,
21 and can the committee get an update on the request of
22 expression for this project, and does the request of
23 expression demonstrate the city's intention to sell
24 NYCWiN?

2 COMMISSIONER ROEST: So, the update on
3 the RFEI is that we had 15 Responses. We've reviewed
4 the responses with a cross-agency team, which is
5 DoITT and the primary stakeholder agencies, the
6 agencies that make the most use of the network. That
7 team will be having presentations from some of the
8 people who submitted RFEI's, and the intention isn't
9 really to sell the network, although that was one of
10 the options mentioned in the RFEI. It is to find the
11 most responsible, cost-effective way to provide the
12 services currently provided, and we're actually
13 looking for not just the ideas that were in the RFEI,
14 but ideas from industry and from outside of city
15 government for delivery of those services in the most
16 cost-effective way. So, we are open to new ideas.
17 We want to make sure that we maintain the services
18 that we're providing to those agencies, but that we
19 continue to do it in a cost-effective way.

20 CHAIRPERSON FERRERAS-COPELAND: Okay.
21 Thank you, Commissioner. Chair Vacca?

22 CHAIRPERSON VACCA: Thank you,
23 Commissioner, welcome.

24 COMMISSIONER ROEST: Thank you.

2 CHAIRPERSON VACCA: I wanted to go into
3 the executive plan, which includes 653,000 dollars in
4 the coming Fiscal Year and that money is base lined
5 in the out years as well for training IT
6 professionals citywide to help prevent cyber-attacks.
7 As I did mention, we have had several agencies in the
8 city experience cyber-attacks, including the New York
9 City Council, and do you first of all believe that
10 this is enough funding to train the IT professionals
11 throughout the city? How did you arrive at that
12 number? What is the basis for your concern relative
13 to cyber-attacks as well?

14 COMMISSIONER ROEST: So, the basis for
15 the concern, the reason we looked for that training
16 money is that the greatest security threat is usually
17 actually an error or a mistake that somebody makes
18 inside. It's not usually the attack from outside.
19 It's somebody opening a bad link in a phishing email
20 or something like that. So, training the staff is
21 critically important. We came to that number through
22 research prior to our budget request, consulting with
23 the MSI SAC [sic] and looking at the vendor options
24 that are out there for training modules and estimated
25 it based on the number of city employees we have.

2 So, yes, we do think that's enough. That was based
3 on some research that was done, and the
4 Administration and OMB were very supportive and gave
5 us exactly what we did ask for, and we do think that
6 that's enough to provide training to all city
7 employees.

8 CHAIRPERSON VACCA: Okay. And what other
9 measures, which you can talk about, are in place to
10 prevent the city's IT system from being hacked?

11 COMMISSIONER ROEST: So, at a really high
12 level, I mean, we have the standard security
13 protocols in place, intrusion detection. So we see
14 any activity of people trying to get into our
15 network. We have a program where we have a state of
16 the art software sweep that is in place across the
17 city that can identify and remediate any viruses that
18 get in or any malware that get in. So, we have the
19 standard protocols in place. In addition, we have
20 highly trained experts that operate a Security
21 Operations Center that I would say is robust and
22 mature. So, we've got a lot in place. If you note,
23 though, we did ask for additional capital funding
24 over the next few years to make sure that as security
25 threats mature, and the rate at which these threats

2 change is increasing, we want to make sure that we're
3 able to stay ahead of that. And again, the
4 Administration and OMB were supportive and gave us
5 the additional funding that we asked for to stay
6 ahead of the curve when it comes to the technologies
7 we employ.

8 CHAIRPERSON VACCA: Is each agency's IT
9 infrastructure equally protected?

10 COMMISSIONER ROEST: So, I'm going to say
11 that--I wouldn't say equally protected. I would say
12 adequately protected, because each agency is a little
13 different with the security requirements and the
14 security laws around HIPPA, FERPA [sic], but I would
15 say adequately protected, and yes, I believe they
16 are, but we do continue to work with the agencies and
17 there's a lot of work going now between DoITT and the
18 agencies around protection and what is in place and
19 what isn't in place. I believe we're adequately
20 protected, but if there are gaps they will be
21 addressed immediately. So we're working closely with
22 the agencies to make sure that's in place.

23 SERGEANT AT ARMS: [off mic]

24 CHAIRPERSON VACCA: Your survey of city
25 agencies to determine their needs resulted in this

2 appropriation. Did that survey include agencies we
3 sometimes think of as non-Mayoral agencies? I'm
4 thinking of Health and Hospitals Corporation, NYCHA,
5 some of the agencies that could be quasi-city
6 agencies. Were they also included in this overview
7 by--needs overview that you performed?

8 COMMISSIONER ROEST: So, I would say there
9 was not a formal survey. We're in discussion with
10 the agencies about what they have in place and what
11 they don't have in place, and our request was
12 informed by all of those discussions. So, if an
13 agency outside of the Mayoral agencies needs support
14 for security to reach that adequate level, yes, we
15 would consider that in our budget request.

16 CHAIRPERSON VACCA: what does the new
17 training entail? And will this training be for every
18 agency or just those you've identified?

19 COMMISSIONER ROEST: So, the training,
20 there's a base training that everyone would get.
21 It's around best practices for security. Don't open a
22 phishing email, you know, don't answer these kinds of
23 questions in an email, don't open a link, that kind
24 of thing. Don't share passwords. And then there's
25 going to be specific training for jobs that require

2 additional training. So, for example, application
3 developers need to know best practices around
4 developing secure applications. So there's some base
5 training. Then they'll be some tailored training for
6 critical jobs, and it is for every Mayoral agency and
7 we're hoping it's for every city employee.

8 CHAIRPERSON VACCA: I want it also to go
9 into Peace Act II, and ask you if there's a progress
10 report you can provide the committee on the progress
11 being made to construct this facility and the cost
12 issues that DOI had identified, is there any general
13 progress update you could give us?

14 COMMISSIONER ROEST: Yeah, on Peace Act
15 II, we're on track to take over from the construction
16 firm from the city to take the building over in
17 January. I almost said December. In January of this
18 coming year. So, it is on track. It's coming along.
19 There have been no surprises.

20 CHAIRPERSON VACCA: When will it be
21 opening? When will it start being used? People will
22 be moving in gradually I assume, but what does that
23 process entail?

24 COMMISSIONER ROEST: So, in June--I'm
25 looking at David Kirks [sic] the--yes. In June we'll

2 have the first call. We'll have police in the
3 building taking first call on June of 2016.

4 CHAIRPERSON VACCA: And there are no
5 additional over-runs in the capital budget or in
6 technology or in any area that we should be aware of?

7 COMMISSIONER ROEST: No, there are no
8 additional over-runs. In fact, we're working within
9 the budget.

10 CHAIRPERSON VACCA: Okay, thank you.

11 CHAIRPERSON GREENFIELD: Thank you. I
12 just want to--good morning. Thank you very much.
13 I'm David Greenfield, the Chair of the Land Use
14 Committee. Apologies, we had a leadership meeting
15 that ran late and fortunately in this business we
16 wear quite a few hats. So, in the interest of time
17 I'll waive my opening statement. But I did, I was
18 curious about something. The Executive Plan includes
19 additional revenue starting in Fiscal 2016, 2.5 and
20 5.3 million, and part of that discussion is regarding
21 the Wi-Fi public communication structure franchise
22 that's going to replace the current pay telephone.
23 So, our understanding is that the city will no longer
24 collect telephone revenue at 18 million, but are

2 guaranteed revenue at 20 million with annual
3 increases. Is that correct?

4 COMMISSIONER ROEST: That's correct.

5 CHAIRPERSON GREENFIELD: So that's part
6 of the--I mean, that seems pretty high. That's part
7 of the current revenue agreement with the new
8 contractor?

9 COMMISSIONER ROEST: Yes. Do you have
10 anything?

11 JOHN WINKER: Good morning. My name is
12 John Winker. As far as--

13 CHAIRPERSON GREENFIELD: [interposing] I
14 know [sic] John.

15 JOHN WINKER: Good morning. The current
16 revenues that we get from PPT is 18 million as you
17 said. So, the base is increasing by about 2.5 in FY
18 16 and then the base goes up by I guess five million
19 dollars over the 18 going into FY 17 and beyond.
20 Those are the guaranteed minimums that we have under
21 the contract.

22 CHAIRPERSON GREENFIELD: Got it. And how
23 many payphones have been converted so far?

24 COMMISSIONER ROEST: None have been
25 converted so far. The first one will be in place in

2 September, September of this year with 500 in the
3 first year of the active contract.

4 CHAIRPERSON GREENFIELD: Got it. Do you
5 have a list that you can provide us sort of of what
6 the schedule will be for the roll out, which
7 neighborhoods they're going to be in, when they're
8 going to get in? Has that already been concluded?

9 COMMISSIONER ROEST: For the first year?
10 Yes.

11 CHAIRPERSON GREENFIELD: For the first
12 year or beyond?

13 COMMISSIONER ROEST: For the first year we
14 can provide that. We're still working with, you
15 know, the communities and the vendor to establish the
16 long term plan, but we've got the first year plan.

17 CHAIRPERSON GREENFIELD: Got it. So, do
18 you have that here today or are you going to send it
19 to us--

20 COMMISSIONER ROEST: [interposing] We'll
21 send it.

22 CHAIRPERSON GREENFIELD: down the road?
23 Okay. So, you can send it to the three Chairs of
24 Finance, Technology and Land Use. We'd be grateful.
25 So, I notice as well that you seem to be increasing

2 over the preliminary budget. You're increasing your
3 budget specifically to deal with hiring people in
4 house to replace consultants. Is that correct?

5 COMMISSIONER ROEST: That's correct.

6 CHAIRPERSON GREENFIELD: That's some 30
7 odd million dollars or so. How much is the increase?

8 COMMISSIONER ROEST: You want to speak to
9 that?

10 JOHN WINKER: The increase itself is
11 around 30 million dollars. That's essentially a 10
12 million dollar net savings over the cost of the
13 consultants that we would otherwise have to employ.

14 CHAIRPERSON GREENFIELD: Okay. So, how
15 much--how many--how much do currently spend on
16 consultants?

17 JOHN WINKER: Well, for these, they're--

18 CHAIRPERSON GREENFIELD: [interposing] Not
19 for these programs. In general, how much do you
20 currently spend on consultants?

21 JOHN WINKER: Well, it varies by project,
22 obviously.

23 CHAIRPERSON GREENFIELD: Overall.

24 JOHN WINKER: But overall we're about 80
25 million dollars a year.

2 CHAIRPERSON GREENFIELD: Overall, 80
3 million dollars a year on consultants. Okay, so I'm
4 just curious, how did you decide that this would be
5 the purpose? Obviously, we're all in favor of
6 bringing projects in house as opposed to consultants.
7 So when you looked at, I guess, this 120 million
8 total or 80 million includes this 30 that we're now
9 discussing?

10 JOHN WINKER: It is included for FY 15.
11 It includes this amount. It includes the 30 that we
12 talked about

13 CHAIRPERSON GREENFIELD: So 30 plus the
14 80.

15 JOHN WINKER: No, no, no. Eighty
16 includes the 30.

17 CHAIRPERSON GREENFIELD: So it'll only be
18 50 in the upcoming Fiscal Year?

19 JOHN WINKER: Correct.

20 CHAIRPERSON GREENFIELD: Okay. So, for
21 the other--just a curiosity question. For the rest
22 of the 50 million how did you decide when you looked
23 at the list and said we've got 80 million, well this
24 we can do in house, this we can't. Is there a
25 differentiation? Can you sort of explain the

2 difference between what services you feel you can
3 provide in-house versus what services you have to
4 farm out, for lack of a better term?

5 COMMISSIONER ROEST: Sure. So the process
6 we went--

7 CHAIRPERSON GREENFIELD: [interposing]
8 Because I thought DoITT could do everything, you
9 know.

10 COMMISSIONER ROEST: We absolutely can,
11 but sometimes we need just a little bit of help.

12 CHAIRPERSON GREENFIELD: Okay.

13 COMMISSIONER ROEST: So, the process we
14 went through, and this 70 is for this year. That
15 doesn't mean we're done. So we looked at every
16 single consultant in the agency to determine whether
17 or not the role that they were filling and the job
18 duties they perform fit within a civil service title
19 that we have available to us, that it is a job that
20 we're able to recruit for. In other words, we're
21 able to find those skillsets on the market, and that
22 it's a long term need, and that bringing the job in
23 house would save money. That was basically the
24 criteria. Will it save money? Is it a long term
25 need, and can we get the skillset in a city employee?

2 And we started with those 70, and it was work that
3 was done with the leadership of the whole agency
4 looking at every consultant we had in-house.

5 CHAIRPERSON GREENFIELD: And so that was
6 a comprehensive review for all contracts, and this is
7 the conclusion that you came to, which is that I
8 guess roughly half could be brought back in-house,
9 but the other half would have to stay out sourced.

10 COMMISSIONER ROEST: The remainders are
11 out sourced for now, and that means either that it's
12 for a short term project or it's a skillset that we
13 couldn't easily get in place this year, but we're
14 going to continue to work on that and figure out for
15 the skillsets that we're not able to get why can't we
16 get them. So, the work isn't done. We're going to
17 continue to look at what we have outsourced and why
18 and try to remediate any issues that are preventing
19 this from in-sourcing work that is long term work and
20 we feel should be in-sourced.

21 CHAIRPERSON GREENFIELD: Okay, fair
22 enough. Thank you very much.

23 COMMISSIONER ROEST: Thank you.

24 CHAIRPERSON FERRERAS-COPELAND: Thank you,
25 Chairs Greenfield and Vacca. We have been joined by

2 Council Members Koo, Miller, Reynoso, Richards,
3 Ignizio, Cohen, and Greenfield. We will now hear
4 from Council Member Kallos followed by Council Member
5 Treyger.

6 COUNCIL MEMBER KALLOS: Thank you, Chair
7 Ferreras-Copeland, Greenfield and Vacca for your
8 leadership. Thank you to the members of the public
9 who are joining us today. Welcome to the people's
10 house, and it looks like a full house. This
11 government belongs to you, and must make it even more
12 accessible to the people we serve. Thank you to
13 Commissioner Roest for appearing before us today and
14 for your agency's partnership with the Governmental
15 Operations Committee and using technologies to
16 improve operations of our government by supporting
17 the Law Department and putting the law online, the
18 Department of Records Information Services and
19 putting FOIA requests online, the Department of
20 Citywide Administrative Services, and making
21 government notices accessible online as well as your
22 work towards achieving universal broadband to bridge
23 the digital divide and minimize income inequality. I
24 asked several questions on the record of preliminary
25 budget hearings, but did not receive satisfactory

2 answers at the hearing or in correspondence following
3 the hearing. So, I'm hoping that I can pose them
4 again. Please make note of the questions in order to
5 answer as many of them as possible within our
6 allotted five minutes, and please make sure to
7 include my office in your responses. New York City
8 was one of the early adopters of 311 some 15 years
9 ago. It's one of the largest providers and it
10 provides New Yorkers with the single point of
11 contact. However, since then we've fallen behind.
12 There's a national open 311 standard that allows
13 third parties, people to create apps that allow them
14 to interact with 311 and pull information from it.
15 When will the city be adopting the open 311 standard
16 and accepting 311 complaints through an open API?
17 With regard to our licenses and franchise agreements
18 which we negotiate with Time Warner, Cable Vision and
19 Verizon, when will we be renegotiating those licenses
20 and franchises in order to use them to leverage and
21 provide free or low cost broadband to low income New
22 Yorkers? With regard to the free transit wireless
23 program, I represent the Upper East Side, which is
24 served by the 456, the Green Line, on which one-third
25 of every New York City transit rider rides and we are

2 noticeably absent from having any of that service
3 other than at 42nd Street. When can we see those,
4 especially at 86th Street and Lexington, which isn't
5 my district, and for all the people here at City
6 Hall, at least the City Hall stop which is not in my
7 district, which would be in Margaret Chin's District?

8 With regard to the independent budget office, they
9 have found that the city could save six million
10 dollars by adopting free and open source software.
11 You've proposed some budget savings, but nothing is
12 quite near that six million dollar mark. Have you
13 included any additional open source software since
14 the preliminary budget hearing, and will we be seeing
15 those adoptions in order to save that six million
16 dollars? With regard to that, is there an estimate
17 for how much the Department of DoITT could save by
18 switching from Microsoft Office to Libre [sic] Office
19 [sic]? Last time you had mentioned a one percent
20 error rate, but again, that is somewhat negligible.
21 There are actually costs associated with it. And
22 then we're currently spending 2.9 million dollars on
23 an Adobe Enterprise licensing agreement, which
24 ostensibly might be for Acrobat, but we could use
25 free and open source Ghost Script coupled with free

2 PDF writers and readers and writers in order to avoid
3 paying for those costs. And with regard to two bills
4 that I put forward, Intro 366 and 365, one for free
5 and open source software preferences in contracting
6 and civic commons, which would provide for jointly
7 negotiated purchased software with other
8 municipalities throughout the country, has DoITT
9 looked into these and whether they could enact some
10 of them while we are waiting for legislation to pass,
11 and would support it? And last but not least, how
12 much do we spend on proprietary software code as a
13 city?

14 COMMISSIONER ROEST: Okay. 311 Open
15 Standard, in the RFS that was released, the
16 procurement that was released, we do ask that the
17 vendors comply with the 311 Open Standard or
18 implement the Open Standard where reasonable, where
19 it fits within the architecture and is appropriate.
20 So we are looking for the Open Standard wherever
21 possible and appropriate. We have no intention right
22 now of renegotiating the franchise agreements prior
23 to their expiration. We can add more information
24 when we respond. Transit wireless, that's really a
25 question that would be more appropriately answered by

2 MTA, especially around the schedule, but I do know
3 that it's all stations will eventually be wired. So,
4 I'd say for the particular schedule I would refer to
5 MTA. Open Source, again, don't know how much we
6 could save by a particular Libra [sic]
7 implementation, and we do agree with you that we
8 should be using Open Source wherever appropriate. In
9 fact, as you know, the Open FOIA Project will be Open
10 Source, and we do use Open Source where appropriate.
11 I don't have the numbers around cost savings or a
12 cost that would be incurred if we converted the
13 Microsoft platform. Adobe, 2.9 million, that's a
14 five-year number, and I believe it includes more than
15 just reader, but we can provide that information--all
16 licenses and maintenance, but we'll include a
17 breakdown of what that is. And the bills, we do have
18 some questions and concerns around the bills that
19 you've submitted and look forward to working with
20 your office to discuss those, but we'll respond to
21 you.

22 CHAIRPERSON GREENFIELD: Thank you, and
23 wow.

24 CHAIRPERSON FERRERAS-COPELAND: Perfect
25 timing. Council Member Treyger followed by Council

2 Member Cornegy. Oh, Treyger is not here, so Council
3 Member Cornegy.

4 COUNCIL MEMBER CORNEGY: Thank you,
5 Chairs. Good morning Commissioner.

6 COMMISSIONER ROEST: Good morning.

7 COUNCIL MEMBER CORNEGY: I just want to
8 not get too much into the weeds, but on the broadband
9 access pilot, I just wanted to know. There is in
10 preliminary conversations that I've had with your
11 office, there is some room for PSA's and those kinds
12 of things. That's probably on the public pay
13 telephone and Wi-Fi franchise, portion of this, but
14 I'm interested in which neighborhoods throughout the
15 city you'll be targeting with the broadband access
16 pilot.

17 COMMISSIONER ROEST: That's still under
18 discussion and being led by Maya Wiley and the
19 Broadband Taskforce. So we really don't have a
20 location identified at this point.

21 COUNCIL MEMBER CORNEGY: As the Chair of
22 Small Business, the way both of those projects move
23 forward are incredibly important to the work we're
24 trying to do as it relates to access to internet for
25 small businesses. A little bit about the public

2 payphone conversion, it's my understanding that the
3 Wi-Fi admitted from those are 150 feet and that
4 storefront businesses would be able to benefit from
5 access?

6 COMMISSIONER ROEST: Correct, yes.

7 COUNCIL MEMBER CORNEGY: Could we just go
8 a little bit deeper? If you could just explain it to
9 my colleagues? I had an opportunity to kind of have
10 a preliminary conversation, but I don't think we're
11 looking at the numbers. From my vantage point, I
12 need my colleagues to understand how important this
13 is to small businesses across the city in terms of
14 access to internet service on the ground level and
15 those storefront businesses. So if you could just
16 give us a synopsis of how that works to benefit small
17 businesses.

18 AL JENKINS: Okay, my name is Al Jenkins.
19 I'm am the Deputy Commissioner for Telecommunications
20 at DoITT. I'm responsible for the oversight of the
21 roll out of LinkNYC deployment. And subject to your
22 question, we are locating the LinkNYC based on some
23 leadership from Maya Wiley's office and the locations
24 as to where we're deploying them. We have targeted
25 one gigabyte service and 150 feet of Wi-Fi services

2 from those locations, removing payphones in front of
3 storefronts, and generally we'll have the penetration
4 from those locations mostly at corners of
5 intersections to be able to penetrate into small
6 business locations, as well as contiguously provide
7 services in connection with the park Wi-Fi services
8 too. So, we'll have a sort of a continuous service
9 and that's the initial design of the deployment right
10 now.

11 COUNCIL MEMBER CORNEGY: And so part of
12 your revenue stream won't be generated from small
13 businesses accessing that internet service, correct?

14 AL JENKINS: No, that's correct.

15 COUNCIL MEMBER CORNEGY: Thank you.

16 CHAIRPERSON FERRERAS-COPELAND: Thank
17 you, Council Member Cornegy, and Council Member
18 Treyger has not returned. So I have one additional
19 question. The city has entered into an agreement
20 with New Star to become the registry operator for the
21 top level domain name .nyc under which the city will
22 receive 40 percent of gross revenue or an annual
23 guaranteed minimum amount. This revenue, this new
24 revenue stream started in Fiscal 2015 at 1.2 million
25 and additional revenues anticipated for Fiscal 2016

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2 and 17 for 675,000 and 775,000 respectively. What is
3 the annual guaranteed minimum amount of revenue that
4 the city would take under this agreement, and can you
5 give us an overall update on how .nyc is going, such
6 as how many people have registered and whether you're
7 going to meet your registration targets?

8 COMMISSIONER ROEST: So the guaranteed
9 minimum is the 675,000 per year. I think there was
10 recently a press release announcing that it's the
11 fastest growing municipal domain. And let's see, for
12 numbers we've got 78,000 registrations to date, which
13 is--

14 CHAIRPERSON FERRERAS-COPELAND:
15 [interposing] Seventy-eight thousand?

16 COMMISSIONER ROEST: Yes.

17 CHAIRPERSON FERRERAS-COPELAND: And
18 what's your goal for next year?

19 COMMISSIONER ROEST: That has already
20 exceeded the goals. I'm not sure if you know the
21 goal for next year? Sorry, I have to check on that.

22 CHAIRPERSON FERRERAS-COPELAND: Okay.

23 COMMISSIONER ROEST: So we have no--we
24 have no firm goals. We're not compelling any
25 numbers. We want it to be as open and inexpensive as

2 possible. So we have a revenue target, but we didn't
3 have a registration target.

4 CHAIRPERSON FERRERAS-COPELAND: Okay,
5 thank you, Commissioner. Chair Vacca will do his
6 second round of questions.

7 CHAIRPERSON VACCA: Yes. How many
8 payphones have been converted so far in the city? And
9 I wanted to know that--can you give us a breakdown as
10 to the boroughs and neighborhoods? I want to make
11 sure that there's a distribution throughout the city.

12 COMMISSIONER ROEST: So, none have been
13 converted so far. The first one will go in
14 September. There is a breakdown that we've agreed to
15 provide for each borough, but the initial roll-out is
16 based on, largely on where existing payphones are,
17 because that's where we have the infrastructure to
18 implement. So, we'll provide a breakdown for the
19 first year of what the plan of implementation is for
20 each borough.

21 CHAIRPERSON VACCA: I just want to make
22 sure that outer boroughs are serviced by this
23 franchise.

24 COMMISSIONER ROEST: Absolutely. In
25 fact, you'll see the--

2 CHAIRPERSON VACCA: [interposing] That was
3 my concern from the very beginning.

4 COMMISSIONER ROEST: You'll see the
5 greater increases in the number of kiosks versus
6 payphones are in the outer boroughs.

7 CHAIRPERSON VACCA: Okay, thank you. No
8 further questions.

9 CHAIRPERSON FERRERAS-COPELAND: We've
10 been joined by Council Member Treyger who will ask
11 his questions and then we will be ending this portion
12 of the hearing, and we've been joined by Council
13 Member Garodnick. Council Member Treyger?

14 COUNCIL MEMBER TREYGER: Thank you very
15 much, Chairs, for this important hearing. I just have
16 a question on some of the items, the new items in the
17 Executive Budget. I see here there's an item,
18 housing recovery office development ITCS. The Fiscal
19 2016 Executive Plan includes 1.6 million dollars in
20 federal funding in Fiscal Year 2015 for the internet
21 training and consulting services to track progress in
22 property restoration for the HRO program. Isn't that
23 redundant in the Sandy-Tracker bill that was passed
24 by this council and is supposed to be doing exactly
25 just that?

2 JOHN WINKER: Those funds are to enhance
3 the tracking, enhance the tracker. It's basically
4 for database support and tracking.

5 COUNCIL MEMBER TREYGER: Well, we need
6 to, I think, have follow up discussion on that
7 because the tracker historically has not been updated
8 the way, and I guess this might be needed to address,
9 but that is news to some of us here. I just want to
10 make sure that there's adequate funding for homes
11 being rebuilt and not just adding layers and layers
12 and more consultant services. So, I would like to
13 have a follow-up conversation about these additional
14 tracking devices when we still need to get homes
15 rebuilt. I also have a question about the Link
16 program, and forgive me for just trying to take it
17 back to a very simple level. Explain to me how this
18 actually is supposed to work, because I believe that
19 neighborhoods I represent are a part of that, are
20 victims of the digital divide or digital deserts.
21 There are pockets of the city that have free Wi-Fi in
22 parks and areas, and many neighborhoods in Southern
23 Brooklyn do not have that type of access or Cable
24 Vision will give you 30 minutes of free Wi-Fi and
25 then the rest you have to pay if you're not a

2 customer. Can you explain to me how Link is supposed
3 to address the digital divide in neighborhood I
4 represent in Southern Brooklyn? I'd like to hear
5 more about that.

6 COMMISSIONER ROEST: Okay. So, as we
7 roll out Link, again, we'll roll out 500 in the first
8 year and the following Links. We are working with
9 Community Boards and other elected officials to look
10 at where the placement should be, the greater
11 increases and the number of Links versus the
12 payphones will be in the outer boroughs, and we're
13 looking forward to, you know, continued conversation
14 about placement, especially of Links that roll out
15 later in the program. So, initially we're looking at
16 where existing payphones are because that's where we
17 have the infrastructure, but we are working with the
18 community around where they should be and you will
19 see the greater increases, again, in the outer
20 boroughs to get the greater coverage.

21 CHAIRPERSON VACCA: But I will say that
22 the criteria needs to address the issue of equity.

23 COMMISSIONER ROEST: Yes.

24 CHAIRPERSON VACCA: Because there are
25 areas that are already victims of digital divide, do

2 not have free Wi-Fi, do not--parks, or I mean, again,
3 I'll be very blunt about it, the entire, like for
4 example, Coney Island Beach Boardwalk. There are
5 parks in Southern Brooklyn that are major green
6 spaces; not one of them have free access to Wi-Fi
7 where children visit from classrooms and other
8 opportunities and there are parts of the city that
9 do. So, how are you addressing that with this
10 program? How are you going to, you know, engage
11 communities like that I represent to address this
12 digital divide that we have here in New York City?

13 COMMISSIONER ROEST: That is a--
14 obviously, it's a focus of this Administration and it
15 is very much part of the conversation around the
16 placement of these kiosks is to reduce the digital
17 divide, and we do look forward to working with the
18 communities on just how that will work. we've got
19 several of the kiosks that will be placed that don't
20 have a location yet, and the criteria will include,
21 and it will be a forefront of the conversation around
22 addressing the digital divide and making sure that
23 there's equity in the distribution.

24 COMMISSIONER ROEST: I just want to point
25 out, and again, this is also probably from the last

2 Administration when they did have these free Wi-Fi
3 opportunities, not one location was picked in
4 southern Brooklyn, not one. Not just my district,
5 but I didn't see anything in southern Brooklyn
6 selected for free Wi-Fi access. I'm just pointing it
7 out for the record, and that's also part of the Parks
8 Department responsibility and others, but in reality,
9 we have a regional divide happening in New York City,
10 and I'd really like to follow up with your office to
11 make sure that we're addressing that in areas I
12 represent as well. Thank you.

13 COMMISSIONER ROEST: Yes, we'll look
14 forward to that conversation.

15 CHAIRPERSON VACCA: Thank you, Chairs.

16 CHAIRPERSON FERRERAS-COPELAND: Thank
17 you, Council Member Treyger. Thank you very much for
18 coming to testify here today, Commissioner.

19 COMMISSIONER ROEST: Thank you.

20 CHAIRPERSON FERRERAS-COPELAND: If we
21 have additional questions, we'll be getting it to
22 you. So if you can respond to all of our committees,
23 we'd greatly appreciate it, expeditiously. We've
24 been joined by Council Members Gentile and Van
25

2 Bramer. We're going to take a five minute break
3 before we begin with our next agency, DFTA.

4 [break]

5 CHAIRPERSON FERRERAS-COPELAND: We will
6 be resuming the hearings in about approximately two
7 minutes while we get the tech--we're having some
8 technical difficulties. We just want to welcome
9 everyone to City Hall and to inform you that during
10 budget hearings we do not have any heckling, noise
11 making or even clapping. I know, it's hard to
12 believe, but you can do this. You wave your hand and
13 this lets us know that you're clapping. So those are
14 our silent claps. So, we'll be starting in a few
15 minutes, as soon as we get this technical glitch
16 resolved. And I know that we have approximately over
17 100 seniors outside, so we're going to be
18 accommodating more seniors in locations where we are
19 televising the hearing, so that everybody has an
20 opportunity to hear. So, if you have friends out in
21 the gallery, in the rotunda or outside, please let
22 them know that we are going to be accommodating them
23 as soon as possible. Okay? Alright. Okay.

24 [gavel]

2 CHAIRPERSON FERRERAS-COPELAND: We will
3 now resume the City Council's hearing on the Mayor's
4 Executive Budget for FY 2016. We just heard from the
5 Department of Information and Technology and
6 Telecommunications, and now we will hear from Donna
7 Corrado [sp?], Commissioner of the Department of
8 Aging. The Finance Committee is now joined by the
9 Committee on Aging chaired by Council Member Chin and
10 the Subcommittee on Senior Centers Chaired by Council
11 Member Vallone. In the interest of time, I will
12 forgo making an opening statement, but before we hear
13 testimony I will open my mic to my co-chairs, first
14 Council Member Chin followed by Council Member
15 Vallone.

16 CHAIRPERSON CHIN: Thank you to our
17 Finance Chair. Good morning. I am Margaret Chin,
18 Chair of the Committee on Aging. Welcome to the
19 Fiscal 2016 Executive Budget hearing for the Aging
20 Committee held jointly with the Committee on Finance,
21 chaired by Council Member Julissa Ferreras-Copeland
22 and the Subcommittee on Senior Center chaired by
23 Council Member Paul Vallone. Today, we will hear
24 testimony from the Department for the Aging, also
25 referred to as DFTA, on its proposed budget for

2 Fiscal 2016 and general agency operation within its
3 proposed 269.2 million dollar budget. At the Fiscal
4 2016 Preliminary Budget hearing I challenged the
5 Administration to present a Fiscal 2016 Executive
6 Budget for DFTA that was in line with the Mayor's
7 overall vision for the city's Fiscal 2016 budget, one
8 that is fiscally responsible, progressive and
9 especially honest. And it's clear from looking at
10 the agency's Executive Budget that the Administration
11 did not meet this challenge. We do appreciate the
12 funding allocated by the Administration to expand
13 home-delivered meals and geriatric mental health for
14 seniors. We're also glad to see the Administration
15 take steps to ensure the continuation of our NYCHA
16 senior clubs. However, we are also facing a more than
17 three million dollar loss in funding that was base
18 lined, funding for social adult daycare, for senior
19 centers and senior services agency. At the same
20 time, the Administration hasn't base lined any
21 council initiative from last year, even council
22 funding that supports core agency programs, and the
23 two million dollars we all thought would be in the
24 budget for the elder abuse RFP is just 800,000
25 dollars. I would like to take this opportunity to

2 highlight some specific area in which DFTA needs
3 additional funding to support its core mission in
4 hopes that the agency's adopted budget will reflect
5 these needs: 4.3 million dollars to support senior
6 center operation of which three million to support
7 under-funded senior center in DFTA's network, 800,000
8 dollars to enhance funding for base lined senior
9 center space cost, and 500,000 dollars to bolster
10 support for base lined senior center's transportation
11 cost, three million dollars to address the wait list
12 of almost 2,000 pending cases awaiting case
13 management services across the city. An additional
14 three million would allow DFTA to maintain the
15 current case management ratio and fund 24 additional
16 case managers and 14 supervisors, 4.25 million to
17 address the homecare waitlist, which would provide
18 eight hours of homecare services per week to over 500
19 wait listed clients. Altogether, this adds up to
20 approximately 11.5 million in additional funding,
21 which equates to the decreasing funding when
22 comparing DFTA's 2016 Executive Budget to its Fiscal
23 2015 adopted budget. We are going into our final
24 month with big gaps, and we're going to really need
25 the Administration to step up and help us address

2 these gaps. We are talking about our city's most
3 vulnerable population. One in five seniors in our
4 city lives in poverty. What we need is a budget that
5 really makes seniors a top priority, and this budget
6 right now is not it. But before I introduce Council
7 Member Paul Vallone, Chair of the Subcommittee on
8 Senior Centers, I would like to thank our committee
9 staff for their work in preparing for this hearing,
10 Doheni Sampora [sp?], our Senior Legislative Finance
11 Analyst, Eric Bernstein [sp?], our Counsel to the
12 Committee, and James Budhe [sp?], Policy Analyst to
13 the Committee. And we will now hear from Council
14 Member Vallone followed by the DFTA Commissioner
15 Donna Corrado. Thank you.

16 CHAIRPERSON VALLONE: Thank you, Madam
17 Chairs, and a special good morning and a thank you to
18 the seniors and the advocates who are here today and
19 have been with us at every hearing, and I will never
20 give up the fight for our seniors. For all of you
21 coming out today, God bless you and keep it up. So,
22 my name is Paul Vallone and I am the Chair of the
23 Senior Center's Subcommittee. I'd like to start by
24 echoing the sentiments of Council Member Chin and
25 Chair Ferreras regarding DFTA's Fiscal 2016 Executive

2 Budget. Although an additional 1.8 million for home-
3 delivered meals is a great way to start the agency's
4 budget for Fiscal 2016 and the in the out years, it
5 is not enough to address the many funding shortfalls
6 across the agency. With a rapidly growing senior
7 population, how can we as a city be expected to
8 provide them with the best care and services while
9 faced with stagnant funding that does not reflect
10 growth? In just 10 years, the population of seniors
11 of this city will increase by 50 percent, in just 10
12 years. One more time, the senior population will
13 increase by 50 percent, and this budget didn't go up
14 by a dollar. To me, if that's not a cut, I don't
15 know what is. The Council's Fiscal Preliminary
16 Budget response called upon the Administration to
17 increase base line funding for the DFTA, included a
18 council allocation of 4.3 million for core senior
19 center operational expenses, which supported
20 underfunded senior centers and enhanced funding for
21 space and transformational cost. The Council
22 strongly believes that funding for core senior center
23 expenses is solely the responsibility of the
24 Administration, as it is a vital part of DFTA's
25 mission. In addition, relying on one-time council

2 funding year after year compromises the consistency
3 of services that senior centers provide, as this
4 funding is not guaranteed and our dear centers have
5 to scramble every year to try to make programs
6 continue. Council also called upon the
7 Administration to expand funding for our NORCs, the
8 Naturally Occurring Retirement Communities, and the
9 Neighborhood Naturally Occurring Retirement
10 Communities by three million. These are a vital part
11 of DFTA's network to serve seniors and is a program
12 that has tangible benefits for seniors across the
13 city. Unfortunately, the Administration did not heed
14 these calls for additional funding. It is my hope
15 that there is still time to work with the
16 Administration to include much needed additional
17 funding for DFTA. Simply put, now's the time for age
18 equality and a budget that is properly reflected for
19 the overwhelming number of seniors in our city.
20 DFTA's budget is denying that right to our seniors to
21 remain in our homes, our communities and receive the
22 services that they need and deserve. We have a great
23 Commissioner in Corrado, and she's done great strides
24 in the time she's been there. Now we need her to
25 continue this fight for what we're all asking for

2 with the Administration, and that's what this hearing
3 is for, to hear that vision and to make sure that our
4 cries are heard loud and clear. So, now, if we could
5 have the Commissioner sworn in?

6 CHAIRPERSON FERRERAS-COPELAND: My counsel
7 will swear you in, and then you may begin your
8 testimony, Commissioner.

9 COMMITTEE COUNSEL: Do you affirm that
10 your testimony will be truthful to the best of your
11 knowledge, information and belief?

12 COMMISSIONER CORRADO: I do.

13 COMMITTEE COUNSEL: Thank you.

14 COMMISSIONER CORRADO: Good morning,
15 Chairpersons Ferreras-Copeland, Chin, Vallone,
16 Koslowtiz, and Rosenthal. I am Donna Corrado,
17 Commissioner of the New York City Department for the
18 Aging and I'm joined today by Joy Wang, our Associate
19 Commissioner for Budget and Fiscal Operations, and
20 we're here to discuss DFTA's Executive Budget for
21 Fiscal Year 2016. FY 16 Executive Budget projects
22 269.2 million in funding. This includes allocations
23 of 114 million to support senior centers, 36 million
24 for home-delivered meals, 24 million for case
25 management services, 18 million to support home care

2 for homebound seniors who are not Medicaid eligible,

3 6.5 million for Naturally Occurring Retirement

4 Communities, and four million for caregiver support

5 services. As you know, one of DFTA's priorities in

6 Fiscal Year 16 is to address geriatric mental health

7 needs. In the last few months, we've joined with

8 First Lady Chirlane McCray in launching her mental

9 health initiative to shatter the stigma. We held a

10 roundtable discussion at DFTA and visited senior

11 centers and geriatric mental health clinics to focus

12 on the mental health needs of older adults, and the

13 Fiscal Year 16 Executive Budget includes 1.4 million

14 for geriatric mental health services at more than 20

15 centers citywide. As the number of older adults in

16 New York continues to rise, the number of seniors who

17 are frail, living in poverty and experiencing food

18 insecurity increases concomitantly, and consequently

19 the demand for services such as home-delivered meals

20 has grown. In Fiscal Year 16 Executive Budget it

21 includes an additional 1.8 million to expand the

22 capacity of the home-delivered meals network by five

23 percent. This will result in an increase of more

24 than 200,000 home-delivered meals or 800 additional

25 clients being served. DFTA is working with the New

2 York City Housing Authority to transition 17 senior
3 clubs to DFTA's sponsorship beginning July 1st of
4 2015. These programs will be operated by our
5 community based provider network, and services at
6 these sites will include a combination of education,
7 recreation, health promotion, and case assistance.
8 DFTA is in the process of identifying the 17 sites
9 and has begun planning for this transition. Given
10 the fact that more than 20 percent of older New
11 Yorker live in poverty, connecting seniors to vital
12 safety-net programs is a hard priority, and in
13 collaboration with Single Stop, the Aging in New York
14 Fund, HRA, the Medicare Rights Center, Live on New
15 York, philanthropic partners and other stakeholders
16 DFTA launched an integrated benefits pilot program
17 citywide at 14 senior centers on June 1st, 2015.
18 Enrollment counselors provide eligibility screenings,
19 facilitated enrollment and recertification for a
20 range of benefits including SNAP, SCRE, Medicaid, and
21 Medicare low-income subsidy programs. One key State
22 Medicaid redesign effort is known as DSRIP, Delivery
23 System Reform Incentive Program, and DFTA has been
24 actively engaged in planning efforts with the Health
25 and Hospitals Corporation on their DSRIP initiatives

2 known as One City Health with the goal, of course, to
3 reduce hospitalizations and improve population health
4 outcomes. It is our objective at DFTA to become an
5 integral part of HHC's network of safety-net
6 providers via our evidence based health programming,
7 care transition initiatives and other supportive
8 services. New York Connects: Choices for Long Term
9 Care is a statewide system that provides
10 comprehensive information on long term care services
11 and supports regardless of age, income, disability,
12 or diagnosis. DFTA will have oversight and monitoring
13 responsibility as a local administrative agency for
14 New York Connects in New York City. In this role,
15 DFTA will be working with HRA, the Mayor's Office for
16 Persons with Disabilities and other stakeholders to
17 establish a no wrong door hub under New York
18 Connects, and we will receive 6.8 million to launch
19 New York Connects locally. DFTA is working in close
20 collaborating with the Department of Homeless
21 Services to establish an aftercare program for older
22 adults exiting shelter with a Link IV subsidy. This
23 aftercare includes assisting clients with
24 establishing themselves in the community and linking
25 them to neighborhood resources, especially programs

2 available through the DFTA Older Adults Service

3 Network. The overall goal of this program is to

4 ensure the clients remain housed and to not return to

5 shelter, and the expectation is that their service

6 needs are met and they are connected to the resources

7 in their community. In Fiscal Year 15, DFTA

8 established its Volunteer Resource Center to

9 centralize recruitment, training and to track

10 volunteers for agency programs. This was made

11 possible with the generous support from New York City

12 service. The agency program include health

13 promotion, health insurance information counseling

14 and assistance program, foster grandparents, bill-

15 payer services, and new initiatives focused on

16 increased enrollment and entitlements and benefits.

17 Active recruitment of volunteers began in January of

18 2015, and since then, the Volunteer Resource Center

19 has recruited 320 volunteers. On May 21st, DFTA and

20 New York City Service co-sponsored a summit to

21 support our network providers in strengthening their

22 agency's volunteer infrastructure. Through a

23 Council-funded planning grant, the Community Resource

24 Exchange is assessing opportunities to develop a NORC

25 in Far Rockaway and Staten Island, and the final

2 report will be completed and shared with the Aging
3 Committee later this month. As you are aware, under
4 Local Law Nine of 2015, DFTA is required to create a
5 registration process for all social adult daycares
6 and do designate an Ombudsman person and to develop a
7 system to receive comments and complaints regarding
8 any social adult daycare in New York City and mandate
9 that all social day care programs post signage
10 indicating the designated Ombudsman person and their
11 contact information, and currently DFTA is in the
12 midst of rule-making process to implement Local Law
13 Nine. In the meantime, the State Department of
14 Health in conjunction with the State Office of the
15 Medicaid Inspector General and SOFA, the State Office
16 for the Aging, has established a new annual self-
17 certification process for social adult daycare
18 programs. Self-certification must be completed by
19 June 30th, 2015 for social adult daycare sites
20 contracting with managed long-term care plans, and
21 the certification will attest to social adult
22 daycare's compliance with SOFA program regulations.
23 Until certification has been successfully completed,
24 no MLTC plan can enter into a new contract with that
25 social adult daycare center. I'd like to thank you

2 for the opportunity to testify about DFTA's Executive
3 Budget for Fiscal Year 16 and to update you on some
4 of the programs that we've been involved with of
5 late, and I look forward to continuing the
6 partnership with the City Council in these efforts,
7 and I am pleased to answer any questions. Thank you.

8 CHAIRPERSON FERRERAS-COPELAND: Thank you,
9 Commissioner. We've been joined by Council Members
10 Koslowtiz, Rosenthal, Arroyo, Cohen, Deutsch, and
11 Rose. Commissioner, you know, today is a day where
12 this council is really questioning where the
13 priorities are set by this Administration, and we're
14 having a challenge understanding why out of 78
15 billion dollars DFTA is at 0.3 percent, recognizing
16 that the prior Administration didn't do that much
17 better. So, if we're trying to get out of or out
18 from behind these issues, you know, our question is,
19 when you place your new needs what happened with OMB?
20 What was their response? Because the council is here
21 to be your partner, but not to be funding or making
22 up for what the Administration didn't put in in the
23 executive. So can you speak to the new needs?

24 COMMISSIONER CORRADO: Sure. I can speak
25 to that, and I--you know, we're all on the same page.

2 We're all here committed and there's an amazing
3 commitment from the Council Members in terms of
4 advocating for senior services, and historically the
5 council has been a huge part of the funding way that
6 Aging Services have been funded in the past,
7 especially around discretionary funding and the
8 Mayoral funding, putting it together to come up with
9 the total budget, and I think that has to do with
10 some historical ways that programs and contracts have
11 been procured in the past, and I think that that
12 legacy has created a number of issues for the
13 Department for the Aging. And I know that the base
14 line funding was one way that that sort of helped the
15 situation a great deal, but--and we're moving in a
16 direction that it's not necessarily contingent and
17 that the council is not only funding core services
18 like you said. It should be part of the total
19 budget, and we're moving in that direction. However--
20 -

21 CHAIRPERSON FERRERAS-COPELAND:

22 [interposing] It just sends the council a bad message
23 that we have to fund core services, and even when you
24 base line, you send as a savings package, you send
25 three million dollars back.

2 COMMISSIONER CORRADO: Right. Well, that
3 was not--that was sent back as an efficiency, which
4 ever Commissioner was asked to come up with an
5 efficiency. Since DFTA budget is relatively small
6 related to many other departments, it's a larger
7 percentage, but that was an efficiency savings, and
8 we were complying with the request--

9 CHAIRPERSON FERRERAS-COPELAND:

10 [interposing] And I got to tell you--

11 COMMISSIONER CORRADO: we gave money.

12 CHAIRPERSON FERRERAS-COPELAND: I've sat
13 with several Commissioners, not everyone did a three
14 million dollar efficiency. Actually, people did
15 less, a lot of Commissioners. Some did zero
16 efficiencies, and I would have hoped that your agency
17 would have been one of those, because you're the one
18 that needs the most support. So, in line with my
19 original question of OMB and transparency, I just
20 want to--this council wants to understand what were
21 the new needs requests and which ones were denied by
22 OMB so that we understand what you put in as a need
23 and that OMB didn't give you, or were there no needs
24 submitted and you got exactly what you requested?

2 COMMISSIONER CORRADO: We, obviously, put
3 in for new needs requests, and we are still in
4 negotiations actually with the Mayor's Office and
5 with OMB on meeting some of those new needs requests.

6 CHAIRPERSON FERRERAS-COPELAND: Can you--

7 COMMISSIONER CORRADO: [interposing] So,
8 but I must say that this Administration is deeply
9 commitment to senior services and has made a
10 significant investment over prior years and over the
11 Bloomberg years where we've had significant cut after
12 cut after cut. Is there a greater need? Of course
13 there is, and there is need for more funding, and
14 there is a way, I believe, that if we work together
15 we can move towards the day when we procure for all
16 services. So, Council, it's not necessarily a
17 significant portion that comes from the City Council,
18 although we'll always treasure and value your
19 partnership because we know you're as committed in
20 delegating your resources to senior services because
21 that's an important priority of yours as well. There
22 are a number of situation where we just cannot
23 procure because we do not have contracts in some
24 situations. Much of that prior discretionary moneys
25 we have no way to procure and the Administration has

2 no way to give it to us under the current guidelines.

3 So, there's no choice but having to use a council
4 discretionary monies to fund those programs.

5 CHAIRPERSON FERRERAS-COPELAND: Well,
6 understand and I think we all agree that this
7 Administration knows its seniors are very important.
8 What this council is saying, demanding, imploring,
9 asking, we will be pushing on negotiations is that
10 the budget reflect that, because currently the budget
11 does not reflect that statement. So, I'm going to go
12 and ask about mental health services. I know that
13 you mentioned this in your opening statement. DFTA's
14 budget includes funding for mental health services
15 for seniors to enhance those services by providing a
16 social worker at 20 centers in DFTA's network of 256
17 senior centers. I understand that DFTA intends for
18 these social workers to be contracted. Which 20
19 senior centers will have the social worker and how
20 were these 20 chosen? How many social workers will
21 be hired for the 20 centers, and how many did DFTA
22 originally ask OMB to hire, and will the senior
23 centers have to share a social worker, and if so, how
24 would that arrangement work?

2 COMMISSIONER CORRADO: Okay. So, we're
3 very excited about getting additional resources into
4 our senior centers, and certainly mental health was
5 an identified need and an identified need from our
6 provider community that actually advocated for mental
7 health services and rightfully so. So, the 1.4
8 million will help us actually develop a program, and
9 we want to develop it in the best way possible.
10 Instead of just throwing money and assuming that
11 we'll be able to hire 250 social workers which may or
12 may not exist, qualified social workers that will go
13 and work in a senior population, we wanted to do this
14 in a very careful and a very planful manner and
15 design a program that's actually going to work. So,
16 the fact that 20 of our largest centers will be
17 served, so we've set a criteria of a minimum of 100
18 seniors attending the center. We'll probably allow
19 us to hire through our contracted providers at least
20 13 full time geriatric mental health workers. So
21 we're saying social workers, but we're opening that
22 to mental health workers, be it social workers or
23 psychologists or anybody that's qualified to work
24 with seniors. So they'll be doing a combination of
25 mental health services and most likely because a lot

2 of evidence-based programming around mental health
3 issues, but also some case assistance and having a
4 presence in the senior center and meeting the senior
5 where the senior's at. So, we're actually--you know,
6 the whole gist of this whole initiative is to bring
7 mental health to where the people are, and certainly
8 seniors will be served and served well. We'll
9 evaluate the program and naturally try to grow the
10 program in the out years.

11 CHAIRPERSON FERRERAS-COPELAND: So, I
12 just want to be clear because we kind of were going
13 back and forth within my own Finance Division. It is
14 20 of the largest senior centers?

15 COMMISSIONER CORRADO: Yes.

16 CHAIRPERSON FERRERAS-COPELAND: And do
17 you have a list? Have you identified them?

18 COMMISSIONER CORRADO: We will share that
19 list with you.

20 CHAIRPERSON FERRERAS-COPELAND: Okay. We
21 would like you to share that as soon as possible.

22 COMMISSIONER CORRADO: And its, you know,
23 we wanted to have all five boroughs covered in a
24 geographic diversity and all of that. So we've
25 chosen five. So if one, for example, if it's one

2 agency that serves more than one senior center there
3 may be some economies of scale. So it won't be--it
4 won't translate necessarily into 20 centers, 20
5 workers, it might be around 12 or 13. So there may
6 be one worker covering more than one center.

7 CHAIRPERSON FERRERAS-COPELAND: So, what
8 is the average salary you're expecting for the MSW's?

9 COMMISSIONER CORRADO: We have an average
10 salary of 65,000 because it requires some experience,
11 and then we built in a fringe on top of that as well.

12 CHAIRPERSON FERRERAS-COPELAND: Okay. So
13 65 and fringe?

14 COMMISSIONER CORRADO: Uh-hm.

15 CHAIRPERSON FERRERAS-COPELAND: And just
16 for clarity, are you contracting this out?

17 COMMISSIONER CORRADO: Yes. We'll be
18 contracting this out and we will be supporting it in
19 terms of supervision and developing hopefully a very
20 robust program, because I don't believe that you just
21 put workers out there and let them sink or swim.

22 This is something that we want to number one,
23 evaluate, train and support as well. So there's
24 funding in there to provide those additional
25 supports.

2 CHAIRPERSON FERRERAS-COPELAND: And while
3 I know, you know, of course we don't want anyone to
4 sink or swim, but thinking future, what would--have
5 you calculated what the cost would be to put a
6 worker, if not in all but in most senior centers,
7 what would that cost be?

8 COMMISSIONER CORRADO: We're assuming that
9 would be close to 10 million dollars.

10 CHAIRPERSON FERRERAS-COPELAND: Ten
11 million?

12 COMMISSIONER CORRADO: Uh-hm.

13 CHAIRPERSON FERRERAS-COPELAND: Okay. In
14 our budget response, the Council called upon the
15 Administration to include five items related to DFTA
16 and the Executive Budget including base lining
17 funding for core senior center operations, cutting
18 the case management wait list, cutting the home care
19 wait list, increasing support to NORCs and fully
20 funding the NYCHA managed senior centers. Of those,
21 the first four were not included and the last one
22 only partially. Were any of those five items also
23 DFTA's priorities that were presented to OMB? If so,
24 which ones?

2 COMMISSIONER CORRADO: Can you repeat
3 them again?

4 CHAIRPERSON FERRERAS-COPELAND: Sure.
5 Base line funding--

6 COMMISSIONER CORRADO: [interposing]
7 Certainly, the--

8 CHAIRPERSON FERRERAS-COPELAND: of the
9 core services, was that part of your OMB--

10 COMMISSIONER CORRADO: [interposing]
11 We're still in negotiations actually on base line
12 funding.

13 CHAIRPERSON FERRERAS-COPELAND: So it is?

14 COMMISSIONER CORRADO: Yes.

15 CHAIRPERSON FERRERAS-COPELAND: You're
16 negotiating, okay. Cutting the case management wait
17 list?

18 COMMISSIONER CORRADO: Yes, that is as
19 well.

20 CHAIRPERSON FERRERAS-COPELAND: Cutting
21 the--

22 COMMISSIONER CORRADO: [interposing] And
23 those negotiations are ongoing.

24 CHAIRPERSON FERRERAS-COPELAND: Okay.
25 Cutting the home care wait list?

2 COMMISSIONER CORRADO: Yes.

3 CHAIRPERSON FERRERAS-COPELAND:

4 Increasing support for NORCs?

5 COMMISSIONER CORRADO: Yes.

6 CHAIRPERSON FERRERAS-COPELAND: And fully
7 funding the NYCHA-managed senior centers?

8 COMMISSIONER CORRADO: Yes.

9 CHAIRPERSON FERRERAS-COPELAND: Okay. So
10 I'm going to follow up on the second round. I want to
11 give my colleagues an opportunity to ask questions.
12 We've been joined by Council Member Treyger. We will
13 now hear from Chair Chin followed by Chair Vallone.

14 CHAIRPERSON CHIN: Thank you.

15 Commissioner, I think all these years in the City
16 Council ever since I got here I always say you are
17 our Commissioner, right, during the last
18 Administration, and we love you and we love DFTA, and
19 we always work in partnership. So in this new
20 Administration I try to share, right? I wouldn't
21 call you just our Commissioner. I'm willing to share
22 with the Mayor. What I said in my earlier statement,
23 the Administration of the Mayor didn't meet the
24 challenge that I put forward, and we're talking about
25 the core services and for DFTA with your small agency

2 budget, and then you were asked to give back
3 efficiency savings. You have nothing. You have no
4 fat, right? You guys are bare boned, right? So what
5 do you have to give back? I know you did something
6 about some computerized program and there was 500,000
7 dollar savings, whatever. Okay, that you can give
8 back. But money for social adult daycare and money
9 for information referral service contract money for
10 senior centers? Couldn't you have used that three
11 million dollar and amend some of the contract that
12 you have with senior centers and with social service
13 providers? Couldn't you have used that money?

14 COMMISSIONER CORRADO: Well, we could
15 always. We could always use more money, but we did
16 get a net increase. So, while we gave back 3.1, we
17 got back 14. Something. So it was a net increase.
18 So we were compliant. When we were asked for cost
19 efficiency, we have one of the best and most greatest
20 negotiators in terms of our budget director associate
21 Commissioner for Budget and Fiscal, and she was being
22 responsible and doing what was asked of her. And you
23 know, had I known that, you know, this was definitely
24 not something that was a peg in any way, shape or
25 form. So, let's, you know, put that out there, that

2 this was an efficiency that would come back to the
3 agency in which in our sort of our understanding of
4 it, it actually is. So, it's being reinvested into
5 the Department.

6 CHAIRPERSON CHIN: But, you know, in the
7 last Administration we were talking among our
8 colleagues and staff, you know, in the past
9 Administration they do this thing called Peg.

10 COMMISSIONER CORRADO: This is not a peg.

11 CHAIRPERSON CHIN: It was according to
12 the size of your budget, percentage, right? So,
13 three million dollars is a lot of money if your
14 budget is 269 million dollars. So, it's not fair to
15 begin with. And being an agency that really provides
16 this critical service, I just disagree. I just think
17 that you should have fought, you know, and say, "Hey,
18 we can--you should give us more money." Instead of
19 like having us give back, right? Sometimes it's like
20 why do we have to be the nice one, right? Why?
21 We're fighting for the seniors, right? We got to
22 make sure we get every cent, because we need it. So,
23 that one, we better get that money back. That's what
24 I'm saying, because like I wanted to ask about the
25 social adult daycare program, right? You gave back

2 400,000. That was base lined. Last year, the City
3 Council, we fought very hard to enhance the social
4 adult daycare budget. I remember the fight we had,
5 okay, in BET. We got an extra 600,000 dollars. So,
6 if you put that together, that's a million dollars
7 for the good social adult daycare, okay? We passed a
8 law to monitor the one that's popping up all over the
9 place, but these are the ones that have been serving
10 the vulnerable senior population, seniors with
11 Alzheimer's, dementia. So that would have been a
12 million dollars that could have--an RFP out, right?
13 So that these centers can continue their service, but
14 then because of efficiency saving, you gave them back
15 the 400,000 that we fought very hard for years ago.
16 Why?

17 COMMISSIONER CORRADO: I'm not going to
18 defend that, but I will say that that 400,000 was
19 split between 10 programs providing a very small
20 percentage of any one total program. So, while it
21 was very valuable and we appreciate that, and we hope
22 that you will continue to consider funding social
23 adult day in the future, it was not the total cost,
24 and more and more of those programs are moving
25 towards Medicaid and having different ways to piece

2 together funding for those programs. So, they did
3 not abolish a program completely, but certainly there
4 is some--

5 CHAIRPERSON CHIN: [interposing] But that
6 means some of these centers they lost hours. They
7 lost workers. I mean, it's going to affect those
8 programs, even though it's not a large pot of money,
9 but I'm just saying with that 400,000 and the 600,000
10 that we fought for last year, that was a million
11 dollars, right? So, that's a substantial amount of
12 money that can really help these good quality social
13 adult daycare programs that are so greatly needed.

14 COMMISSIONER CORRADO: And I would hope
15 that we continue that partnership so that these
16 programs can--

17 CHAIRPERSON CHIN: [interposing] Well, we
18 want to make sure the Administration hears that,
19 especially our Mayor. And then the other thing that
20 I know our Chair, Finance Chair, talked about was the
21 wait list. Now, when you--I'm really interested in
22 the conversation you had with OMB. Is that when you
23 told them that we need three million to take care of
24 2,000 seniors waiting for case management, waiting to
25 get assessed whether they can qualify for Medicaid or

2 home care service or other vital service, when you
3 told OMB that you got to take care of these 2,000
4 seniors on wait list, what was their reaction?

5 COMMISSIONER CORRADO: You know, these
6 conversations are still ongoing, and their
7 conversations with me and my staff are around how we
8 can manage those wait lists. Because as we all know,
9 wait lists just go on and on and on. As soon as we
10 fund a wait list there's another wait list. So what
11 creative ways can we programmatically think about to
12 really address the wait list in a very aggressive
13 way? So those, it's not a final discussion. The
14 door is not closed there.

15 CHAIRPERSON CHIN: Well, I mean, it's good
16 to have the discussion, you know, in terms of long
17 term planning. You know, the program put in place
18 and how much money you could put in the out years for
19 it, but to really show that they are concerned about
20 these 2,000 seniors that are waiting for critical
21 services, they should have put some money. They
22 should have put that money into the budget.

23 COMMISSIONER CORRADO: Let me be clear,
24 there are--everyone on the wait list, for example, is
25 being monitored, and if they need a home delivered

2 meal, for example, they're receiving that. There's a
3 presumptive eligibility. So there are ways that we
4 have been managing this, and ideally, you know, we
5 will have the resources at some point, either A,
6 through other ways of managing wait lists and
7 technology that we can serve more clients, see more
8 clients, assess them more readily through technology
9 and other means, but we are not ignoring them.

10 CHAIRPERSON CHIN: I see some conflicts
11 here, alright, Commissioner? Last year, the
12 Administration in the preliminary budget, put in
13 money, 2.6 million to cut the case load, and that was
14 great; we applaud that, right? We know that the case
15 load was too large.

16 COMMISSIONER CORRADO: Right, and now
17 it's not.

18 CHAIRPERSON CHIN: So, I mean, how do you
19 support cutting the caseload not dealing with a wait
20 list? Of course, if more people find out about it,
21 because there are more seniors--the senior population
22 is growing. There's going to be more seniors needing
23 these services. That's a given.

24 COMMISSIONER CORRADO: And those
25 conversations are ongoing, because at the face value,

2 we have to also look at a responsible way why those
3 wait lists exist, and it's not always obvious because
4 there's more seniors. It may very well be because we
5 don't have enough workers and there's vacancies in
6 programs. So we're evaluating all that now and in
7 constant discussion with OMB.

8 CHAIRPERSON CHIN: Well, we got adopt this
9 budget by, you know, this month, right?

10 COMMISSIONER CORRADO: Yes.

11 CHAIRPERSON CHIN: And we will have a
12 hearing with OMB next week, but you got to jump the
13 line or something. Okay? The compensation can't
14 keep on going. You got to get to a point where we
15 need that money in the budget, right?

16 COMMISSIONER CORRADO: Understood.

17 CHAIRPERSON CHIN: So, but I'll follow up
18 with more questions. I got to defer to my
19 colleagues. So, Council Member Vallone, Chair
20 Vallone?

21 CHAIRPERSON VALLONE: Chair Chin, we will
22 help you jump that line. We will make a big line to
23 get in front of that line. Thank you, and a big--for
24 Margaret Chin, because she is an amazing chair of our
25 aging committee and for Julissa Ferreras fighting the

2 fight with finance. The superwomen are in the house
3 over here to my left and right. So, you know, I
4 think we all have a vision and we all try to achieve
5 that vision the best way we can, and I think we all
6 fight and advocate in different ways. I think
7 whether we're on a Community Board or a civic
8 association, or work at a senior center or provide
9 homecare services or elder law professionals we all
10 wear those different hats, and your task as huge as
11 it is it to weigh all those and take the money that's
12 provided by the Administration and try to do all
13 that. I think what we're saying is it's not enough.
14 There is no way with the budget that was given to you
15 that you can do all that. So, we as the partners
16 want to fight and advocate for that, and whether the
17 Administration needs a wake-up call or OMB has to
18 stop coming to this agency for cuts, it's just not
19 fair. It isn't. So, when we have these committee
20 hearings and we listen to the topics throughout the
21 year and we listen to the advocates and the seniors
22 that come who want to live with dignity as we age no
23 matter where we choose to live, whether it's an
24 apartment, a home, a condo, a senior center, some
25 place that we can call home, and then we look to our

2 city to say, "How can we help our seniors to achieve
3 that dignity?" And if we look at his budget, it
4 doesn't do it. It doesn't. So, to pick and choose,
5 we're going to put one million here and something
6 there, and we're going to have 20 social workers as
7 opposed to full [sic] social workers, we need more.
8 And it's impossible to go back to any of our
9 districts or sit on this committee and say we did our
10 job. We have to do more. So, there's so much, and
11 I'm proud of Council Member Ferreras and Chin for
12 bringing up the major points, because our response I
13 thought was a very good response that the staff and
14 the Council Members put together from the preliminary
15 budget to address in not multi-millions but with
16 short amount of money we can do to address these
17 critical areas. And I think Chair Ferreras outlined
18 that well. When we looked at the baseline funding
19 for senior centers we put 4.3 million to cut the case
20 manager wait list like Chair Chin was saying three
21 million, to cut the home care wait list 4.2 million,
22 to increase NORCs which are an essential part of the
23 city three million, and to fully fund the NYCHA
24 senior centers, I know there's partially. Those were
25 not included in the Executive Budget. So to--it

2 makes it very difficult for us to say, "Hey, we've
3 got a victory that we can reach out to our seniors."
4 So, I think the first question I'll start with is one
5 that was handed to me, and we get calls all the time
6 and we get folks that come and say, "Help us." And
7 here's one from the community itself to an unnamed
8 senior, "Please do not cut the funding for social
9 adult day programs. Without these programs, many
10 seniors and their caregivers will be affected. These
11 programs allow individuals who have memory
12 impairments a program they can attend and participate
13 to provide cognitive and physical stimulation an
14 opportunity to socialize. Caregivers are reassured
15 that their loved ones are safe in a secure
16 environment and allow the caregiver time to handle
17 other responsibilities to continue to care for their
18 loved ones at home." So if funding for social adult
19 daycare is cut, what will happen to programs such as
20 SHARP, which is Self-Help for Alzheimer's Resource
21 Program? That would be the first way--

22 COMMISSIONER CORRADO: [interposing]

23 That's the first way. And let me just say that those
24 conversations are still ongoing as it relates to
25 social adult daycare, and I don't believe that we

2 fully fund any one individual program, so there will
3 be a piece of the program of SHARP that they may have
4 to find alternative ways to pay for those individual
5 clients that are covered under the small amount of
6 funding that any one program gets, but those
7 conversations are ongoing, and there are a number of
8 social adult daycare programs that currently exist
9 that did not exist five and 10 years ago. Granted,
10 many of them are questionable, hence the bill of, you
11 know, to monitor and regulate some of those social
12 adult day centers. So, I'm saying not all of them are
13 stellar, but there are a good number of them that now
14 serve our communities that did not exist before, and
15 some of them do a great job of doing that. So, their
16 proliferating is not necessarily a bad thing, and the
17 ones that DFTA historically funded and ran were a
18 small percentage of the ones that currently exist.
19 So, to keep them going I believe is important, but we
20 cannot necessarily even compete with the ones that
21 have Medicaid funding and that are run privately and
22 have beautifully facilities, and hopefully we'll meet
23 a need without taking advantage of our seniors. So
24 there has to be some balance there and I'm hopeful
25 that with these new regulations, both from the city

2 and at the state level, that that will cost correct,
3 and we'll have some regular programs and it'll be the
4 survival of the fittest. Only the best programs will
5 survive in the community.

6 CHAIRPERSON VALLONE: Well, that's
7 exactly what we try to stop is the survival of the
8 fittest, and--

9 COMMISSIONER CORRADO: [interposing]
10 Right.

11 CHAIRPERSON VALLONE: taking five dollars
12 from here to put 10 dollars over there and take away
13 this management program and to do this, and take away
14 the sixth meal--

15 COMMISSIONER CORRADO: [interposing]
16 Right.

17 CHAIRPERSON VALLONE: on Saturday so we
18 can have extended hours during the week. That's what
19 we're trying to stop. The 20 social work--the 20
20 social workers that Chair Ferreras had mentioned and
21 that you're planning to roll out, is that going to be
22 any percentage for borough by borough? I mean--

23 COMMISSIONER CORRADO: [interposing] All
24 five boroughs--

2 CHAIRPERSON VALLONE: [interposing] we
3 aren't really getting any--

4 COMMISSIONER CORRADO: will be covered.
5 We'll get that list to you shortly. It's just being
6 vetted now by MOCS, but it should represent all five
7 boroughs, like we said, and represent the largest
8 centers. So, we do have a minimum cut-off. We have
9 to establish some criteria and do it in a way that
10 was fair. So we'll be able to get that list to you
11 shortly.

12 CHAIRPERSON VALLONE: Well, I think
13 that's an example of something we can clearly go back
14 to the Administration and say, "Here's a good idea,
15 but it didn't quite get where it needed to be."

16 COMMISSIONER CORRADO: Well, we don't
17 know that yet, right?

18 CHAIRPERSON VALLONE: We don't, but--

19 COMMISSIONER CORRADO: [interposing] We
20 don't.

21 CHAIRPERSON VALLONE: this may be my last
22 chance to mention it, so I'm going to mention.

23 COMMISSIONER CORRADO: And I'm just
24 saying, you know, to implement a new program and
25 implement and enroll it in a way that makes sense

2 that we can develop it as we go along and evaluate
3 it, I think, is a prudent approach and a wise one.
4 So, you know, I'm not displeased. You know, would I
5 like a social worker in every center? Of course.
6 Would I like a psychiatric social worker in every
7 center? Of course, but it's a program. It's
8 untested, and we need to roll it out judiciously.

9 CHAIRPERSON VALLONE: Well, I think what
10 you could do in rolling it out is--obviously, I
11 believe it's going to work, because when we have our
12 hearings, it's one of the first things that our
13 advocates are asking for is additional services at
14 the center, whether it's legal help, social care or
15 psychiatric help or help for caregivers that are
16 coming and bringing their loved ones. There's all
17 different versions of the help that is needed at each
18 senior center. I think it's going to work. But there
19 was another aspect to it that's not addressed here,
20 which was the staff at the senior centers are leaving
21 because they're not getting paid adequately.

22 COMMISSIONER CORRADO: And that's exactly
23 why--

24 CHAIRPERSON VALLONE: [interposing] And
25 that's where--so you formed these trusting

2 relationships with someone that you see every day
3 that knows my mom, my dad, my spouse, my son, my
4 daughter's concerns and then that person is gone
5 within three to six months because they're paid
6 basically minimum wage, and then they're lost to
7 someplace else. What is the plan to address keeping
8 the workforce we have and supporting them with the
9 salaries they deserve?

10 COMMISSIONER CORRADO: Well, one of the
11 ways is when we built in a budget we actually set it
12 at a rate that we knew that we can actually hire
13 staff that are qualified to do the job. So we set
14 the salary higher than what was originally presented,
15 which was basically half of that, and when we did our
16 research I was actually appalled to see the salaries
17 that we do pay professional level workers in aging
18 services throughout the network, which comes to
19 reason why we have the great number of vacancies that
20 we do. So, anywhere where we can bring resources into
21 a senior center and hire qualified staff and
22 incentivize them to stay, we're going to do that. But
23 if--

24 CHAIRPERSON VALLONE: [interposing] So you
25 have the data that we need. That's exactly the fight

2 that we need to see. You were already showing that
3 you're short staffed because people don't want to
4 take the jobs or stay at the salary they're getting.
5 I think here's a clear example of the Administration
6 coming back saying we need to address this
7 immediately, because not only do we have an aging
8 tsunami as we've been taught very well as to our
9 terms, but we also have a crisis with the staff that
10 we're losing or trying to keep. So, not only are we
11 hiring new people, we're losing the ones we have.

12 COMMISSIONER CORRADO: That's correct.
13 And I mean, this budget does reflect a small increase
14 in a two and a half percent COLA, but we still need
15 to think about and advocate for, and we're currently
16 in negotiations with OMB around setting salaries for
17 staff and all of aging programs. So, I join with
18 you.

19 CHAIRPERSON VALLONE: Well, we're
20 encouraged by that. You know, and I think that's
21 where we, again, we stand together on all these
22 things. There's really not anything we're saying we
23 disagree with what you're doing. It's just we're
24 disagreeing that it's not being funded. There's a
25 basic principle that there's not even a program that

2 you put forward saying, "Nah [sic], I want you doing
3 that." They're all great. It's just we want them
4 expanded.

5 COMMISSIONER CORRADO: And I think it's
6 sometimes, you know, there are a limited number of
7 resources. So, in the future, I may ask that you
8 have patience, because there are other ways that we
9 can increase salaries, but it may be around something
10 like consolidation and consolidating programs so that
11 we can--where those opportunities exist so that we
12 can pay people a dignified wage, especially if
13 they're professional level workers, they go to
14 schools, they have educational debt, and we want a
15 qualified workforce.

16 CHAIRPERSON VALLONE: Well, I'll give you
17 another example and then we'll turn it over to the
18 other Council Members. We're also chairing a
19 taskforce together and we're talking about a lot of
20 things that are coming up, and one of them that's
21 prevalent today is elder abuse that has been ever-
22 increasing in many different forms and there's
23 numerous amounts of categories of the different forms
24 of elder abuse and to try to address the many forms
25 of elder abuse, whether it's financial, mental,

2 physical, from loved ones, from workers, from people
3 that we trust. There was an RFP that we're wanting
4 to issue for two million dollars, and that didn't
5 happen. So, to the best of your knowledge, why
6 didn't OMB include the additional two million for
7 elder abuse that was originally written into the RFP?

8 COMMISSIONER CORRADO: I think that those
9 are still ongoing negotiations with OMB. So, I
10 believe that will be resolved adequately.

11 CHAIRPERSON VALLONE: Wait a minute. We
12 resolved it or its--

13 COMMISSIONER CORRADO: [interposing] No,
14 we didn't resolve it yet, but it's an ongoing
15 negotiation. So we're fighting the good fight.

16 CHAIRPERSON VALLONE: Okay. With our
17 senior center base line funding, are there any DFTA
18 senior centers that you feel as a result of not being
19 adequately funded are in danger of closing? Are
20 there any additional senior centers that are being
21 picked up by DFTA?

22 COMMISSIONER CORRADO: I don't believe
23 that any senior center will be closed that DFTA
24 funds. There are some ones that we could not
25 procure, so they're completely discretionary and we

2 would look to the council to fund those centers so
3 that they do not close. Unfortunately, we have no way
4 to procure them in many instances.

5 CHAIRPERSON VALLONE: And one of the
6 things we talked about was the six day aggregate
7 meal. Are there any senior centers that actually
8 provide that now?

9 COMMISSIONER CORRADO: Yes.

10 CHAIRPERSON VALLONE: There are?

11 COMMISSIONER CORRADO: Yes.

12 CHAIRPERSON VALLONE: Is there any data
13 on how that's--are there other centers asking for
14 that, or is it a plan that we have--

15 COMMISSIONER CORRADO: [interposing] We do
16 have information.

17 CHAIRPERSON VALLONE: working?

18 COMMISSIONER CORRADO: [inaudible] [off
19 mic] There's currently 52 centers that are serving
20 that congregate six day meal.

21 CHAIRPERSON VALLONE: Okay, thank you.
22 Thank you, Chairs. I'll turn it back over to my
23 fellow Council Members.

24 CHAIRPERSON FERRERAS-COPELAND: Thank you,
25 Chair Vallone. So, I just want you to help me

2 understand. It seems that a lot of what we're
3 discussing you're saying that you're currently
4 negotiating with OMB. It is my understand that when
5 the Mayor puts out his Executive Budget, it's his
6 Executive Budget on what are his priorities, where
7 you are, that you've engaged. I understand that, you
8 know, when we have these moments, there's a couple
9 things that you may go back and negotiate. There are
10 a couple of things that--it just seems like there's a
11 lot of stuff that you're still talking about, you're
12 still negotiating and it's incredibly frustrating for
13 us to understand that, especially when they are
14 things that you've been talking about for a year and
15 a half. So, at what point do the negotiations--

16 [audience comments]

17 CHAIRPERSON FERRERAS-COPELAND: Please,
18 please. So, I just--I need to understand when do the
19 negotiations stop?

20 COMMISSIONER CORRADO: I don't think they
21 ever stop, and I'll tell you why. because I think,
22 and in all due respect, that the aging portfolio is
23 very different from other city agencies because of
24 the integration of council and discretionary monies
25 and base line and who's not base lining and all of

2 that historical stuff that needs to still get worked
3 out, and I think that that is one of the reasons why
4 this particular budget negotiation is still ongoing.
5 I think we're trying to understand it. It needs to
6 go through a few budget cycles to cost correct. I
7 think the Administration is learning something
8 different. I know I am learning as well.

9 CHAIRPERSON FERRERAS-COPELAND: So, while
10 you recommend that it goes through some budget
11 cycles, I think this is the one agency where time
12 isn't on your side. Right? So, if my parents who
13 are seniors, we're cherishing every moment of their
14 lives with us. So, I got to believe that's real for
15 every New Yorker here. So you're the one agency,
16 although you highlight that you have multiple funding
17 sources, which is really one, right?

18 COMMISSIONER CORRADO: Right.

19 CHAIRPERSON FERRERAS-COPELAND: Because
20 it's one budget. We'd like to get to the point where
21 the council is enhancing your base line budgets and
22 not supporting your core programs, because that's the
23 intention. We should be on the side of innovation
24 and support, not on the side of funding core
25 programs. So, I just feel that you don't have the

2 luxury of time, and hence when Chair Chin says you
3 need to cut the line, you shouldn't even be on a
4 line, and that's kind of where our frustration is.
5 But I want to allow my colleagues to ask their
6 questions.

7 CHAIRPERSON VALLONE: Madam Chair, I
8 think we just found out that some members are still
9 in line outside. Maybe we can have folks make sure
10 everybody's in, because I just got a--

11 CHAIRPERSON FERRERAS-COPELAND:
12 [interposing] So we want to acknowledge the seniors,
13 the 100 plus seniors are now sitting in the member's
14 lounge watching this live. So they have bene
15 accommodated. They're in the member's lounge.
16 They're where we hang out. So, we've been joined by
17 Council Member Rodriguez followed by Council Member
18 Wills. We'll now hear form Council Member Koslowtiz
19 followed by Council Member Rosenthal.

20 COMMISSIONER CORRADO: Okay, thank you.

21 COUNCIL MEMBER KOSLOWITZ: I'm sitting
22 here and listening and I'm very sad. I'm on my
23 fourth Mayor. I started with David Dinkins, and yes,
24 each budget period we had to fight a little bit, but
25 you always knew that seniors were going to be taken

2 care of. What hasn't happened through the years is
3 that seniors now, thank God, live a lot longer, and
4 that has not been taken into consideration with the
5 budget, and I think that's an absolute shame. You
6 talk about discretionary monies. I give a lot of
7 money to senior centers in my district and I have
8 five of them, and I know that if I didn't give to one
9 or two of them they would close, and it's very sad to
10 see all this. The other day I was crossing Queens
11 Boulevard, and I saw this woman well-dressed, very
12 well-dressed, very clean going--a senior--going
13 through the garbage cans as she was walking down
14 Queens Boulevard, and it was just so sad. And to see
15 that every year that we do a budget we have to fight
16 for the seniors who without them--and I'm included
17 actually--without them, where would we be today?
18 They have made this city grow and the be the city it
19 is today, and when it comes to budgets, to see all
20 this going on is very sad, and when you say you blame
21 the Bloomberg Administration, you blame the Dinkins
22 Administration, you blame the Giuliani
23 Administration. I sat through budgets with each and
24 every one of them, and it's--to me, it's sad that
25 nothing grows. It's supposed to grow. It's not

2 supposed to shrink. Things aren't supposed to be
3 taken away from the seniors. Adult daycare, it is
4 absolutely a shame what has happened to adult daycare
5 with the seniors who are living longer and many of
6 them need it, and you have seniors that are husband
7 and wife where one of them will need adult daycare
8 and it's not there. So, what you're doing is you're
9 hurting two seniors because the person that has to be
10 the caretaker is being hurt because they don't have
11 time for themselves, and it's very sad to sit here to
12 see that seniors are being ignored. Literally, being
13 ignored like they don't exist, and when you say
14 discretionary monies for aging--also, I give money to
15 DYCD, DOE, a lot of the agencies. What would happened
16 without our discretionary monies? But we only have so
17 much money because we only get a certain amount to
18 budget, and you know, in the budget. So, when does
19 this stop? When do we start helping our seniors and
20 giving them what they need? They deserve it. They
21 work for us. They're here.

22 COMMISSIONER CORRADO: And I agree with
23 you. I think that the seniors deserve every bit of
24 care that we can give them and every bit of support
25 that we can get to them and for them. However, just

2 one point of clarification. I'm not blaming anyone
3 or any prior Administration. I'm just making a
4 comparison, and this Administration has an additional
5 24 million dollars in their budget as opposed to the
6 Bloomberg Administration. So, I just wanted to
7 acknowledge that. It is a positive number, and
8 that's a positive thing. Can it be more? Yes, it
9 can, and we need to do more. I agree with you
10 totally, but let's acknowledge from a comparative
11 sense that since this Mayor has been in office we
12 have over 24 million dollars in additional resources
13 that we did not have prior. That's all.

14 COUNCIL MEMBER KOSLOWITZ: I still say
15 that we have to do better for our seniors, because
16 they are living longer and they deserve the quality
17 of life. I don't want to see someone who is dressed
18 well going through garage pails to get food or
19 whatever else, whether it be bottles to take to the
20 supermarket. You see so much of that and I haven't
21 seen that before. So, something has to be done
22 because something is not being done right, because
23 it's getting worse not better.

24 CHAIRPERSON CHIN: Council Member
25 Rosenthal?

2 COUNCIL MEMBER ROSENTHAL: Thank you so
3 much, Council Member Chin, and again, like my
4 colleagues, I really appreciate the way you framed
5 this hearing. Commissioner, it's always great to see
6 you. I just have to do a short diatribe and then I'll
7 get into my questions about contracts. You know,
8 DFTA has had to do more with less for far too long,
9 and in my tenure here in the Council and your tenure
10 as Commissioner I've been so impressed at your
11 ability to keep the senior programs alive with
12 nothing more than spit and glue. You have managed,
13 until this year, you have managed to pull rabbit out
14 of hats to try to deal to some degree with the case
15 management wait list, with the cost, trying to find
16 something of an adequate level, the cost of meals,
17 trying to fund NORCs so seniors can stay in their
18 homes and not have to consider institutionalization
19 which is so much more expensive, let alone--and more
20 importantly, their quality of life would be
21 completely diminished. Similarly, social adult
22 daycare for those who do not qualify for Medicaid,
23 which is something you referred to earlier. These
24 are people who do not qualify for Medicaid, so they
25 won't get it. So, actually, I think this time that

2 the city is setting these people up for poverty,
3 right? For poverty, for losing--for a diminished
4 quality of life, and diminished programs. And what I
5 don't understand is why in this budget DFTA has been
6 set up to fail. You have no wiggle room anymore to
7 pull rabbits out of hats in this budget going
8 forward, and you say you're in negotiations. It
9 feels so much like a dance. I can't describe it in
10 any other way. Do you have any inclination whether
11 or not this city is going to take responsibility for
12 all its seniors?

13 COMMISSIONER CORRADO: I think that this
14 Administration is committed to serving seniors, and I
15 think that I know I am as the Commissioner and my
16 staff are working diligently day by day to bring
17 additional resources in addition to the city and to
18 the aging service network, and we're being--we're
19 making a lot of headway in that regard.

20 COUNCIL MEMBER ROSENTHAL: Commissioner,
21 I appreciate that, and frankly, this is not a
22 diatribe about you.

23 COMMISSIONER CORRADO: No, it's not about
24 me, but--

25

2 COUNCIL MEMBER ROSENTHAL: [interposing]

3 Frankly, I get it.

4 COMMISSIONER CORRADO: But--

5 COUNCIL MEMBER ROSENTHAL: [interposing]

6 Your agency is doing as best as it can. It is not
7 the responsibility of private philanthropy to provide
8 services for seniors. It's just not. Their
9 responsibility is to do research, to do some
10 innovative stuff, to look at some interesting
11 programs. We're talking about core services.

12 COMMISSIONER CORRADO: Right.

13 COUNCIL MEMBER ROSENTHAL: These are
14 resident--our residents.

15 COMMISSIONER CORRADO: I agree. And I
16 can come here and the next Commissioner could come
17 here every budget cycle and ask for more and more,
18 because as--

19 COUNCIL MEMBER ROSENTHAL: [interposing]

20 Yeah, it's just--

21 COMMISSIONER CORRADO: As the seniors--

22 COUNCIL MEMBER ROSENTHAL: [interposing] a
23 little embarrassing.

24

25

2 COMMISSIONER CORRADO: are aging, there
3 are 10,000 seniors that come of age, baby boomers,
4 every single day. So we have to find ways for--

5 COUNCIL MEMBER ROSENTHAL: [interposing]
6 Yeah--

7 COMMISSIONER CORRADO: other than the city
8 government to fund--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 With all due respect, I'm with you 100 percent so
11 don't take this as rude. I've got 56 seconds now to
12 ask you questions about contracts. How many of the
13 contracts staff will receive increases to their wages
14 with the new human services contract funding?

15 COMMISSIONER CORRADO: We don't know it.
16 We don't have an exact number, but that's something
17 that we're working with--

18 COUNCIL MEMBER ROSENTHAL: [interposing]
19 What's your rough number?

20 COMMISSIONER CORRADO: OLR.

21 COUNCIL MEMBER ROSENTHAL: So you have a
22 survey that you sent out that you got the results for
23 and I know OMB is asking you not to tell us the
24 results, but you got them. You got the results of
25 the survey. You asked your agencies to answer

2 questions about the number of contract workers and
3 the dollar amount. I'm just asking you what did they
4 send back. Okay? How many contract agencies did you
5 send it to? How many contract providers? You don't
6 know how many contract providers you sent the survey
7 to?

8 COMMISSIONER CORRADO: You'd have to
9 answer that.

10 COUNCIL MEMBER ROSENTHAL: It's
11 remarkable. It's remarkable. I also have a lot of
12 questions about why there's so much time about, you
13 know, how long it takes for any of the contracts to
14 clear. You clearly--I mean, the only thing I can
15 imagine is in addition to not having enough money for
16 programs, which you contract out for, you don't have
17 enough money for the ACO's [sic] to process those
18 contracts, because people are not being paid for this
19 year's services even today. So, it's been a full 10,
20 11 months since they haven't been paid. This
21 Administration is setting DFTA up to fail and it's on
22 the backs of our seniors and it's embarrassing.

23 JOY WANG: Council Member, I just like to
24 clarify that there was--in this Executive Budget, the
25 Administration has set aside funding at two and a

2 half percent for COLA as well as the wage floor of
3 \$11.50. So we're waiting from ONR--

4 COUNCIL MEMBER ROSENTHAL: That applies
5 to--

6 JOY WANG: [interposing] We're waiting
7 from OMB.

8 COUNCIL MEMBER ROSENTHAL: I know, but
9 you--

10 JOY WANG: [interposing] And Office of--
11 [cross-talk]

12 COUNCIL MEMBER ROSENTHAL: You can't tell
13 me you don't know the number of contract providers
14 that you have.

15 JOY WANG: We have a number of
16 contractors.

17 COUNCIL MEMBER ROSENTHAL: How many?

18 JOY WANG: It's roughly 200 or 300.

19 COUNCIL MEMBER ROSENTHAL: Two or 300?

20 JOY WANG: But to answer your question,
21 there was no survey that was sent out. So, I'm
22 sorry, I misunderstood your question.

23 COUNCIL MEMBER ROSENTHAL: So, HRA sent
24 out a survey and you did not. So you have no idea
25 how many contracts will be affected by this?

2 JOY WANG: We have detailed budget
3 information in our contracts, because we monitor them
4 regularly.

5 COUNCIL MEMBER ROSENTHAL: Oh, good. So
6 how many contracts will receive--

7 CHAIRPERSON CHIN: [interposing] Council
8 Member Rosenthal?

9 COUNCIL MEMBER ROSENTHAL: the increase?
10 Yeah.

11 CHAIRPERSON CHIN: Yeah, the other--I know
12 we have that question on our list too so you can come
13 back on a second round, okay? Because Council Member
14 Arroyo is waiting.

15 COUNCIL MEMBER ARROYO: That's right.
16 I'm waiting. Good afternoon, Commissioner. Thank
17 you all our seniors. No community organizes better
18 and faster than our senior community, and thank you
19 for your diligence in getting here and making sure
20 that we're paying attention. Commissioner, nice to
21 see you. Thank you for being here. An echo of--I've
22 been here 10 years. Every year we have the same
23 conversation. I really believe that under this
24 Administration we would not be having this
25 conversation this late in the budget negotiating

2 process about this agency. It's--I'm tired. I think
3 we all are, and I know you can't sit there and throw
4 the Administration under the bus, and we're not going
5 to do that, because that's now how we do business
6 here, but we have to change this conversation and how
7 it rolls out year after year. On the mental health
8 services for 20 sites across the city, which we now
9 understand may not be 20 providers, where are they?

10 COMMISSIONER CORRADO: This will be 20
11 centers.

12 COUNCIL MEMBER ARROYO: Centers that you
13 earlier indicated--

14 COMMISSIONER CORRADO: [interposing]
15 Right.

16 COUNCIL MEMBER ARROYO: were probably run
17 by the same provider, so--

18 COMMISSIONER CORRADO: [interposing] No,
19 no, no.

20 COUNCIL MEMBER ARROYO: we're not talking
21 about--

22 COMMISSIONER CORRADO: I said we're--
23 where we have one provider that has two centers and
24 meets the same criteria, they may be able to share a
25 worker.

2 COUNCIL MEMBER ARROYO: That's what I
3 thought I said.

4 COMMISSIONER CORRADO: Right.

5 COUNCIL MEMBER ARROYO: Okay. So, this
6 initiative will be is the funding going to expand
7 those providers' budgets, or is this going to be a
8 layer added by DFTA, supervised by DFTA?

9 COMMISSIONER CORRADO: This is going to
10 be amended to those particular senior center
11 contracts.

12 COUNCIL MEMBER ARROYO: Okay. So, we
13 don't know what those contracts are and which sites
14 we're talking about?

15 COMMISSIONER CORRADO: We will get that
16 list to you.

17 COUNCIL MEMBER ARROYO: Okay. So, I want
18 to talk about the NYCHA centers. There are 17
19 centers. Which are the sites and what districts?

20 COMMISSIONER CORRADO: Just one point of
21 clarification. They are not full-fledged senior
22 centers as we call senior centers that meet the DFTA
23 criteria. So we're calling them senior clubs,
24 because they're not full-fledged centers.

2 COUNCIL MEMBER ARROYO: They mean the same
3 thing to our seniors. So, I don't want to get into
4 semantics about what we call them. What are the
5 sites and what districts are they in?

6 COMMISSIONER CORRADO: I can hand you the
7 list if you'd like.

8 COUNCIL MEMBER ARROYO: You can hand the
9 committee the list, but is that not a list that has
10 been made available to us yet?

11 COMMISSIONER CORRADO: We have a list of
12 the sites.

13 COUNCIL MEMBER ARROYO: Rather than take
14 up my two minutes--

15 COMMISSIONER CORRADO: [interposing] No,
16 no. We have the list of the sites.

17 COUNCIL MEMBER ARROYO: Okay, but can we
18 get--

19 COMMISSIONER CORRADO: [interposing] And
20 we're negotiating with--

21 COUNCIL MEMBER ARROYO: this for the
22 committee so that internally--

23 COMMISSIONER CORRADO: [interposing] Yes,
24 we can.

25

2 COUNCIL MEMBER ARROYO: [interposing] we
3 can go over it?

4 COMMISSIONER CORRADO: I have it right
5 here. We can make copies, but I just--we haven't
6 finalized the provider list. So we have the list of
7 the sites that are impacted, the NYCHA sites, and
8 we're matching them with the providers.

9 COUNCIL MEMBER ARROYO: Okay. Because,
10 you know, usually what this turns into is calls from
11 our seniors to our offices to address the concerns
12 that they hear their center is going to close.

13 COMMISSIONER CORRADO: Understood.

14 COUNCIL MEMBER ARROYO: WE need to shut
15 that noise down, because we can refer to them and say
16 the center's going to be okay. This is the plan for
17 preserving the service in the community. That's why
18 I'm asking for the list.

19 COMMISSIONER CORRADO: Understood.

20 COUNCIL MEMBER ARROYO: And then on the
21 prevailing wage issue, and I chair the Committee on
22 Community Development, we raised this question to
23 your colleague in DYCD about city contracts
24 perpetuating poverty wages in the city. Do we know
25 how much the agency needs to beef up contracts so

2 providers can pay a wage that allows people to live
3 comfortably in the community without having to apply
4 for food stamps?

5 COMMISSIONER CORRADO: It's interesting.
6 I asked the same question last week, and I'm hoping
7 that it's a small number of contracted staff that
8 fall in this category, but there may be some.
9 However it's handled centrally by OMB. So, there'll
10 be an automatic increase.

11 COUNCIL MEMBER ARROYO: Like, we want to
12 have a larger conversation around this contracting
13 and wage issue citywide and for every agency. So, it
14 would help us in that process for you to identify
15 what budget increases you would need to ensure that
16 these providers are contracted and can pay, and that
17 somebody's going to hold them accountable for that.

18 COMMISSIONER CORRADO: Right. And my
19 understanding is that OMB will be funding that and be
20 adding money to each contract where that increase is
21 needed so that they can pay the prevailing wage.

22 COUNCIL MEMBER ARROYO: And I understand
23 there's different categories of funding that may or
24 may not fall into that eligibility issue.

2 COMMISSIONER CORRADO: Right. Some of
3 those details are forthcoming.

4 COUNCIL MEMBER ARROYO: Okay. And one
5 last question, my dear Chair. One of the things that
6 as a budget reduction exercise the last
7 Administration did was pull central insurance out of
8 contracts, and providers are now not providing
9 benefits to their employees, and if they are, it's
10 costing them a significant amount of money. What--
11 are we having any conversation about reversing that
12 practice so that we don't contribute to the city's
13 uninsured population?

14 COMMISSIONER CORRADO: I am not aware of
15 who is not giving any, because we do factor in a
16 fringe factor in all of our contracts. So, I'm not
17 aware of what agencies are dropping benefits
18 altogether, but as, you know, so goes the country and
19 the state and everyone. They do have to pay a
20 disproportionate share of their benefits, obviously,
21 because DFTA--

22 COUNCIL MEMBER ARROYO: [interposing] I
23 understand, but the practice was the central
24 insurance was a way for providers to pay for the
25 health benefits for their employees.

2 COMMISSIONER CORRADO: And now they're
3 purchasing that on their own.

4 COUNCIL MEMBER ARROYO: Right, and it's
5 more expensive. So, a reversal of that practice is
6 what I'm asking about. Not just for you but all your
7 colleagues across the--

8 COMMISSIONER CORRADO: I--excuse me? We
9 are not going back to central insurance.

10 COUNCIL MEMBER ARROYO: I'm sorry?

11 COMMISSIONER CORRADO: As far as I know.
12 We're not going back to--

13 COUNCIL MEMBER ARROYO: [interposing] I
14 understand that.

15 COMMISSIONER CORRADO: central insurance
16 because it's cost prohibitive and the city was
17 subsidizing those health insurance cost to the extent
18 that they, you know, that was just no sustainable.

19 COUNCIL MEMBER ARROYO: Okay. Thank you.

20 CHAIRPERSON FERRERAS-COPELAND: Thank
21 you, Council Member Arroyo. We will have Council
22 Member Rose followed by Council Member Wills, and
23 we've been joined by Council Member Gibson.

24 COUNCIL MEMBER ROSE: Thank you, Chair.
25 You know, I started out being sad, but now I'm just

2 actually angry about the fact that we fought really
3 hard under the leadership of Chair Chin to get money
4 for the social adult daycare services, and I for the
5 life of me can't see the logic in why those funds
6 would have been seeded back to the Administration as
7 an efficiency measure when they are a necessity. You
8 know, it's not an efficiency. It's a necessity. And
9 I just don't understand how something that was base
10 lined and we fought so hard for could, you know,
11 could wind up being given back as an efficiency. But
12 with that said, you know, I'm also concerned about
13 the situation of, you know, the NORC on Staten Island
14 as we discussed in the Preliminary Budget hearing
15 that there is a--there was a planning grant and that
16 there would be a report made. Could you give me the
17 status of the report?

18 COMMISSIONER CORRADO: As I mentioned in
19 my testimony that that report has been completed and
20 finalized and they will be reporting to you and to
21 the Committee within this--before the end of the
22 month.

23 COUNCIL MEMBER ROSE: And if in fact it
24 was determined by the study that a NORC is feasible
25

2 and I know necessary in Staten Island, has funding
3 been allocated for the next step?

4 COMMISSIONER CORRADO: I believe that we
5 would be in discussion together to see what those
6 next steps are in terms of where and how we can move
7 forward. So, I think that would be premature.

8 COUNCIL MEMBER ROSE: So, is it something
9 that's still sort of in negotiations or is it that
10 whatever the outcome of this study is--I really want
11 to know if we'll be able to proceed to the next steps
12 or is there going to be some sort of lag or downtime?

13 COMMISSIONER CORRADO: I mean, I think
14 there would be a natural planning process that may or
15 may not require funding at the onset, but that's
16 something that we'll figure out together.

17 COUNCIL MEMBER ROSE: And has there been
18 discussions in terms of modifying program so that--
19 since Staten Island doesn't have the high density
20 buildings, but we have more a sprawl situation for
21 our senior-occupied homes, has there been discussion
22 about modifying what a NORC looks like on Staten
23 Island?

24 COMMISSIONER CORRADO: Yes, and that'll
25 all be explicated in the report from CRE.

2 COUNCIL MEMBER ROSE: And in the budget
3 five million was allocated for 17 NYCHA centers,
4 eight of which would be NORC programs and nine social
5 clubs in the consolidation of 15 NYCHA senior
6 centers, you know, how did DFTA identify which NYCHA
7 senior centers would be converted into NORCs and/or
8 converted into social clubs or consolidated?

9 COMMISSIONER CORRADO: Well, we're looking
10 at the senior-only buildings as potential NORCs. The
11 ones that are NORCs already would be continuing, but
12 the ones that aren't, if it's senior only buildings
13 we built in that eventuality that conceivably they
14 could be turned into NORCs. So there's funding there
15 to account for that. And we set a criteria that they
16 had to have--any club that had at least 25 seniors
17 registered for that particular club, we had some of
18 them with five seniors for example, that we did not
19 consider that a viable center. So, we set the
20 criteria at 25.

21 COUNCIL MEMBER ROSE: And will DFTA
22 provide the services at the 17 NYCHA senior centers
23 that it now oversees, or will the agency be
24 contracted out or the services be contracted out to
25 an agency?

2 COMMISSIONER CORRADO: We expect that
3 we'll contract out to existing providers in the
4 community.

5 COUNCIL MEMBER ROSE: For all the 17 NYCHA
6 centers?

7 COMMISSIONER CORRADO: For the nine and
8 then for the NORCs as well, if they become NORCs,
9 yes.

10 COUNCIL MEMBER ROSE: Okay, thank you.

11 CHAIRPERSON FERRERAS-COPELAND: Thank
12 you, Council Member Rose. We will have Council
13 Member Wills followed by Council Member Deutsch.

14 COUNCIL MEMBER WILLS: Good afternoon,
15 Commissioner. It seems a little mind boggling to me
16 that Commissioners come before the council and make
17 these remarks. You said that your budget is a little
18 different than any other budget because of the mix of
19 discretionary and base line, but it's really no
20 different than ACS or any other budget we deal with.
21 And then you keep touting the 24 million dollars that
22 is additional into the budget that this
23 Administration put in it, but that makes no sense
24 because if you got 24 million dollars extra, why are
25 we still dealing with the same problems from the

2 beginning? We're still here still talking about the
3 NORCs not being funded, which prevents us from
4 actually talking about the real issues that they need
5 extra funding. And you know, I don't--I really am
6 thankful we have a Chair like Julissa Ferreras
7 because she was right in front of this last year
8 making sure the NORCs got done with discretionary,
9 but for you to tell Council Member Vallone that you
10 are counting on discretionary money for the Council
11 really makes no sense. This is supposed to be on
12 your side of the ledger. And we're here again, and
13 again, and again talking about the same thing. This
14 Administration was supposed to be elected to get rid
15 of this dance that we're doing, and they're not
16 doing. If anything, you're just turning from a two-
17 step to a three-step, and it really makes no sense,
18 because the most vulnerable are being hurt, the young
19 people and the seniors. The questions I have is,
20 Rocksdale [sic] NORC and the other NORCs, but I
21 represent Rocksdale, need to be funded and they don't
22 need to be funded every year by the council. They
23 need to be base lined. Now you said you're in
24 negotiations and we would like to see the
25 negotiations included. I do not believe 6.3 million

2 dollars is the amount that we need. I believe that we
3 should be at more like seven million dollars, because
4 that would make up for the money that these centers
5 have not been given the added cost of everything
6 going up. Friendship Center and centers like
7 Friendship, I believe it may be one of three in the
8 entire city that deal with the mentally fragile. We
9 haven't seen the budgets go up for that. We've just
10 seen them being starved the same as everybody else.
11 And in my district, Beasley [sic] House [sic] Senior
12 Center you've had the director quit two year--well,
13 resigned two years ago. An interim was put in that
14 lasted four months, and since then nobody's been
15 there. This doesn't speak to the great regard that
16 we have for people who have built this city before
17 us. Could you just speak to some of those issues?

18 COMMISSIONER CORRADO: I could speak to
19 some of them and--

20 COUNCIL MEMBER WILLS: [interposing]
21 Within two minutes?

22 COMMISSIONER CORRADO: Sure. The Council
23 has funded certain centers like the NORCs you're
24 referring to, Rodgedale [sic] and she [sic] said
25 [sic] Nodstrom [sic] Houses. Outside of our RFP that

2 they've specifically named those centers and funded
3 them, DFTA has no way to procure those centers. So
4 therefore, they have to be part of the Mayor's
5 negotiation with the council. So they're sort of
6 treated a little bit differently than the normal
7 course of business.

8 COUNCIL MEMBER WILLIS: I'm glad you said
9 that, but you're saying that it has to be treated
10 differently with the negotiations, but you just said
11 a little while ago that you expect the council to
12 fund these centers. So, then, if you're saying
13 something you can't say it's part of a negotiation
14 because you already have something made up in your
15 mind.

16 COMMISSIONER CORRADO: I--

17 COUNCIL MEMBER WILLIS: [interposing] Your
18 thought process--

19 COMMISSIONER CORRADO: [interposing] It's
20 part of council's negotiation with the Mayor and the
21 Administration.

22 COUNCIL MEMBER WILLIS: So that means that
23 we are going to fund them again? That's what we're
24 looking at?

2 COMMISSIONER CORRADO: What I'm saying is
3 I--we have, DFTA has no way of funding those.

4 COUNCIL MEMBER WILLS: Okay, so what about
5 lost centers? Community Board 10 lost the United
6 Hindu Cultural Council Senior Center. Nothing to do
7 with DFTA, but we lost that center for three years,
8 and nothing has been done to make sure that the
9 seniors in that area are getting the care that they
10 need. What are we doing about that? That is
11 something we brought up many times.

12 COMMISSIONER CORRADO: I mean, that
13 center was defunded, right?

14 COUNCIL MEMBER WILLS: Yes.

15 COMMISSIONER CORRADO: So, where are those
16 centers going? There are other senior centers in the
17 area that could conceivably integrate. I will look
18 into--

19 COUNCIL MEMBER WILLS: [interposing] I'm
20 really not--

21 COMMISSIONER CORRADO: [interposing] I
22 will look into see where those--

23 COUNCIL MEMBER WILLS: [interposing]
24 interested in integrating seniors into other centers.
25 I'm interested in where did the money go that was

2 going to that center and why wasn't an RFP put out
3 for another center to replace that one, not for
4 seniors to be shuffled. That center was culturally
5 appropriate for that area.

6 COMMISSIONER CORRADO: Was it--[off mic]

7 COUNCIL MEMBER WILLS: I yield the rest
8 of my time. Thank you, Madam Chair.

9 CHAIRPERSON FERRERAS-COPELAND: Thank you,
10 Council Member. We have Council Member Deutsch
11 followed by Council Member Gibson and that will end
12 our first round.

13 COUNCIL MEMBER DEUTSCH: Thank you,
14 Chair. Good afternoon. Welcome, Commissioner. I
15 just want to bring up that, you know, in my district
16 I have probably one of the most highest populations
17 of seniors as you know. I offer many services in my
18 district such as free legal for my seniors,
19 entitlement assessments and I work with Age-Friendly
20 [sic] New York to make my district more age friendly
21 to our senior population, as well as I provide free
22 transportation to my seniors if they need to go to a
23 doctor's appointment or to go shopping, and I also
24 hold Access-A-Ride responsible for the work that they
25 do, and I just recently had a town hall meeting.

2 We'll have a follow-up meeting coming up. As well as
3 providing meals and wheels and making seniors homes
4 more accessible by working with them and making sure
5 they get free home repairs as well as installing
6 smoke detectors free of charge, and I had probably
7 about 12 different town hall meetings for my senior
8 population, such as the Caregiver's forum to bring in
9 different resources to let people know what resources
10 are available. And I must say that throughout the
11 last 17 months and I think three or four days that
12 I've been in office, your agency, Department of Aging
13 has been very responsive to my district, and you
14 know, you could buy a 60,000 dollar vehicle, but if
15 it's a lemon it's not worth anything, but being that
16 your agency has been very responsive and problem-
17 solving in my district, that is more of a reason to
18 make sure that you get the monies, the funding that
19 our seniors deserve, because having the proper money
20 and having the proper agency, we could accomplish
21 miracles. So, I'm looking forward to working with my
22 colleagues in the City Council, ensuring that we get
23 the monies, the funding's our seniors deserve, well-
24 deserved, and we have to make sure that we make their
25 lives easier not more difficult. So I will be in the

2 forefront when it comes to our seniors or working
3 with my Chair, and I look forward to fighting this
4 good fight to making sure that we have what we
5 deserve and what you have, what you deserve and
6 making sure that together, working together, we could
7 accomplish a lot. Thank you so much.

8 COMMISSIONER CORRADO: Thank you.

9 CHAIRPERSON FERRERAS-COPELAND: Thank
10 you, Council Member. We have Council Member Gibson
11 and that will be the end of our first round. We've
12 been joined by Council Member Cumbo.

13 COUNCIL MEMBER GIBSON: Thank you very
14 much. Good afternoon, Commissioner to you and your
15 team. I thank you for the work that you're doing. I
16 thank you Madam Chair, Chairs Chin and Chair Vallone.
17 I just wanted to ask a couple of questions in
18 reference to the NYCHA senior centers. I know other
19 colleagues have asked about it, but specifically the
20 NYCHA senior centers that are right now in a NYCHA
21 facility, I wanted to understand if you're going to
22 look and assess the capacity and enrollment of those
23 centers. I have two right now that are in NYCHA on
24 the development that have no food program, and what
25 I'd like to know is what type of assessment are you

2 going to do to determine if that center can get a
3 food program and if there's a series of work repairs
4 that needs to be done? Who's going to be responsible
5 for that? I know you know that NYCHA has no money
6 and we're trying to make sure that seniors get as
7 much services as they can at these centers.

8 COMMISSIONER CORRADO: Right. So, the
9 funding that we are receiving currently to assume
10 sponsorship of the 17 centers is basically to
11 continue what they're currently doing and offering,
12 and we will be taking the next year to do an
13 assessment. We just started actually visiting the
14 centers with the providers yesterday. So we have,
15 you know, we have to get them up and running by July
16 1st. We've made that commitment and we'll take the
17 next year to see and assess what the potential those
18 sites have to bring in additional resources, and that
19 will be part of the next budget negotiation for next
20 year. If in fact there are potential to grow centers
21 and there's the ability to do that, we will be in
22 conversation with both NYCHA, the Administration and
23 the Council, of course.

24 COUNCIL MEMBER GIBSON: Okay. So, if
25 you're looking to do that now by July 1st, are

2 seniors going to see any disruption in services as we
3 gear up for the summer season?

4 COMMISSIONER CORRADO: My understanding
5 is no and my hope is no, because the ones that are
6 now being served will be continued. My understanding
7 is that NYCHA will continue to run them for the time
8 being and we will be on July 1st with our sponsors
9 taking over on July 1st with the same level of
10 services they're currently receiving.

11 COUNCIL MEMBER GIBSON: Okay. I wanted to
12 ask about transportation. I can't tell you how many
13 of my senior centers reach out to me for assistance
14 with transportation, seniors that want to go on
15 trips, they want to get out of the community and, you
16 know, are having difficulty. How is that going to
17 work and do we see any changes, or is there any
18 investment this year that we're making in
19 transportation?

20 COMMISSIONER CORRADO: The answer to that
21 is yes, that my staff and I are exploring other
22 options for transportation to make transportation
23 available to seniors in the most convenient and cost-
24 effective way by piloting a new program. So you'll
25 be hearing about that shortly. DFTA does have a very

2 small transportation program, standalone
3 transportation program that will be RFP before we
4 have a concept paper. That was recently released and
5 we've taken some suggestions, so the RFP will be
6 released this year to begin in July of 2017, and we
7 also fund transportation services within senior
8 centers on a very limited basis. So, where we can,
9 we try to purchase new vehicles when they've reached
10 a certain age, and we've been replacing them, but
11 it's not the be all and end all. It's not Access-A-
12 Ride. It's not nearly enough to meet the need, but
13 it is something that we're constantly trying to
14 revise and do better with.

15 COUNCIL MEMBER GIBSON: Okay. I
16 appreciate you recognizing that we can do better. An
17 RFP that will be administered over the next several
18 months for July 2017 is way too long. I would love
19 it if we could have a conversation about how we can
20 ramp up more funding for transportation. It is
21 crucial. It is necessary, and I really think it's
22 important that we have that conversation now.

23 COMMISSIONER CORRADO: There are
24 transportation contracts in place.

2 COUNCIL MEMBER GIBSON: Right, you said
3 limited--

4 COMMISSIONER CORRADO: [interposing] The
5 new RFP--I'm sorry, Fiscal Year 17. Yes, they will
6 be limited and they will continue to be limited with
7 the resources that we currently have. Although, we'd
8 like to grow those resources, it is not the MTA
9 sponsored program in any way, shape or form. It
10 doesn't even, in comparison, even come close to being
11 the Access-A-Ride program.

12 COUNCIL MEMBER GIBSON: Okay.

13 COMMISSIONER CORRADO: Although, you
14 know, we hope that changes in the future.

15 COUNCIL MEMBER GIBSON: Can you just
16 expand a little bit on me for the 15 centers that are
17 going to be consolidated how that will work and how
18 services will be impacted, and if you're doing an
19 assessment of the seniors that are going to other
20 areas, how is that going to work so seniors are not
21 impacted?

22 COMMISSIONER CORRADO: My understanding is
23 that NYCHA will continue to run those 15 centers for
24 the time being. They will be taking over the 17
25 centers immediately with no disruption in service.

2 COUNCIL MEMBER GIBSON: Okay. So, DFTA
3 won't have a role right now in these 15?

4 COMMISSIONER CORRADO: That's correct.

5 COUNCIL MEMBER GIBSON: Okay. Thank you
6 very much, Commissioner and thank you Madam Chair.

7 CHAIRPERSON FERRERAS-COPELAND: Thank you,
8 Council Member Gibson. We will now hear from Chair
9 Chin.

10 CHAIRPERSON CHIN: Thank you. I just
11 wanted to really thank all the advocates and all the
12 seniors for coming today, and I wanted to ask you to
13 continue to advocate and let the Mayor know that you
14 are a priority and he has to know that and show that
15 in the budget. Commissioner, we going to continue to
16 work with you to fight for the resources, because
17 when you talked about earlier about the new funding
18 that was given to DFTA last year, we fought very hard
19 for that money and we were very proud that we were
20 able to get new money for the first time, over 20
21 million dollars of new money, but the majority came
22 from the advocacy of the City Council. So the Mayor's
23 side didn't put in that much new money at all, and I
24 was very disappointed that those funding were not
25 base lined. And so we got to continue to fight for

2 more, to make sure that seniors are our priority, and
3 I'm so thankful to my colleague in the City Council,
4 our Finance Chair, my partner, Chairperson Vallone
5 really advocating for our seniors. So, we're going
6 to look forward to our hearing with OMB next week to
7 continue to push for these funding. Thank you, Madam
8 Chair.

9 CHAIRPERSON FERRERAS-COPELAND: Thank you,
10 Chair Chin. And again, I urge everyone on June 9th
11 we will have the public portion. I know many of you
12 are here today. I hope to see many of you back so
13 that you can clearly state for the record what we
14 should be getting and the resources that we deserve.
15 Again, thank you to my Co-chairs, Chairs Chin and
16 Vallone. Thank you, Commissioner, for coming to
17 testify.

18 COMMISSIONER CORRADO: Thank you.

19 CHAIRPERSON FERRERAS-COPELAND: We are
20 going to follow up with you with some additional
21 questions. I ask that you respond to us
22 expeditiously.

23 COMMISSIONER CORRADO: Thank you.

2 CHAIRPERSON FERRERAS-COPELAND: Thank you.

3 We will take a 10 minute break before we begin with
4 HPD.

5 [break]

6 CHAIRPERSON FERRERAS-COPELAND: [gavel]

7 We will now resume the City Council's hearing on the
8 Mayor's Executive Budget for FY 2016. The Finance
9 Committee is joined by the Committee on Housing and
10 Buildings chaired by my colleague Council Member
11 Williams. We just heard from the Department of Aging
12 and we will now hear from Vicki Been, Commissioner of
13 the Department of Housing, Preservation and
14 Development. In the interest of time, I will forgo
15 making an opening statement, but before we hear
16 testimony I will open the mic to my co-chair, Council
17 Member Chair Williams.

18 CHAIRPERSON WILLIAMS: Thank you, Madam
19 Chair. Although there is interest of time, I am
20 going to give an opening statement. Good afternoon
21 and thank you all for coming to the Fiscal Year 2016
22 Executive Budget hearing for the Department of
23 Housing, Preservation and Development and the
24 Department of Buildings. My name is Council Member
25 Jumaane Williams, and I'm the Chair of the Council's

2 Committee on Housing and Buildings. This is a joint
3 hearing with the Committee on Finance, and I'm joined
4 by Council Members Ferreras, Cumbo, Rosenthal and
5 Torres. This hearing will cover the Fiscal 2016
6 Executive Operating and Capital Budgets for HPD and
7 the Fiscal 2016 Executive Operating Budget for
8 Department of Buildings. We will first hear from the
9 Commissioners of HPD, Vicki Been, where we will
10 examine all components of HPD's 726 million dollar
11 expense budget, 7.5 billion dollar ten-year capital
12 strategy and 3.5 billion dollar capital budget, along
13 with the details and progress related to Mayor de
14 Blasio's Housing Plan. After HPD we will hear from
15 Department of Buildings Commissioner Rick Chandler.
16 The committee would like to get updates on the
17 increased funding, staffing levels and various new
18 program effected in DOB's 2016 Executive Budget. As
19 a reminder, during the Executive Budget hearing
20 cycle, all public testimony is to be given in one
21 hearing. This year's public testimony will be heard
22 on Tuesday, June 9th starting at 12:00 p.m. I'd like
23 to thank my--sorry, 1:30 p.m. I'd like to thank my
24 staff for the work they did to assemble this hearing,
25 including Nick Smith, my Deputy Chief of Staff, Jen

2 Wilcox [sp?], Counsel to the Committee, Guiermo
3 Patino [sp?], and Jose Conde [sp?], Policy Analyst to
4 the Committee, and Sarah Gasselum [sp?], the
5 Committee's Finance Analyst. Lastly, I'd like to
6 thank Commissioners Vicki Been and Rick Chandler and
7 their respective staff for joining us today, and I
8 will now turn it over for testimony.

9 CHAIRPERSON FERRERAS-COPELAND: And my
10 Counsel will now swear you in, and then you may begin
11 your testimony.

12 COMMITTEE COUNSEL: Do you affirm that
13 your testimony will be truthful to the best of your
14 knowledge, information and belief?

15 COMMISSIONER BEEN: I do.

16 COMMITTEE COUNSEL: Thank you.

17 COMMISSIONER BEEN: Thank you and good
18 afternoon. I'm Vicki Been. I'm Commissioner of the
19 Department of Housing, Preservation and Development.
20 Here with me today is Assistant Commissioner of
21 Governmental Relations and Regulatory Compliance,
22 Baaba Halm, and Deputy Commissioner of Financial
23 Management and Tenant Resources, Eva Trimble. So,
24 thank you, Chair Williams and Chairwoman Ferreras,
25 for the opportunity to talk with the committees today

2 about HPD's Fiscal Year 2016 Executive Budget. HPD
3 has had an enormously successful year making very
4 significant progress towards the goals of the Housing
5 New York Plan. As you know, Housing New York is a
6 comprehensive approach to the affordable housing
7 crisis, so each and every part of our agency is
8 engaged and focused on implementing its ambitious
9 goals. For today's presentation, I'll focus on some
10 of the highlights of the progress we've made, giving
11 some examples from each part of the agency. Next,
12 I'll discuss how our proposed expense budget for
13 Fiscal Year 16 and the ten year capital plan position
14 us for the work ahead. So, since launching Housing
15 New York Plan last year we've made across the board
16 changes to our development and preservation programs
17 to stretch city subsidy housing dollars further. For
18 example, we now defer interest to the end of the
19 regulatory period to both make more money available
20 to increase affordability up front and to give us
21 more leverage to encourage people to stay in the
22 program when they reach the end of the regulatory
23 agreement. We started 18,393 units through the end
24 of March of 2015 and we've closed more units in the
25 inclusionary housing program than in any other year

2 since 1988. We created the Office of Neighborhood
3 Strategies to better coordinate our neighborhood
4 engagement and planning efforts. Our Enforcement and
5 Neighborhood Services Department Division responded
6 to more than 230,000 heat-related calls during this
7 heat season, which is an increase of nine percent
8 over last year, which was a cold year in and of
9 itself. We launched the Tenant Harassment Prevention
10 Taskforce to conduct joint inspections and to
11 investigate and bring enforcement actions including
12 criminal charges against landlords who harass
13 tenants. We created a new homeless re-rental [sic]
14 unit to ensure that properties with units reserved
15 for the homeless are tracked and leased up
16 efficiently, and we are increasing access to Housing
17 Connect by translating our instructional materials
18 into additional languages. I know that that's a
19 fraction of our accomplishments for the year, but let
20 me just go through them. I know that the Council's
21 particularly concerned about the number of units
22 we've produced at the extremely low and low income
23 levels. We obviously share the commitment to house
24 those extremely low and low income families, and as
25 this chart shows, 86 percent of our production

2 through March 31st serves households that are making
3 below 81 per--sorry, 80 percent of AMI. The goal of
4 the Housing New York Plan is to increase production
5 of that very low, which is 31 to 50 percent AMI, and
6 extremely low at zero and 30 percent AMI categories
7 so that they will equal 20 percent of all of the
8 units that we produce over the next 10 years. We did
9 not hit those numbers this first year as you can see,
10 and but we just this fall rolled out two programs
11 that we believe will enable us to hit that target
12 overall. Our ELLA program, Extremely Low and Low-
13 income Affordability program, and our SARA program,
14 Senior Affordable Rental Apartments program, and we
15 believe with that with those programs we should start
16 to see more of these lowest AMI units come online as
17 well, of course, as the new 40 percent AMI units that
18 we hope to achieve through 421A. This chart shows
19 the breakdown of units by new construction and
20 preservation. As you can see, 64 percent of our units
21 to date are preservation and 36 percent are new
22 construction, which is close to our goal of a 60/40
23 split over time. It's critical that we protect the
24 billions of dollars that have been invested in our
25 subsidized affordable housing and ensure that those

2 investments are not lost because of market pressures
3 or the expiration of regulatory agreements. So
4 that's why that 60 percent preservation is so
5 critical. We also, of course, have to protect the
6 affordability of the existing rent regulated and
7 unsubsidized stock to lock in affordability as
8 neighborhoods change, and we thank you for your
9 efforts in Albany yesterday and over the last few
10 weeks to secure better protections for tenants in
11 rent regulated units. So, we want to commend you for
12 your arrest and for working so hard this morning also
13 to let people know about the rent regulation fight.
14 These are just a few examples of the successes that
15 we've had, the progress that we've made in Fiscal
16 Year 15, but let's turn to the Fiscal Year 16
17 Executive Budget. Of critical importance is that HPD
18 receives only 11 percent, the blue part of the pie
19 chart there, of our total funding from city tax levy
20 funds. We're primarily funded, 89 percent of our
21 funding comes from Federal Grant funding. That has
22 the consequence that when our funding comes--when so
23 much of our funding comes from the Federal
24 Government, that limits our flexibility to make
25 programmatic changes, and it means that future

2 funding levels are highly uncertain. We use the city
3 tax levy, the money that you all control to fill gaps
4 in programs primarily funded through the Federal
5 Grants as a required match to the Federal Grants and
6 to fund programs that aren't eligible for federal
7 dollars. To put it bluntly, the city tax levy
8 dollars that we're discussing today are really
9 critical to allow us to meet our mission. They give
10 us flexibility, nimbleness to innovate. They help us
11 address new problems as they arise, and they allow us
12 to tailor our programs to address the city's many
13 housing challenges. So, I want to thank all of you
14 for the tax levy funds and for all of the efforts
15 that you've made on behalf of HPD. Having this
16 source of less constrained and less tightly
17 circumscribed funds is absolutely critical to allow
18 us to do the Housing Plan. So, HPD's Fiscal Year 2016
19 budget totals, as Chair Williams said, 726 million
20 with the vast majority of that, the pinkish category
21 there, being our Section 8 program. In addition, we
22 have significant funding, the green. There is our
23 disaster recovery efforts. Both of those sources are
24 very constrained, highly constrained Federal funding
25 and provide no direct operational support for the

2 agency. Our primary funding source for agency
3 operations is the Community Development Block Grant
4 Program, and of course, as I've noted, HPD is highly
5 dependent upon the mood in Washington, which in a
6 word has been bad. The Federal Fiscal Year 15 budget
7 was fairly harmlessly [sic] on the CDGB funds and the
8 Section 8 funding, but our Home Grant was cut by 11
9 percent last year. Now, as I'll also just point out-
10 -I'm sorry, Eva. The State funding there is that
11 tiny little slice of purple that 1,075,000 dollars.
12 As part of our Executive Budget, HPD has received
13 some very critical funding to support new staff and
14 emergency response efforts. We received funding to
15 support 48 new people in Fiscal Year 2016. We also
16 received five million dollars in new funding to
17 support emergency demolition activities at both the
18 Castleton [sic] site on Staten Island and of course
19 the activities surrounding the tragic Lower East Side
20 gas explosion. We appreciate the Mayor's recognition
21 that our budget doesn't have the capacity to address
22 those tragedies and unusual situations and therefore
23 requires additional funding, and we appreciate the
24 City Council's recognition of that as well. The new
25 funding starts a reversal of a really dramatic

2 downward trend in head count that HPD has experienced
3 since 2008. As you can see, our headcount or the
4 number of people working on our programs dropped from
5 over 2,600 in Fiscal Year 2008 down to under 2,000 in
6 2014. That's a 25 percent drop over those years.
7 Since coming into office, Mayor de Blasio and the
8 City Council have provided additional operating
9 support for HPD and our staff has started to grow for
10 the first time since 2008. To show you how that
11 breaks down, the start of 2015 we've begun to replace
12 previously lost positions so that HPD can expand
13 capacity in key areas, including our new Neighborhood
14 Strategies Office, our development team that's so
15 critical for the preservation and new construction,
16 Legal Affairs, Policy Research, our Asset and
17 Property Management, the Enforcement in Neighborhood
18 Services Team that is so critical in the
19 neighborhoods, and critically for all of the
20 questions that you also often have, the Technology
21 and Strategic Development Teams. We continue to
22 evaluate our needs. We did not come in and ask for
23 the world to support the Housing Plan. We very
24 gradually ramped up and tried to ask strategically
25 each Fiscal Year, each round of the Fiscal Year for

2 just that staff that we, you know, we really thought
3 were critical to support our programs. So, switching
4 to the capital budget, this chart shows HPD's
5 allocation over the next 10 years. The 10-year plan
6 totals 7.5 billion. 7.1 billion of that is from the
7 Mayor and the rest is a combination of Federal home
8 dollars and Reso A funding. The 10-year capital plan
9 represents the Mayor's full commitment to the Housing
10 New York Plan. Everything the Mayor committed last
11 May to put into the Housing Plan is allocated. The
12 plan made clear back in May of 2014 that we would
13 need another 1.9 billion from new sources to make the
14 plan work, and we appreciate the Council's support
15 for the fair and progressive mansion tax that we
16 propose to fill that gap. The budget articulated in
17 the plan should be sufficient based upon the best
18 information that we have at this time. Of course,
19 there are many things that could change the needs,
20 changes in the market, changes in interest rates,
21 changes in the prices paid for low income housing tax
22 credits or delays in the rezonings that are so
23 critical to the Housing Plan could increase the cost
24 of production. We adjust our budget during the year
25 and over the years to reflect those changing needs.

2 For example, as part of the Executive Budget, the
3 Mayor added additional funding to support two
4 programs that leverage rental assistance for homeless
5 families. We received 64 million for 450 homeless
6 set-aside units within our ELLA, our Extremely Low
7 Income program. Those funds helped to cover
8 shortfalls where we expected rental subsidies and
9 other programs to materialize from the Federal
10 government and they did not. In order to help
11 address the homelessness issue, HPD is transferring
12 18 million dollars per year of our home funds to HRA
13 to facilitate a tenant-based rental assistance
14 program, basically a city-run rental assistance
15 program. We expect this program is going to serve
16 1,250 homeless families, and then to offset those
17 home monies, the Mayor provided HPD with an
18 additional 18 million dollars to match that in city
19 capital. One major theme in today's presentation is
20 how closely we're working with other agencies and how
21 closely we're aligned across the city to try to
22 achieve the goals of Housing New York. A good
23 example relates to our infrastructure strategy. The
24 10-year capital plan includes over one billion for
25 direct housing-related infrastructure, and an

2 additional billion in other infrastructure

3 investments that will indirectly benefit housing.

4 The direct investments will unlock housing

5 opportunities and make potential development sites

6 viable. Those funds are in EDC and DEP budgets. We

7 worked closely with both of those agencies to secure

8 these funds and will continue working together on

9 planning and implementing individual projects. With

10 the budget in place to support our mission, we're

11 using the momentum from the first year to energize us

12 for our second year, our ambitious second year goals.

13 We're preparing new RFP's to capture opportunities on

14 city-owned sites and ensure a robust production

15 pipeline for coming years. We also have a new focus

16 on small building owners with a goal to lock in

17 affordability in neighborhoods across the city where

18 rents are increasing. We just launched our new green

19 preservation loan program to assist owners in small

20 to medium-sized multi-family buildings by financing

21 energy efficiency and water conservation projects in

22 exchange for affordability. Our ENS, our Enforcement

23 in Neighborhood Services, is revamping its operations

24 in order to increase the number of the ENS inspectors

25 who are out in the field to improve our customer

2 service and to bolster our internal controls, and we
3 continue to try to improve the Housing Connect so
4 that everyone has equal and easy access to affordable
5 housing. So, those are only a few of the many goals
6 that we've set for the coming year. There's much
7 more to be done, and we welcome your suggestions
8 about our priorities. While we took our first year's
9 lap at a fast clip, we'll be picking up the pace, and
10 we look forward to working with the Council to align
11 our budget resources with--and to help HPD achieve
12 the Housing Plan goals and to shape a better future
13 for our city and our families. So, thank you so much
14 for your time today, and I look forward to your
15 questions.

16 CHAIRPERSON FERRERAS-COPELAND: Thank you,
17 Commissioner. We have been joined by Lily Ulrich,
18 who wanted to make sure that we are preserving
19 housing, our youngest Council Member here today.
20 We've been joined by Council Member Cumbo, Rosenthal,
21 Torres, Lander, Espinal, Gentile, Ulrich, Koslowitz.
22 I have a few questions, and then I'm going to open it
23 up to the Chair, and then we're going to come back
24 for a second round. Specifically on the Affordable
25 Housing Plan, in addition to the mix of City and

2 Federal capital funding for HPD, the overall spending
3 plan for Mayor's Housing Plan, Housing New York, also
4 includes significant financing from the private
5 sector, and we thought about 30 billion dollars,
6 funding from the State and other Federal programs at
7 2.2 billion, as well as funding from the city sources
8 other than the capital dollars. Can you provide the
9 committee with any updates regarding the non-city
10 funding sources in relation to the Mayor's Housing
11 Plan, and what is the Administration doing to secure
12 all the 30 billion dollars in necessary private
13 funds?

14 COMMISSIONER BEEN: So the private funds
15 that were referenced in the Housing Plan are loans
16 from private banks, from investors, those kind of
17 private funds. We continued to be able to leverage
18 those. In fact, we try very hard to leverage them as
19 much as we possibly can, and basically the way that
20 that works is all set forth in our term sheets where
21 we commit to provide a certain amount of city funding
22 under various constraints, under various conditions,
23 and then we work with the developer to bring in
24 private money from banks, from other investors to
25 leverage that city money.

2 CHAIRPERSON FERRERAS-COPELAND: Okay. So,
3 is that where we could say that the 7.5 billion of
4 City funds you use as leverage--

5 COMMISSIONER BEEN: [interposing]
6 Exactly.

7 CHAIRPERSON FERRERAS-COPELAND: Okay. And
8 what happens in the unforeseen situation that the
9 developers aren't able to get the loans or the
10 investment, because you know, from our perspective,
11 30 billion dollars is a lot, but maybe you can tell
12 us how it isn't or is that average, or you know, is
13 it something that we should be aware of to keep an
14 eye on? It just seems as we approach a time in our
15 economy where we might see things getting a little
16 bit tougher, do you see that down the road we may
17 have some challenges when it comes to lending?

18 COMMISSIONER BEEN: So, 30 billion
19 dollars is a lot of money, even in the new economy.
20 So, certainly, it's something that we are constantly
21 watchful about, but we work all the time with the
22 banks, with the investors. We stay on top very
23 closely with their concerns with changes in interest
24 rates, with changes in bank regulations that might
25 affect their ability to invest in our projects. So we

2 certainly do not think that that 30 billion is
3 unusual or unattainable. It's based upon the
4 leverage factor that we used over the last 12 years.
5 So, you know, it's a very real number in terms of
6 what we were able to leverage even during the
7 financial downturn. So, I'm confident that it will be
8 there. As I said, though, we work all the time and if
9 there are any danger signals we will adjust
10 accordingly and work with the private investors to
11 make sure that we're, you know, leveraging absolutely
12 as much as we possibly can.

13 CHAIRPERSON FERRERAS-COPELAND: So, can
14 you walk me through the cost of building or
15 preserving a unit of affordable housing in a
16 neighborhood where the households earn up to 50
17 percent AMI, and also just so we have a better
18 understanding, and the areas in which the average
19 household is 100 percent AMI?

20 COMMISSIONER BEEN: Okay. So, let me just
21 get those numbers. Okay, so there are many factors,
22 obviously, that drive both the preservation and new
23 construction development costs, everything from the
24 cost of land in the neighborhood, the market, what
25 goes at market for the neighborhood, the scope of hit

2 work that's needed in order to preserve something,
3 the acquisition, the cost of debt, the cost of loans,
4 and other kinds of financing costs. So it really
5 ranges both across project and across neighborhoods
6 and between preservation and new construction. In
7 general, the average what we call in the lingo of
8 housers [sic] TDC, the total development cost, so
9 everything that it costs to develop or preserve a
10 particular unit. So, from the land cost all the way
11 through. The total develop--the average total
12 development cost for preservation is 130,000 dollars
13 a unit. The new construction, the total development
14 cost on average is about 375,000 dollars a unit.
15 That, like I say, varies from project to project and
16 it is--both number, obviously, are creeping up as
17 construction costs rise, as land cost rise. So we
18 are seeing, you know, projects come in at 425,000 a
19 unit total development cost on new construction. So,
20 but that's on average. It's hard. I know your
21 question was specifically well what at 50 percent and
22 what at 100 percent. The development cost doesn't
23 change by the, you know, by the AMI of the occupant.
24 What changes by the AMI of the occupant is of course
25 the operating, you know, the going forward expenses

2 over time, because you're getting in less rent in a
3 50 percent unit than you would be in a 100 percent
4 unit.

5 CHAIRPERSON FERRERAS-COPELAND: So, thank
6 you for showing us the pie of funding, and we see
7 most of it is Federal. The City has a slither, and
8 I'm assuming other might be State, but is there any
9 State contribution and how does State funding flow
10 through HPD and where is it recognized in your
11 budget?

12 COMMISSIONER BEEN: So, that little--well,
13 this one, the tiny little slither there is the State
14 that we--

15 CHAIRPERSON FERRERAS-COPELAND:
16 [interposing] The 1.6?

17 COMMISSIONER BEEN: 1.0, 1.075. So, one
18 million--

19 CHAIRPERSON FERRERAS-COPELAND:
20 [interposing] Oh, that. I can't even see that
21 slither.

22 COMMISSIONER BEEN: I know. That's our
23 point. HPD receives that little slither from the
24 State Emergency Vacate Grant. It came to HPD through
25 an MOU with HRA and is used to help fund our shelter

2 costs, when a building unfortunately has a, you know,
3 a fire or other kind of emergency and we need a place
4 to put the tenants. We have shelter for that, and
5 that helps to pay for that.

6 CHAIRPERSON FERRERAS-COPELAND: It just
7 seems that, you know, there's a lot of influence and
8 we have to engage so much with the State around
9 housing, and to have that slither be almost--well, it
10 totally is--you can miss it. I missed it. It's
11 incredibly frustrating from our perspective. You
12 know, granted we recognize that the Federal
13 Government does contribute greatly, as it probably
14 should, but the State one is very startling for us
15 here in the Council, especially with the Chair who
16 got arrested yesterday. I'm sure--

17 COMMISSIONER BEEN: [interposing] It's
18 frustrating for everyone, I think, around the room,
19 and we appreciate that the Chair was up there making
20 that point.

21 CHAIRPERSON FERRERAS-COPELAND: Thank you.
22 And then I want to just talk about briefly, I know
23 we're focusing very much on affordable housing,
24 preserving and making sure that people are not going
25 from stable housing to our shelters for a whole host

2 of reasons of affordability, but we also have this
3 other population that necessarily isn't always
4 touched by HPD in a direct way, but those are
5 homeowners that are what we hear referred to often
6 times is "house rich and cash poor," and HPD in the
7 prior years administered a home repair loan program
8 that provided low interest home improvement loans to
9 homeowners for one to four family homes, including
10 emergency repair loans of up to 10,000 dollars to
11 correct health and safety related emergency
12 situations. What are the funding sources for this
13 program, and does HPD's Fiscal 2016 budget allocate
14 funding for this program?

15 COMMISSIONER BEEN: So, the money for that
16 program was originally City capital. CD funding was
17 once used for the loan program, but was discontinued
18 because of income and environmental requirements that
19 just made it not workable for us. There's no funding
20 in the Fiscal Year 2016 Executive Budget for the home
21 repair loan programs. The program currently operates
22 by using recycled capital funds that were provided
23 prior to 2010, and we've been in discussions with
24 Neighborhood Housing Services, who runs the loan
25 program for us, to extend the program. The issue is

2 that capital funding is no longer--or let me put it
3 the other way. Small homes are no longer capitally
4 eligible, and so that is the issue.

5 CHAIRPERSON FERRERAS-COPELAND: So if we
6 were able to identify expense dollars, then we would
7 be able.

8 COMMISSIONER BEEN: Yes.

9 CHAIRPERSON FERRERAS-COPELAND: And can
10 you tell me, when the fund was the strongest what was
11 the funding number, and where is it now? Because I
12 know you say you're recycling some monies.

13 COMMISSIONER BEEN: I'm sorry, I don't
14 know that, the high point number, but we'll get that
15 to you right away.

16 CHAIRPERSON FERRERAS-COPELAND: If you
17 can, because you know, as we're exploring different
18 opportunities that is an initiative that I'm
19 particularly interested in helping revitalize or
20 support, and I'd just like to know where it is now so
21 that we know how we can support it in that way.

22 COMMISSIONER BEEN: Okay.

23 CHAIRPERSON FERRERAS-COPELAND: And my
24 last question on my first round is sustainable
25 neighborhood bonds will advance the goal of creating

2 and preserving 200,000 units of affordable for low
3 and middle income New Yorkers under the Mayor's
4 Housing Plan and will be the first social bond for
5 affordable housing in the country. Can you provide
6 the committee with details on how the sustainable
7 neighborhood bonds will allow for additional sources
8 of financing for construction and rehabilitation, and
9 can you provide an estimate on what the citywide
10 impact of this program will be?

11 COMMISSIONER BEEN: Okay, we're very
12 excited about the social bond. It's being put out by
13 HDC, of course, which is our sister financing agency.
14 And the idea there was, I mean, HDC, as you know,
15 issues bonds every year that helps support our
16 housing program. The part of what they were finding
17 is that there is a whole class of investors who are
18 more concerned about social responsible investing,
19 often who just invest in green infrastructure or
20 other kinds of things that we weren't tapping, right?
21 And so they framed a social bond so that those kinds
22 of socially responsible investors would be attracted
23 as additional investors into the program. So, we're
24 very excited about it. It is the first in the
25 country. It's certainly modeled after the green

2 infrastructure bonds that some places around the
3 country have adopted. So, the thing that we hope to
4 accomplish there is bringing more investors into our
5 bonds, and we think that the result of that will be
6 we will get better pricing on our bonds, because we
7 will have more interest in them, right? So the
8 competition will help us be able to use those bonds
9 to bring the interest paid by our developers down,
10 the financing cost down, and allow us to build more
11 housing, to finance more housing. It's brand new. We
12 don't know exactly what the take-up's going to be, so
13 I loathe to make any estimates about how exactly
14 that's going to affect our, you know, financing, but
15 we hope that it's going to bring down the cost of
16 financing, which allows us to just leverage more
17 money.

18 CHAIRPERSON FERRERAS-COPELAND: Thank
19 you, Commissioner. We've been joined by Council
20 Member Reynoso and Mendez, and now we will have Chair
21 Williams ask his questions.

22 CHAIRPERSON WILLIAMS: Thank you, Madam
23 Chair. Thank you again, Commissioner. Thank you for
24 the testimony. I just want to add first, thank you
25 for the good word about what we tried to do up in

2 Albany, and as the Chair mentioned, if you have
3 glasses and you're too far, you're going to miss--you
4 may miss that if you don't have your glasses on, and
5 they have, I believe, undo amount of influence of
6 what happens here in the city, while not putting
7 their purse strings where their mouth is. It's easy
8 to talk. It's harder to put money here, and a lot of
9 those electeds [sic] have no rent regulation in their
10 districts at all. We are down here struggling to try
11 to keep it, and of course, the biggest thing we're
12 dealing with now is 421A and strengthening the rent
13 regulations, not just expanding or adding some
14 nonsensical addition to and calling strength in the
15 rent laws. But back to your testimony, I'm not going
16 to spend too much time right now on the AMIs. Thank
17 you for putting that in here. I did want to just--I
18 will say that I appreciate the mix of income, but
19 when you look at it, the amount we're planning for 81
20 to 120 percent and 121 to 165 percent is slightly
21 more than we are planning for the extremely low, very
22 low, and I understand the difficulties of getting to
23 extremely low and very low, but that's where the
24 biggest problems are. That's where the vacancy rate
25 goes down to about one percent and the higher you go

2 up, it hovers around seven or more percent. So,
3 those are not the apartments that we need. The
4 apartments that we need are much lower down. So, I
5 appreciate the mix, but I think I want to do some
6 more efforts in trying to get to where the need is
7 and where the vacancy rate is the lowest.

8 COMMISSIONER BEEN: Nothing would please
9 me more than to bust those numbers out at the lowest
10 end. So, I'm with you.

11 CHAIRPERSON WILLIAMS: First question:
12 The city's Fiscal 2016 Executive Budget provides more
13 than one billion dollars in capital funds to
14 establish a neighborhood development fund between the
15 Economic Development Corporation and the Department
16 of Environmental Protection. In addition, 1.1 billion
17 is provided for affordable housing infrastructure in
18 EDC's capital budget. Although this funding's not
19 directly related to HPD's budget, this funding will
20 support and supplement HPD's goals and the
21 preservation and development of affordable housing.
22 How will HPD coordinate with EDC to officially
23 allocate the resources, and are there any reporting
24 requirements?

2 COMMISSIONER BEEN: So, thank you for,
3 you know, recognizing that and you offer for funding
4 those infrastructure funds, because they are really
5 critical to what we're trying to do. There is, as
6 you know, a decreasing supply of land owned by the
7 city and the land that is owned by the city that we
8 can use for affordable housing and really for
9 neighborhood building is often completely in need of
10 infrastructure. So, those infrastructure funds will
11 allow us to really open some of those areas for
12 development in really critical ways. And then the
13 other neighborhood infrastructure fund is really
14 geared towards the rezoning areas and will help us to
15 provide to make good on our promise that we won't
16 just put housing there, we will bring in the
17 infrastructure that's needed to support that housing.
18 So, I'm really excited about those two funds. We
19 work very, very closely with EDC, with DEP, with the
20 Department of City Planning. We have a weekly
21 meeting among the Commissioners to try to stay on
22 target. We talk about--each week we talk about the
23 neighborhoods that we're working in to make sure that
24 we're staying coordinated. We worked very closely in
25 coming up with the projects and the estimates that

2 formed the basis of those allocations, and we'll
3 continue to work to see, you know, in the execution
4 stage to make sure that we're all staying
5 coordinated, that the--you know, if we're planning to
6 build some housing that needs DEP infrastructure,
7 that we're doing that on the same time schedule and
8 in a well-coordinated way, that we're working with
9 EDC to make sure that the economic development
10 possibilities are coming along as well and so on.
11 So, you know, it's a major shift in the way that the
12 agencies are working together, but so far it's been
13 working very, very well.

14 CHAIRPERSON WILLIAMS: Is there any
15 reporting requirements?

16 COMMISSIONER BEEN: Well, believe me, we
17 report to a Deputy Mayor who pays very close
18 attention to these things.

19 CHAIRPERSON WILLIAMS: And I just want
20 to--is there any difference? I don't know if it's a
21 typo or difference between the Office of Neighborhood
22 Strategies and Office of Enforcement and Neighborhood
23 Services?

24 COMMISSIONER BEEN: They are,
25 unfortunately, close together, yes, but the Office of

2 Neighborhood Strategies is the new unit that I think
3 I've talked with you about before where the idea was
4 really to pull out planning and put it in outside of
5 development so that it focused more on the community
6 as a whole and less on just, you know, sort of the
7 building before it. The idea being, again, to go
8 back to that we had to have a really comprehensive
9 approach to neighborhood planning. So, Neighborhood
10 Strategies is planning, community outreach, community
11 partnership, and it's also serving as really the
12 bridge and the sort of collecting point of all of the
13 information around the agency about particular
14 neighborhoods. So that's Neighborhood Strategies.
15 ENS, Enforcement and Neighborhood Services, is the
16 great work that Vito [sp?] and his team does on code
17 enforcement on, you know, alternative enforcement,
18 etcetera.

19 CHAIRPERSON WILLIAMS: So you just kind
20 of called it out of that and made a new office?

21 COMMISSIONER BEEN: Well, so Neighborhood
22 Strategies took some out of Development. It took the
23 Office of--the community partners. It took some out
24 of ENS. So, it put together in a new way folks from
25 across the agency.

2 CHAIRPERSON WILLIAMS: So, in last month
3 actually, May, the Council launched a new 14 member
4 affordable housing preservation taskforce. It's--
5 because I'm the--primarily because I'm the Chair of
6 Housing and Buildings. I'm one of the co-chairs, but
7 actually leadership a lot by Council Member Mark
8 Levine who is the Co-Chair, and I want to thank him
9 and the Speaker for their leadership on it. And it
10 consists of Council Members whose districts are
11 quickly losing rent regulated apartments and several
12 of which are targeted for unzoning and development
13 under Mayor de Blasio's Housing Plan. Is HPD willing
14 to collaborate and work with the taskforce to support
15 these efforts? How does HPD envision this being
16 done? How will it coordinate with Neighborhood
17 Strategies? And I didn't see Council Member Levine
18 there or else I would have left it for him to ask
19 that question.

20 COMMISSIONER BEEN: So we're not just
21 willing, we're anxious to work with Council Member
22 Levine and all of the members of the taskforce.
23 We've already met several times with Council Member
24 Levine to talk about how we can work together most
25 effectively. We are trying at HPD. We're trying to

2 tack a much more proactive approach to preservation.

3 So, as we're very closely monitoring the kinds of
4 projects that are reaching the end of their
5 regulatory agreements and working with them in
6 advance to try to keep them in the program, and at
7 the same time, and here's where I think the taskforce
8 is so critical, we're really trying to broaden the
9 reach of people that we work with. So, last night,
10 for example, we sponsored a small buildings, you
11 know, sort of help night where folks from Vito's
12 team, from Anne Maria Mirez's [sp?] team in ENS, our
13 preservation finance folks. We had, I think, eight
14 different parts of the agency working with small
15 building owners to try to educate them about loan
16 programs, about incentive programs, about our new
17 green preservation program, all with the goal of
18 making it easier for them to stay financially and
19 physically strong and to preserve that affordability.

20 But that's a brand new approach to really reach out
21 to those kinds of owners who have never been in our
22 programs. And so in our discussions so far with
23 Council Member Levine we've talked about you guys
24 know the neighborhoods much better even than we do
25 and can help connect us to those kinds of owners,

2 help sponsors those kinds of owners nights, help--
3 you know, help us identify buildings that are in
4 trouble, that are having trouble, that might be
5 willing to, you know, use our financing to help bring
6 them into an affordability program. So I am really
7 excited about the partnership and very much looking
8 forward to working together on it.

9 CHAIRPERSON WILLIAMS: And obviously, one
10 of the primary, one of the main things that I think
11 both what we're doing in the council and the new
12 office will be doing is trying to work with some of
13 the rezonings that are supposed to be happening in
14 accordance to the plan. And so the Mayor's plan
15 calls for 15 neighborhood to be rezoned, though so
16 far only six have been announced. The first rezoning
17 will occur in East New York and begin the formal land
18 use process in spring of 2015. It is estimated that
19 East New York rezoning will result in a net increase
20 of 7,000 housing units by 2030. Is HPD coordinating
21 with DPC? Has HPD's Office of Neighborhood
22 Strategies engage members of the public and whatever
23 stakeholders to inform and provide details of the
24 rezoning process, and has there been real effort in
25

2 getting the intake from the community and what does
3 that look like?

4 COMMISSIONER BEEN: So, absolutely we're
5 working very closely with DCP, not just with DCP, but
6 again with the EDC, with Small Buildings Services.
7 We were all out in the community in East New York. I
8 can't remember what month, but it was, you know,
9 Commissioner Trottenberg [sp?] from DOT, Commissioner
10 Silver [sp?] from Parks. We had an all agency, you
11 know, sort of on the ground trying to work together.
12 We work very closely together in the study area, and
13 have worked very closely with DCP about the proposed
14 rezoning that will be introduced, I guess, over the
15 next few months. We've worked very closely with them
16 to identify what are the neighborhood needs and to
17 look at the neighborhood in terms of the income
18 levels in terms of the threats to--the threats of
19 displacement, all of those kinds of issues, and are
20 working very closely with DCP to craft, to marry our
21 term sheet programs, our programs so that we're
22 targeting in the new construction the many of the
23 families in the neighborhood at the incomes that
24 reflect the neighborhood needs. So, in fact, we met
25 yesterday with DCP to go over all of that initial

2 thinking and we'll be finalizing that thinking over
3 the next couple of weeks.

4 CHAIRPERSON WILLIAMS: I have one more
5 question and I'll go to my colleagues and finish with
6 some questions if they're not asked. This is more of
7 an Administration as a whole question. I'm happy
8 that the Office of Neighborhood Strategies are there,
9 but it seems that funding for programs like NPCP are
10 at an all-time low and then the council is left to
11 fund programs like HPI and CCC, which provide funding
12 to a lot of the good groups on the ground that are
13 doing this work. Why is the Administration not
14 putting additional funds to these groups or for these
15 groups?

16 COMMISSIONER BEEN: I mean, we work very
17 closely with all of those groups and certainly I've
18 heard from them that they need additional resources.
19 We have--the Administration has put enormous
20 resources, as you know into a lot of the local
21 community organizations through the legal--through
22 the anti-displacement work that it's doing. As you
23 know, the Administration, the Mayor made available 36
24 million to prevent displacement of tenants and is
25 relying very heavily while some of that money is

2 going for legal services, money is also going for
3 those community organizations who are tenant
4 organizing, who are sort of the boots on the ground.
5 So that's the way that the Administration has been
6 trying to, you know, augment resources in that way.

7 CHAIRPERSON WILLIAMS: Thank you very
8 much, and I appreciate the work that's being done
9 there. I think some of the groups would appreciate
10 additional funding for the work that they're trying
11 to do. So, hopefully you can pass that back.

12 COMMISSIONER BEEN: I will.

13 CHAIRPERSON WILLIAMS: I think it's not
14 fair that the Council has to put in all this funding
15 for the groups that are going to do the work on the
16 ground.

17 COMMISSIONER BEEN: I will take that back.

18 CHAIRPERSON WILLIAMS: So we're going to
19 go to Council Member questions, and I believe Chair
20 Ferreras is giving each Council Member five minutes,
21 so I'll follow that. We have Council Member Torres,
22 Gentile, Lander, Cumbo, Rosenthal, Levine, and
23 Mendez, and we'll start with Council Member Torres
24 followed by Council Member Gentile.

2 COUNCIL MEMBER TORRES: How are you,
3 Commissioner? I know you've spoken at nauseum [sic]
4 about 421A, so I want to nauseate you further with
5 more questions about 421A.

6 COMMISSIONER BEEN: Great, okay.

7 COUNCIL MEMBER TORRES: So I'll start with
8 a simple question. Can the Mayor achieve his goal of
9 creating 80,000 units without a reform of 421A? Is
10 it contingent upon what happens in Albany?

11 COMMISSIONER BEEN: We will deliver on our
12 commitment under the housing plan no matter what
13 happens. So, is it--I mean, am I going to say that
14 if we don't get what we want on 421A, the world will
15 fall apart? We'll figure out a way to get our work
16 done. That said, it's absolutely critical. We
17 expect about 25,000 new units of affordable housing
18 through our 421A reforms just over the time period of
19 the Housing New York Plan. So, that would be a major
20 blow to have to come up with other ways of producing
21 those 25,000 units.

22 COUNCIL MEMBER TORRES: But you're
23 committed to achieving the goal regardless of the
24 political dynamics in Albany?

2 COMMISSIONER BEEN: I--whatever force of
3 nature it takes us to do that plan, we will do that
4 plan.

5 COUNCIL MEMBER TORRES: Alright. Now, one
6 of the features of the plan, the plan allows for
7 affordable housing development, the Mayor's proposed
8 reform of 421A allows for affordable housing
9 development up to 130 percent of AMI, which on the
10 face of it strikes me as awfully high. And so I'm
11 wondering, like what was the empirical basis for
12 selecting 130? Does HPD have data on the extent to
13 which households at 130 percent of AMI are rent-
14 burdened? So that's my question.

15 COMMISSIONER BEEN: So, yes, we do. We
16 did look very extensively at the needs of those
17 really moderate and middle income families. Those
18 are, as you know, a bus driver married to a school
19 teacher, a sanitation worker married to, you know, a
20 nurse. So, we know that there are very significant
21 needs in that moderate and middle income category,
22 that's why we committed to do the broader range of
23 housing in the housing--

24 COUNCIL MEMBER TORRES: [interposing] Do
25 you have specific numbers? Do we know what

2 percentage of middle income and moderate income
3 families are rent-burdened above 40, 50 percent of
4 their income?

5 COMMISSIONER BEEN: Those numbers I think
6 are in the housing plan, but I don't have them with
7 me, but I can see the chart in my mind, and we'll
8 just send that to you as soon as we get back to the
9 office. So, that's part of it, is that we both--so I
10 actually think there are three parts. It's a three-
11 part answer to your question. One is that there are
12 needs, which we will document for you as you've
13 requested. The second is that we think that there's
14 enormous value to having mixed income buildings where
15 you've got both 40 percent AMI going all the way up
16 to moderate and middle income because those mixed
17 income buildings and mixed income neighborhoods just
18 provide a diversity, you know, a way for people to
19 join new networks, etcetera, that we think is very
20 important. The third thing, though, is that the
21 reason why we chose that 130 percent AMI in the what
22 we called option three in the menu for 421A is that
23 one of our goals for the 421A reform was to make it
24 much more efficient, and another goal was to do no
25 harm, and we were very, very concerned about shutting

2 off or stymying development in emerging markets that
3 right now are building with a 15-year 421A subsidy
4 with no affordable housing requirement. So when we
5 modeled, okay, how much can we ask of those
6 developers in those neighborhoods without causing
7 them to just stop building rental housing and either
8 building elsewhere or building condos, etcetera, our
9 models showed us that we really couldn't ask very
10 much in terms of pushing down the AMI's in those
11 neighborhoods. What we could do was to get them to
12 lock in affordability over time. So, the 130 is
13 about what the market is right now, and what that
14 does--what that 130 option does is to really lock in
15 those units as that neighborhood changes. As it
16 becomes more expensive, that will stabilize the
17 neighborhood and keep moderate and middle income
18 opportunities available even as the neighborhood
19 changes. So what we're doing there is we really--the
20 important part of that 130 is that it's a cap. It
21 keeps prices for--

22 COUNCIL MEMBER TORRES: [interposing] I
23 see my time's is going to--so I'm going to quickly--

24 COMMISSIONER BEEN: [interposing] I'm
25 sorry.

2 COUNCIL MEMBER TORRES: fit in a question.

3 So these units are going--obviously the goal is to
4 create as much affordability as we can and to lock it
5 in for as long as we can. These units are
6 temporarily affordable or affordable for the life of
7 the abatement. The hope is that we can extend the life
8 of the abatement, but I'm curious to know if HPD, do
9 you have data on how frequently owners agree or
10 decline to extend the life of an abatement, extend
11 the affordability of units?

12 COMMISSIONER BEEN: So, we have a pretty
13 good record of getting our projects to preserve, into
14 preservation programs. I forget exactly, I'm sorry,
15 what the statistic is, but again, I'll get you the--

16 COUNCIL MEMBER TORRES: [interposing] Is
17 it the majority of units that we--

18 COMMISSIONER BEEN: [interposing] It's the
19 majority of units. I mean, obviously in the hottest
20 markets we do worse, and in--you know. And so in
21 like 2003/2004 we were losing units. We now got a
22 lot more tools. We're much more aggressive. We're
23 much more proactive, and we're doing much better.

24 COUNCIL MEMBER TORRES: And I'm going to
25 squeeze in--

2 CHAIRPERSON WILLIAMS: [interposing]

3 Council Member?

4 COUNCIL MEMBER TORRES: Even if those
5 units do, even if the abatement does expire--

6 CHAIRPERSON WILLIAMS: [interposing]

7 Council Member, we have to move on, I'm sorry,
8 because we got a lot--

9 COUNCIL MEMBER TORRES: [interposing]

10 Those units still aren't rent stabilization--

11 CHAIRPERSON WILLIAMS: [interposing]

12 Council Member Gentile?

13 COUNCIL MEMBER TORRES: Okay.

14 COUNCIL MEMBER GENTILE: Sorry about
15 that. Thank you, Mr. Chairman. Commissioner, you
16 testified a couple of months ago when we spoke about
17 the Airbnb transient hotel controversy that HPD was
18 centrally involved in trying to manage and solve that
19 problem. However, when it's come to a more pervasive
20 problem throughout the outer boroughs, particularly
21 in Queens and Brooklyn, and the problem I speak of is
22 the illegal home conversions that are not transient.
23 They are illegal permanent home conversions in the
24 particularly outer boroughs of Queens and Brooklyn.
25 When it came to that problem you pretty much said a

2 couple months ago that HPD has been on the sidelines
3 pretty much because of resource issues. So I see in
4 the Executive Budget that you have a three percent
5 increase in your staff for code enforcement, which
6 would--which I believe translates into 10 additional
7 code enforcement staff that would respond and develop
8 appropriate strategies to correct violations
9 citywide. Given the fact that your resources are now
10 going up and getting better, can you address the
11 issue of using those new resources to attempt to work
12 with DOB in addressing the pervasive, growing
13 pervasive issue of illegal home conversions in the
14 city of New York?

15 COMMISSIONER BEEN: Yeah, I'm not sure
16 what you're referencing. On both scores I don't
17 think that I said that. If I did, it was wrong. On
18 the Airbnb issue, that is an issue for the Office of
19 Special Enforcement. We are not involved in
20 enforcing those issues. And on the issue of illegal
21 conversions, we've been front and center involved.
22 We work very closely with the Department of Buildings
23 to inspect when we get complaints or when we have any
24 reason to believe that there is an illegal
25 conversion. We issue--we sometimes have to issue

2 vacate orders. We have been very active on that, but
3 we will continue to ramp that up. We have a
4 taskforce with the Fire Department, with the
5 Department of--FDNY, the Fire Department with the
6 Department of Buildings.

7 COUNCIL MEMBER GENTILE: What's the name
8 of that taskforce?

9 COMMISSIONER BEEN: We have a taskforce on
10 illegal conversions, basically, working together to
11 try to find ways of sharing data about where the
12 illegal conversions may be, doing joint inspections,
13 those kinds of things.

14 COUNCIL MEMBER GENTILE: Access issues to
15 buildings, have you dealt with access issues to
16 buildings?

17 COMMISSIONER BEEN: We are working very
18 hard to deal with those access issues. It's--I'm
19 sorry. DOB is, you know, is in charge of the
20 collaboration and of course Deputy Commissioner Masta
21 Chula [sic] who has been involved in every one of
22 those meetings at DOB and working very hard on that.
23 We had--we issued, for example, in Fiscal Year 15 we
24 issued 508 vacate orders, 235 of those were related
25 to illegal occupancy of some type, whether it was

2 cellar, basement, attic or other situations. And we
3 have--this coming--this year we are increasing the
4 staff of code enforcement by not the numbers that you
5 mentioned but by 68 people, and some of those, many
6 of those, certainly will be involved in both
7 inspecting and response to complaints, but also as I
8 said, working with DOB and others to try to be more
9 proactive.

10 COUNCIL MEMBER GENTILE: So that 68
11 additional staff in code enforcement?

12 COMMISSIONER BEEN: Yes.

13 COUNCIL MEMBER GENTILE: Okay. That's not
14 reflective of what we have here, but that's good news
15 actually. That's very good news. So, this taskforce,
16 I don't believe to my knowledge has ever reached out
17 to communities in Brooklyn. I don't know, maybe in
18 Queens that's happened, but not in communities of
19 Brooklyn where the illegal home conversion, and I'm
20 not talking about basements. I'm talking about
21 complete gutting of a house and making a two-family a
22 10-family, or a two-family an eight-family, and
23 actually violating housing code and fire codes.
24 That's what I'm talking about, and I'd like to be
25 able to connect with you at this taskforce.

2 COMMISSIONER BEEN: Okay. So, my
3 suggestion is that, you know, I'll put you in touch
4 with Masta Chulo [sp?] and, you know, we'll talk
5 through what all is going on there. Okay?

6 COUNCIL MEMBER GENTILE: Great. Thank
7 you.

8 COMMISSIONER BEEN: It is certainly an
9 issue of grave concern to all of us.

10 COUNCIL MEMBER GENTILE: Thank you.

11 CHAIRPERSON WILLIAMS: Thank you, Council
12 Member. Just to follow up on Council Member Torres'
13 question, the last question that he was trying to get
14 out what it had to do with, will the apartments in
15 the 421A program be rent stabilized after the
16 abatement?

17 COMMISSIONER BEEN: So, the apartments
18 are rent stabilized for the life of the last sitting
19 tenant. So for example, if at year 35, you know, the
20 tenant there will enjoy the protections of rent
21 stabilization until that tenant leaves. When that
22 tenant leaves, the unit could at that time start to
23 decontrol unless we are successful in ending vacancy
24 decontrol. So, they would start to decontrol at the
25 time that the last sitting tenant leaves. That could

2 be five years after that 35 year period. It could be
3 20 years after that 35 year period.

4 CHAIRPERSON WILLIAMS: Thank you. And
5 Council Member Lander, and in effort towards
6 cordiality has said that Council Member Wills who has
7 to leave can have one minute on the clock to ask the
8 question he needs to ask.

9 COUNCIL MEMBER WILLS: Thank you. Good
10 afternoon, Commissioner. My question is based on HPD
11 and NYCHA, two quick things. If a NYCHA tenant, if
12 HPD goes out and visits a NYCHA tenant and finds out
13 there are emergency repairs that needs to be done,
14 why isn't it NYCHA--why isn't it that NYCHA doesn't
15 do the repairs? Instead they turn it over to NYCHA
16 instead of HPD doing the emergency repairs. And you
17 know NYCHA has a backlog and it never gets done. And
18 the second thing is, 311 calls that go from NYCHA
19 tenants should be routed to HPD for these types of
20 emergency repairs.

21 COMMISSIONER BEEN: So, our arrangement is
22 that HPD inspectors do not inspect in NYCHA
23 buildings. So we are not inspecting NYCHA units. If
24 a 311 call comes it goes to the NYCHA inspectors, not
25 to us.

2 COUNCIL MEMBER WILLS: But why is that?

3 Because HPD is a predominant organization in the city
4 or agency in the city that makes sure safety is met
5 inside of the buildings. NYCHA is its own authority,
6 but they're still buildings within the city.

7 COMMISSIONER BEEN: They are buildings
8 within the city, but I mean, a decision was made, I'm
9 not sure when, way predating us, that that would be
10 best handled by having NYCHA itself do that, and to
11 my knowledge NYCHA has not, and--I don't know the
12 nature of the discussion between NYCHA and the Mayor
13 about that issue.

14 COUNCIL MEMBER WILLS: Thank you, Council
15 Member Lander. Thank you, Chair.

16 COMMISSIONER BEEN: Thank you.

17 CHAIRPERSON WILLIAMS: Thank you, Council
18 Member. Council Member Lander followed by Council
19 Member Cumbo. Also, we've been joined by Council
20 Member Rodriguez, Levine and obviously Wills.

21 COUNCIL MEMBER LANDER: Thank you very
22 much, Mr. Chairman, and I've been in and out. I
23 apologize. So if you've covered these things in
24 other questions you can say we covered that. I
25 haven't seen as much, I know the Mayor's talked

2 generally about what we would do, what you would do
3 with the mansion tax if we get it. I know that's
4 hopeful, hopeful thinking, but I'm going to be
5 hopeful and optimistic. So, can you just say a
6 little more about what, how? I know you've got a lot
7 of things we want to spend the money on, but how do
8 we imagine spending that mansion tax when we get it?

9 COMMISSIONER BEEN: So, when the Mayor put
10 out the Housing New York Plan last May of 2014, we
11 laid out a budget for what would be required to do
12 all of the things that we set forth in the Housing
13 Plan and we identified at that time. We need two
14 billion more--actually, 1.9 billion more dollars in
15 order to do the things that we've laid out here. So,
16 the minute that I get that mansion tax, which I'm
17 going to get, the minute we get that mansion tax we
18 will spend it for the commitments of the Housing
19 Plan. There's nothing, no new commitments that would
20 result from having that money. It just plugs the gap.

21 COUNCIL MEMBER LANDER: So it flows into
22 that line? There was essentially a gap, funding
23 needed in the Housing Plan, and this money goes
24 straight in to cover that?

25 COMMISSIONER BEEN: Exactly, exactly.

2 COUNCIL MEMBER LANDER: Okay. And then
3 I'm interested in a little more. Two of the things
4 you talk about is your two goals. One of them being
5 new RFP's on city-owned sites where I'm assuming one
6 thing and I guess want to push on another. I'm
7 assuming that that will go especially to a focus on
8 low and extremely low income tenants, maybe not in
9 their entirety, but with a significant percentage so
10 we get the numbers up on this chart--

11 COMMISSIONER BEEN: [interposing]
12 Absolutely.

13 COUNCIL MEMBER LANDER: that we are
14 prioritizing permanently affordability since even
15 though that's not like inclusionary zoning. It is
16 land that will be there forever and that we are
17 therefore going to put, you know, either require or
18 highly prioritize permanent affordability on city-
19 owned sites, and that-- well, go ahead.

20 COMMISSIONER BEEN: No, so on that, on
21 the first question, absolutely. Where we are putting
22 land into the deal, we believe that we can drive
23 those AMI's down, and we will do so. In terms of the
24 permanent affordability, what we're trying to do is
25 more of a lease or a, you know, a recovery payment

2 for the land at the end of whatever affordability
3 period there is. That provides a very big stick or a
4 very big incentive to keep those affordable over the
5 long run.

6 COUNCIL MEMBER LANDER: With the idea
7 that you would have to repay all of the subsidy that
8 went to those units, or?

9 COMMISSIONER BEEN: That you would have to
10 repay the value of the land.

11 COUNCIL MEMBER LANDER: Figured at what
12 price?

13 COMMISSIONER BEEN: I think it's the
14 market price at the time of the expiration. It's
15 Eric [sic] here?

16 COUNCIL MEMBER LANDER: You can get back
17 to us on this. That makes a big difference.

18 COMMISSIONER BEEN: Yeah.

19 COUNCIL MEMBER LANDER: And if it were,
20 that would be meaningful, but obviously it's hard to
21 think 30 or 35 or 40 or 50 years down the line.

22 COMMISSIONER BEEN: Absolutely.

23 COUNCIL MEMBER LANDER: And we don't want
24 to take a piece of land in a low income neighborhood
25 and it becomes very high income place over time. We

2 have the problem we're facing on the Upper West Side
3 where we can't afford the difference.

4 COMMISSIONER BEEN: Yep.

5 COUNCIL MEMBER LANDER: So that'll make a
6 big difference. And then I would also like to see
7 not for profit and community based organizations and
8 our community developers given a real strong role, a
9 priority or points or preference. I know this is a
10 conversation we've had in the past. While I love the
11 range, the broader range of actors involved in our
12 affordable housing work, it does seem to me that the
13 work that nonprofits and, you know, full disclosure,
14 obviously I directed one of them for a long time, but
15 had something in our neighborhoods not only permanent
16 affordability but a kind of strengthening of civic
17 capacity, and it's harder for them to achieve that in
18 the marketplace we have today with land prices being
19 so high. So, you know, I'd love if you're today
20 willing to say yes, we'll give them some priority,
21 but at least I want to make it clear I really hope as
22 you're heading into a focus on city-owned sites that
23 you'll take that under advisement.

24 COMMISSIONER BEEN: I will certainly take
25 it under advisement. I have said that I don't--I'm

2 not a fan of status-based priorities, but I am a fan
3 of performance based priorities. And so, in our CRAP
4 [sic] in our RFP's we reward connections with the
5 community, local hiring, other local connections,
6 permanent affordability, all of those things that
7 nonprofits bring to the table.

8 COUNCIL MEMBER LANDER: Alright, thank
9 you. I'm not going to try to sneak in one last
10 question in my remaining 20 seconds, Mr. Chair. I'll
11 follow up off line with some of my other questions.
12 Thank you.

13 COMMISSIONER BEEN: Thank you.

14 COUNCIL MEMBER LANDER: Thank you,
15 Commissioner.

16 CHAIRPERSON WILLIAMS: Sure. Council
17 Member Cumbo I believe stepped out, so we'll go to
18 Council Member Rosenthal followed by Council Member
19 Levine, Mendez and Rodriguez.

20 COUNCIL MEMBER ROSENTHAL: Great. Thank
21 you so much, Chair Williams and thank you,
22 Commissioner for your help in trying--your help in
23 helping us sort all this out. I'd really like to
24 talk for a minute about the loss of affordable
25 housing on the Upper West Side. So, we--an intern in

2 my office, bless her, did an analysis where we--she
3 went through the Department of Finance property
4 bills, address by address and identified the self-
5 reported number of rent regulated apartments in my
6 entire district. In 2009, the total was 23,000
7 self-reported, 23,225. In 2014, it's 19,998, with a
8 difference of 3,227 divided by four, that's a loss of
9 800 a year. Oh, it has to be divided by five, sorry.
10 My bad.

11 COMMISSIONER BEEN: It's too many, way
12 too many.

13 COUNCIL MEMBER ROSENTHAL: It is too
14 many. Oh, sorry. So it's around 700 a year. So, at
15 that rate, 700 a year, so at that rate we're going to
16 be down to zero in 20 years. And I'm wondering, when
17 you--this is a granted obnoxious question. But when
18 you calculate the goal of preserving 120,000 units,
19 do you take into account the 20,000 that'll be lost
20 in my district?

21 COMMISSIONER BEEN: So, the 200,000
22 commitment in terms of new or preserved is a net num-
23 -is a gross number. It's not--

24 COUNCIL MEMBER ROSENTHAL: [interposing]
25 Doesn't take into account the losses.

2 COMMISSIONER BEEN: It's not offset by the
3 losses, and--

4 COUNCIL MEMBER ROSENTHAL: [interposing]
5 So the goal of 120 you could actually yield in 10
6 years, you know, I'm going to make this up, if my
7 district continue to go at the rate it's going.

8 COMMISSIONER BEEN: If we don't get the
9 strengthening of rent regulations in the way that the
10 Mayor has proposed, we will lose way too many units.
11 And while everything that we are doing on the Housing
12 Plan is critically important, it will be--the effect
13 of that will be lessened no doubt--

14 COUNCIL MEMBER ROSENTHAL: [interposing]
15 Right, if we--

16 COMMISSIONER BEEN: by the loss of--

17 COUNCIL MEMBER ROSENTHAL: [interposing]
18 simply extend. Yeah, I agree with you. And just
19 very quickly, I want to thank Vito and the rest of
20 your staff because as my tenants get harassed, they
21 are very quick to go out, and they have done a very
22 good job on that, and I appreciate that very much.
23 I'm wondering also about the coordination between
24 different agencies, your agency included. So, for
25 example, when about a month ago, the Department of

2 Finance identified that 5,700 SCRE and DRE recipients
3 would lose or get reduced rent coverage due to
4 correcting previous inaccuracies, did the Department
5 of Finance or Alicia Glenn [sp?] reach out to you to
6 give you a heads up in terms of the fact that, you
7 know, within a week--I know a dozen people came into
8 my office and explained exactly why that would then
9 lead them to lose their home because of medical
10 bills. Is that coordinated with you at all in terms
11 of adding to the number of lost units and whether or
12 not HPD could have a role in at least thinking about
13 that big picture?

14 COMMISSIONER BEEN: Not--to my knowledge
15 we were not notified. Ann Marie, I'm looking. To my
16 knowledge we were not notified about the DRE folks.

17 COUNCIL MEMBER ROSENTHAL: SCRE/DRE folks.

18 COMMISSIONER BEEN: That's a very good
19 idea, the DRE and the SCRE folks. That's a very good
20 idea. I will take that up with Commissioner Jiha.
21 That's a great idea.

22 COUNCIL MEMBER ROSENTHAL: Okay. Great, I
23 really appreciate that. Thank you very much.

24 CHAIRPERSON WILLIAMS: Thank you. We've
25 also been joined by Council Member Miller and Council

2 Member Johnson, who along with myself and Council

3 Member Cumbo participated in the action in Albany.

4 Next we'll have Council Member Cumbo followed by

5 Council Member Levine, Mendez, Rodriguez, and Miller.

6 COUNCIL MEMBER CUMBO: Thank you, Chair,

7 and I thank you, Commissioner, for being here today.

8 I wanted to talk about the Mayor's Housing Plan which

9 calls for the 15 neighborhoods to be rezoned, and

10 those so far, only six have been announced. Can you

11 remind us again of the six communities that have been

12 selected or announced?

13 COMMISSIONER BEEN: So, East New York,

14 Jerome Avenue in the Bronx, East Harlem, Inwood

15 Sherman Creek, Flushing West--I'm missing one. Bay

16 Corridor [sic], yes.

17 COUNCIL MEMBER CUMBO: How did you select

18 which neighborhoods would be selected in that way?

19 What was it about those particular communities that

20 appealed to you in terms of announcing those and how

21 they came online in that way?

22 COMMISSIONER BEEN: So, the Department of

23 City Planning is the lead on that, and so I should

24 defer that question to Chair Weisbrod. Certainly as

25 we talked through with him what kinds of

2 neighborhoods we should be thinking about, we
3 provided information that we knew about where our
4 housing investments were, where there were a lot of
5 preservation opportunities, where we were seeing
6 needs especially for affordable housing, but our role
7 in the decision was to give him that information, but
8 then he used a wide range of information to determine
9 which exactly were the study areas.

10 COUNCIL MEMBER CUMBO: When do you think
11 you will announce as far as the timeline when the
12 complete 15 that have been identified will become
13 public and made known to everyone?

14 COMMISSIONER BEEN: I--that's--I will not.
15 He will, and I don't know what his timing is.

16 COUNCIL MEMBER CUMBO: Okay. And if
17 you're not part of that 15--or rather, I should just
18 say, the community that I represent in the 35th
19 district in Fort Greene, Clinton Hill, Prospect
20 Heights, Crown Heights, Price [sic], Bedford,
21 Stuyvesant. Particularly in Community Board Nine
22 it's been very contentious in terms of conversations
23 around a study that would potentially lead there. My
24 challenge as a Council Member has always been I
25 suspect that we're amongst those 15, but if you miss

2 this particular opportunity as far as being amongst
3 the 15 or being added, the amount of resources that
4 have been allocated, are the amount of resources that
5 have been allocated only for these 15 in terms of the
6 housing plan, or are there opportunities for other
7 neighborhoods to be looked at in that way?

8 COMMISSIONER BEEN: So, we will be
9 building and preserving housing across the city, not
10 just in the 15--

11 COUNCIL MEMBER CUMBO: [interposing]
12 Right.

13 COMMISSIONER BEEN: or however many it
14 turns out to be. So while we are working very
15 closely with Chair Weisbrod and the Department of
16 City Planning on those rezonings, we're building and
17 preserving everywhere, including in your districts.
18 So, it's not tied directly in that way to the
19 rezoning areas at all.

20 COUNCIL MEMBER CUMBO: Okay. So they'll
21 definitely--

22 COMMISSIONER BEEN: [interposing] I won't
23 neglect you.

2 COUNCIL MEMBER CUMBO: Okay. That's my
3 main thing. I certainly don't want our district to be
4 neglected because--

5 COMMISSIONER BEEN: [interposing] I will
6 not neglect you.

7 COUNCIL MEMBER CUMBO: you know, we are
8 very passionate, and there are a lot of concerns that
9 the community has experienced in terms of upzonings
10 that have not been as beneficial to the community.
11 Can you talk just a little bit about how some of
12 these rezonings as far as some of the beneficial,
13 like what's changed from the last Administration to
14 this Administration that would give our residents
15 opportunities to feel more comfortable with this
16 particular process as well as the study? Has the
17 study been revamped in any way in terms of more
18 community input, more community feedback so that more
19 of the voice of the community is included in this
20 process?

21 COMMISSIONER BEEN: So glad you asked.
22 Thank you. Because that was part of the purpose for
23 us of forming this Office of Neighborhood Strategies.
24 The Office of Neighborhood Strategies, which is our
25 chief liaison with the Department of City Planning

2 has worked very closely with City Planning and with
3 EDC, NYCHA and some of the other agencies to come up
4 with what we're calling a Neighborhood Planning
5 Playbook. It's really a sort of, okay, how are we
6 going to do this in a new way from the--from prior
7 Administrations? I gave comments on a draft of it
8 earlier this week. I think it's a very different
9 approach, and it's different in a couple of ways.
10 One is that we really are taking a cross-agency
11 comprehensive approach so that we're not just
12 rezoning and then, you know, saying, "Okay, good
13 luck. See you later." We're saying, here are--you
14 know, we've identified that you need schools or parks
15 or this or that, and we're going to make it
16 available. So, that's one thing. And then the
17 second thing is really in terms of the community
18 engagement. We're trying to work with communities in
19 a much different way. No more meetings where we all
20 show up and give Power Points and talk at
21 communities, but really a much more in--you know, a
22 much more well-integrated, comprehensive approach to
23 looking at community needs, talking with community
24 members, having, you know, sessions where we can talk

2 about priorities, those kinds of things. And so we're
3 really trying a completely new approach.

4 COUNCIL MEMBER CUMBO: Okay, thank you,
5 and I look forward to working with you closely on
6 this process. Thank you.

7 COMMISSIONER BEEN: Great. Thank you.

8 CHAIRPERSON WILLIAMS: Thank you, Council
9 Member. Council Member Levine followed by Mendez,
10 Rodriguez and Miller.

11 COUNCIL MEMBER LEVINE: Thank you, Chair
12 Williams, and hello, Commissioner. Great to see you.

13 COMMISSIONER BEEN: Good to see you.

14 COUNCIL MEMBER LEVINE: I appreciate all
15 your comments so far on the importance of
16 preservation. I know how passionate you are and how
17 many resources the agency is devoting to this issue.
18 You know, part of the challenge is that landlords of
19 buildings which are expiring from existing programs
20 ultimately have free will about whether they choose
21 to re-up with us, and our job is to make that happen,
22 but there are cases where the landlord decides they'd
23 rather go with market rate rents. That challenge is
24 obviously greatest in the more expensive
25 neighborhoods.

2 COMMISSIONER BEEN: Right.

3 COUNCIL MEMBER LEVINE: Can you in any way
4 give us a sense of how many buildings we've been
5 unable to save in the last year and a half because of
6 this dynamic where the landlord has just been
7 unwilling to play ball or we couldn't compete with
8 the market?

9 COMMISSIONER BEEN: I think actually in
10 the last year and a half we've been able to preserve
11 every single one, haven't we? I think it's every
12 single one, but I will confirm that.

13 COUNCIL MEMBER LEVINE: Well that is a
14 remarkable achievement, and I don't think that during
15 the previous Administration they could say that for
16 any similar period.

17 COMMISSIONER BEEN: Well, we are working
18 very hard on that.

19 COUNCIL MEMBER LEVINE: You should really
20 be commended for that. That is extraordinary.
21 Looking forward, you have the ambitious goal of
22 preserving 120,000 units over the decade, one year
23 down at this point. Do you have projections which
24 tell us how many units will be expiring during that

25

2 period, not counting rent stabilization, but even
3 just looking at all the other programs?

4 COMMISSIONER BEEN: So we estimate that
5 over the next 10 years by 2025 that there will be
6 about 100,000 units that reach the end of their
7 regulatory agreements.

8 COUNCIL MEMBER LEVINE: So in other words,
9 you're anticipating not only renewing all 100,000 but
10 presumably going forward a couple of years to prevent
11 things two or three years ahead, or how do you get to
12 120,000 if they're--

13 COMMISSIONER BEEN: Because those are only
14 the units that are now in a regulator program, and
15 we're going to be working with your taskforce to
16 bring in folks who are not now in a regulatory
17 program.

18 COUNCIL MEMBER LEVINE: Right, including
19 rent regulated units and various other.

20 COMMISSIONER BEEN: Exactly. Exactly.

21 COUNCIL MEMBER LEVINE: I know that for
22 some of the housing programs we have excellent data
23 about where the buildings are, when they went into
24 the program, when they expire, presumably who the
25 owner is.

2 COMMISSIONER BEEN: Yeah.

3 COUNCIL MEMBER LEVINE: Things like
4 Mitchell-Lama being probably the very prominent
5 example where we know what we need to know.
6 Ironically, at some of the city programs as opposed
7 to state and federal programs over the years where
8 the programs have been more patchwork, they've come
9 and gone, some have been smaller, and if I understand
10 correctly, we don't have the comprehensive data. Is
11 that accurate?

12 COMMISSIONER BEEN: That is accurate.

13 COUNCIL MEMBER LEVINE: Can you in any
14 way quantify the number of affordable units that are
15 out there that aren't in your database, I think you
16 call it Ship's [sic] data base, or any other database
17 the city has?

18 COMMISSIONER BEEN: So--

19 COUNCIL MEMBER LEVINE: [interposing] Even
20 a guess.

21 COMMISSIONER BEEN: I mean, so we are
22 trying very, very hard to bring all of that, so to
23 speak, online. I mean, the Ship database as you
24 know, catalogues the four big programs. We're trying
25 to now go back. For example, I've mentioned my

2 famous example, my favorite example, of the Wang
3 [sic] computer. Those are J51 expiring units. We've
4 now brought them into the program. We're actually,
5 you know, having discussion with the Furman Center
6 that did the original Ship about incorporating some
7 of those. So, I believe that there are possibly as
8 many as 30,000 units or so that we can bring
9 information into through those efforts.

10 COUNCIL MEMBER LEVINE: Alright, that's--

11 COMMISSIONER BEEN: [interposing] How many
12 more there are that we haven't really yet started
13 looking through all those files and trying to bring
14 them online I'm not entirely sure of.

15 COUNCIL MEMBER LEVINE: Right. And the
16 greatest challenge, as you I think identified, is
17 those units where there's not an expiring program but
18 where affordability can still very much be at risk.
19 Rent stabilization being the largest by far, but many
20 other scenarios particularly in the outer boroughs.
21 Can you talk about what you see as kind of emerging
22 tools that can serve that portion of the market?

23 COMMISSIONER BEEN: So one of the things
24 that we're very excited about is that we just rolled
25 out a couple of weeks ago, our green preservation

2 program, and there have been, you know, a variety of
3 energy conservation, weatherization programs in the
4 past, but owners, especially small owners have found
5 them very, very difficult to use. This green
6 preservation program tries to make them much easier
7 to use and will tie a, you know, boiler replacement,
8 a weather upgrade to a preservation program. So
9 that's an example.

10 COUNCIL MEMBER LEVINE: Okay, thank you.

11 COMMISSIONER BEEN: Great.

12 CHAIRPERSON FERRERAS-COPELAND: Thank
13 you, Council Member. We'll have Council Member
14 Mendez followed by Council Member Rodriguez.

15 COUNCIL MEMBER MENDEZ: Thank you, Madam
16 Chair. Commissioner, pleasure to see you again.

17 COMMISSIONER BEEN: Great to see you.

18 COUNCIL MEMBER MENDEZ: And I walked in a
19 little late. You may have answered the question. You
20 probably did answer it in some format. I specifically
21 want to know about these 18,939 units that have been
22 preserved to date. Some new construction and some
23 preservation. So, I want to know, because I'm
24 concerned that units are being double counted from
25 the previous Administrations. So for example, you

2 were at an event in my district for the micro units,
3 and I believe the Bloomberg Administration counted
4 the micro units as new construction that was going to
5 happen in their Administration. Is this
6 Administration counting that in their numbers of new
7 construction as well?

8 COMMISSIONER BEEN: No, so we count what
9 we call a start, which is when the project what we
10 call closes. So the transfer of money takes place
11 and the transfer of title or whatever takes place,
12 that's a start. We are only counting starts from
13 January 1st, 2014. We also have to report in the
14 Mayor's Management Report we report completions. We
15 count completions as they complete, obviously, and so
16 some Bloomberg era projects are now completing and
17 they are counted as completions, but our commitment,
18 the 200,000 commitment is starts not completions.

19 COUNCIL MEMBER MENDEZ: Okay, great.
20 Thank you. In your testimony you referenced the
21 creation of the Office of Neighborhood Strategies.
22 Can you tell me when was this created and if the
23 headcount in this new office is this using people
24 that were already within HPD and they're just
25 transferred over to working this unit?

2 COMMISSIONER BEEN: So, it was created I
3 think around--I'm forgetting whether it was August or
4 September that the office was actually created. And
5 the--

6 COUNCIL MEMBER MENDEZ: [interposing]
7 September 2014, 2015, 20?

8 COMMISSIONER BEEN: It's 2014.

9 COUNCIL MEMBER MENDEZ: 2014?

10 COMMISSIONER BEEN: Yeah, and--

11 COUNCIL MEMBER MENDEZ: [interposing] But
12 we haven't gotten to 2015 yet. It just feels like
13 it.

14 COMMISSIONER BEEN: I was going to say,
15 what did I--tell me what happened in Albany. Do we
16 have strong rent regulation? That's what's
17 important. So, it has 57 staff people as of May
18 26th, 2015. Some of those are people who were in the
19 planning department within development. Some of them
20 who were in our ENS in the Office of Neighborhood
21 Services, and I think five--oh, I'm sorry, in
22 inclusionary housing I think we have five new staff,
23 right? Oh, no, I'm sorry. We have 24 new staff.

24 COUNCIL MEMBER MENDEZ: That's--okay.
25 That was one of my other questions. On this Tenant

2 Harassment Prevention Taskforce that was launched,
3 can you tell me how much funding was provided for
4 tenant harassment prior to the launching of this
5 prevention taskforce and how many is being allocated
6 now to this taskforce?

7 COMMISSIONER BEEN: So, we haven't
8 allocated money or staff specifically. I mean, we're
9 using our folks from ENS, Vito, others from ENS are
10 just, you know, detailed to that. We're not charging
11 it separately.

12 COUNCIL MEMBER MENDEZ: Okay. And how
13 much overall within the agency is being spent on
14 tenant harassment? Can you tell me that?

15 COMMISSIONER BEEN: That's a good--

16 COUNCIL MEMBER MENDEZ: [interposing] You
17 can get back to me if you don't--

18 COMMISSIONER BEEN: [interposing] Yeah,
19 I'll have to get back to you. So, the Mayor's 36
20 million dollar commitment is going through HRA and is
21 of course--they're issuing some RFP's for that. So,
22 that's where the bulk of the anti-displacement money
23 is going, but we have many people across the agency
24 who are working on that. We can try to provide a
25 sense of the scope of that.

2 COUNCIL MEMBER MENDEZ: Based on this, it
3 says three people in Legal Affairs. Is that the
4 equivalent of the General Counsel's Office or is that
5 your HPD Litigation Bureau?

6 COMMISSIONER BEEN: I'm sorry? That's
7 General Counsel. That's Matt--

8 COUNCIL MEMBER MENDEZ: [interposing]
9 Okay, and HPD Litigation Bureau, would that be with
10 enforcement in Neighborhood Services?

11 COMMISSIONER BEEN: Exactly.

12 COUNCIL MEMBER MENDEZ: And how many new
13 staff or headcount is for the HPD Litigation Bureau
14 out of this 44 that's listed there?

15 COMMISSIONER BEEN: It's--I'm sorry? Let
16 me get back to you. I'm not sure. I'm sorry, let me
17 get back to you, because I'm--we've got to sort out
18 who went to HLD and who went to General Counsel.

19 COUNCIL MEMBER MENDEZ: Okay. Madam
20 Chair, I have another question, but if I have to come
21 back or if I could ask it now? Okay, thank you.
22 Commissioner, in your testimony you referenced that
23 you're increasing housing to Housing Connect by
24 translating instructional materials to additional
25 languages. So in my recent newsletter I've talked

2 about all the new units that are coming to my
3 district, and we gave a number for people to call if
4 they want to know about affordable housing units in
5 the city. I, my office got bombarded because the
6 number directs you to a website. The message is only
7 in English, and then the website is only in English,
8 and so people, you know, who--elderly who don't
9 manage the internet were calling our office and
10 people who spoke a language other than English were
11 also calling our office. So, can you explain how much
12 funding was allocated to this and what exactly
13 instructional materials were translated, and when are
14 you planning to have the phone message translated as
15 well as some stuff on the website?

16 COMMISSIONER BEEN: Yeah, let me get back
17 to you about that. So, part of the answer to your
18 question is, we actually received a private grant to
19 do a lot of the translation. So it's not showing up
20 as a budget number. We got private--no. I mean, we
21 got foundation money to translate, and I thought that
22 translation--

23 COUNCIL MEMBER MENDEZ: [interposing] I
24 think you're going to need more translation money and
25 more grants.

2 CHAIRPERSON FERRERAS-COPELAND: Council
3 Member Mendez?

4 COMMISSIONER BEEN: Okay, thank you for--

5 CHAIRPERSON FERRERAS-COPELAND:

6 [interposing] Thank you.

7 COMMISSIONER BEEN: bringing that to our
8 attention.

9 CHAIRPERSON FERRERAS-COPELAND: We'll have
10 Council Member Rodriguez followed by Council Member
11 Miller, and then we'll be done with the first round.

12 COUNCIL MEMBER RODRIGUEZ: Thank you,
13 Chairs. Commissioner, thank you, and also thank you
14 to the Deputy Mayor and the Mayor for your leadership
15 on fighting for reforms on the 421A. I have a
16 question that is referred to my local community and
17 other questions citywide. One is, I have two
18 buildings, 21 Arden Street and 79 Post [sic] Avenue
19 that since I was elected in 2009 in the first budget
20 the tenants came here. They've been very advocate.
21 They've been meeting with HPD from 2009 to today.
22 They have come to our offices and I don't know how to
23 look at their faces anymore, because in 2010 Fiscal
24 Year they was told after being relocated that we
25 would renovate those two buildings and that the money

2 was not available in the 2010, but then money will be
3 available in the Fiscal Year 2011. Two years ago I
4 was told that they already had the money was there.
5 I know that with a change of Administration there's a
6 reorganization with those programs, but I cannot wait
7 no more on those two buildings, and I don't know how
8 to look at them. And you know, we live that
9 experience on 502 [sic] Academy [sic] that we had the
10 great owners, who [sic] have [sic] there [sic]. We
11 did the ribbon cutting from Anne Marie to Vito and
12 the great team, we were there fighting together, but
13 it took me--it took for me to get a north [sic] storm
14 [sic] and put tenants in race [sic] for the building
15 to collapse [sic] in order to get the city to
16 renovate that building.

17 COMMISSIONER BEEN: Right.

18 COUNCIL MEMBER RODRIGUEZ: And this is
19 story that tenants being told over and over on those
20 two particular buildings in my district. We need to
21 wait. The money's not there. We are reorganizing,
22 and you hope to focus on those two buildings, 21
23 Arden, 879 Post Avenue. They are two buildings. I'd
24 like to be sure that the money's there, that I can
25 look at those tenants faces after five years. I've

2 been saying, "Yeah, the city told me that they money
3 will come in the next Fiscal Year." So, I [inaudible
4 04:45:52] in those two.

5 COMMISSIONER BEEN: Okay, so let me
6 explain what's happening there. So, those are Till
7 [sic] buildings, right? And the problem with the
8 Till buildings is that in prior years the Office of
9 Management and Budget basically blocked going forward
10 on those buildings because what they wanted was
11 those--in many cases those buildings were supposed to
12 be made into home ownership buildings. I don't know
13 about these two, but they were--in general those
14 programs were supposed to be made into home ownership
15 to co-ops, but the OMB believed that it couldn't
16 underwrite them unless we put aside full reserves as
17 if each and every unit would be made a rental. We've
18 now broken through that with OMB. We've got a pilot
19 project of 50 to show OMB that this program will
20 actually work, and we have an agreement with OMB that
21 once we show them that this program actually works
22 that the money will flow. I don't know. I take it
23 from your question that these two are not in our
24 pilot program, but I will check back on that and we
25 will try to move them as quickly as we can.

2 COUNCIL MEMBER RODRIGUEZ: I've been
3 holding on there, and I've been getting press
4 rallying from those buildings. I'm [sic] your
5 partner with this Administration, but I--you know,
6 those to buildings need help.

7 COMMISSIONER BEEN: Okay.

8 COUNCIL MEMBER RODRIGUEZ: And I just
9 want to see how we can keep--

10 COMMISSIONER BEEN: [interposing] Thank
11 you.

12 COUNCIL MEMBER RODRIGUEZ: whatever money
13 we're looking for this coming year, to be sure that
14 those two buildings are included there. But let's
15 keep talking.

16 COMMISSIONER BEEN: Okay.

17 COUNCIL MEMBER RODRIGUEZ: My other
18 concerns about--first, we have a great Deputy
19 Commissioner on Vito. Great job. Accessible all the
20 time, 24/7. Not limited [sic]. We had to go and meet
21 at 12 or two in the morning at 9:00 p.m., someone
22 that I know that is there to be--keep moving, and
23 someone with a great future, because he know how to
24 work with all of us. But I wonder how many men and
25 women does the law enforcement have at this moment?

2 And do they have enough resources to be sure not only
3 to send a team and do the inspection, but for the
4 follow-up?

5 COMMISSIONER BEEN: So in this year we
6 have 879 people in the ENS division that Vito is such
7 an incredible leader of and has such an incredible
8 team leading. We have 879. This--that ENS is 44 new
9 staff this coming--for this year. And so, you know,
10 we can, you know, probably always use other staff.
11 We believe that that's really going to help us to
12 respond more quickly to do more internal
13 investigations, etcetera. So, thank you.

14 CHAIRPERSON FERRERAS-COPELAND: Thank you,
15 Council Member Rodriguez. Council Member Miller?

16 COUNCIL MEMBER MILLER: Thank you, Madam
17 Chair. Good afternoon, Commissioner.

18 COMMISSIONER BEEN: Good afternoon.

19 COUNCIL MEMBER MILLER: Good afternoon to
20 your team and thank you for all the hard work that
21 you do and commendable work that we've been able to
22 partner on thus far. So, I want to talk a little bit
23 about some of the funding that is available for
24 housing and outside of the affordable into what we in
25 Southeast Queens, the single-family and multi-family

2 homes and some of the funding that is available with
3 designation, particularly those that--the distressed
4 properties and the tax areared properties. What kind
5 of support is in the budget for those properties?

6 COMMISSIONER BEEN: So--

7 COUNCIL MEMBER MILLER: [interposing] That
8 we'll see in the new future.

9 COMMISSIONER BEEN: So, when you say
10 distressed you mean the foreclosed or? I'm sorry.

11 COUNCIL MEMBER MILLER: Yes.

12 COMMISSIONER BEEN: So--

13 COUNCIL MEMBER MILLER: [interposing]
14 Foreclosed and abandoned which needs repair.

15 COMMISSIONER BEEN: Okay. So, I mean, as
16 you know, we--750,000 dollars a year of our budget
17 goes to the Center for New York City Neighborhoods or
18 organizations that perform, that respond to the RFP,
19 but this year it was the Center for New York
20 Neighborhoods to provide foreclosure counseling,
21 foreclosure assistance and also to bring those
22 buildings back into, you know, the mainstream. In
23 addition we work very closely with and formed for
24 this purpose Neighborhood Restore which has bought a
25 lot of those distressed buildings and then rehabbed

2 them, put them back into production. I think we've
3 done 100 homes. We are right now working on a new
4 project working with the FHA to try to take some of
5 those distressed homes and turn them around.

6 COUNCIL MEMBER MILLER: Okay, thank you.

7 And in terms of the infrastructure investment, in
8 particular the sewer [sic] infrastructure, what would
9 be different from what DEP would be doing that--

10 COMMISSIONER BEEN: [interposing] So the
11 billion dollars in infrastructure investment that is
12 being run out of either EDC or DEP depending upon the
13 particular needs. So, DEP will be spending that
14 sewer money.

15 COUNCIL MEMBER MILLER: Okay.

16 COMMISSIONER BEEN: The purpose is it's
17 just dedicated towards areas where we're going to be
18 doing more more-affordable housing building or where
19 there are rezonings.

20 COUNCIL MEMBER MILLER: And that requires
21 infrastructure, okay. Supportive housing, in light
22 of a lot of the difficulties that we've seen reported
23 recently, what kind of oversight can we see in terms
24 of that before we get to that point? What kind of
25 communication are we going to have with members in

2 those communities surrounding that supportive
3 housing? What will we see differently from what
4 we're experiencing now?

5 COMMISSIONER BEEN: So, all of our
6 supportive housing projects, I mean, we work very
7 closely with the members and with the whole City
8 Council on those supportive housing projects. So, I
9 guess I'm not clear as to what you're referring to
10 when you say the cur--what's gone wrong, or--I'm
11 sorry, I'm not clear as to what you're--

12 COUNCIL MEMBER MILLER: [interposing] So,
13 there are ongoing construction for supportive housing
14 or existing supportive housing that there has not
15 been communicated as to when, where, what it is.
16 We've kind of reached out to agencies and have not
17 been given clarification on that. Then existing
18 supportive housing, are you contracted? Do we
19 investigate agencies and developers prior to entering
20 into agreements with them for supportive housing
21 based on past histories?

22 COMMISSIONER BEEN: Yes, all of our
23 developers go through our sponsor review process
24 where we check for extensively about their past
25 performance and equality issues, etcetera. All of

2 our developers go through that, but we're--I'm not--
3 I'm worried that you're--that there may be a
4 conflation of our supportive housing with there are
5 also State supportive housing projects.

6 COUNCIL MEMBER MILLER: No, I get that. I
7 get that. I'm aware of that, but just when--the
8 owners of the property and that property in
9 particular that is being turned over or being
10 developed, do you do the same investigations, due
11 diligence, on that?

12 COMMISSIONER BEEN: When a supportive
13 housing project turns over? When--so, we help
14 finance the new supportive housing buildings, and are
15 you asking me if they sell? That very rarely
16 happens, because they're usually operated by
17 nonprofits.

18 COUNCIL MEMBER MILLER: Yeah, but those,
19 the property once belonged to someone, do you--

20 CHAIRPERSON FERRERAS-COPELAND:
21 [interposing] Council Member, you could just wrap up
22 your question, please?

23 COMMISSIONER BEEN: Can I--can we get
24 back to you, because you obviously have a specific
25 property in mind, and I just am not--

2 COUNCIL MEMBER MILLER: [interposing]

3 Yeah.

4 COMMISSIONER BEEN: figuring out which one
5 you're talking about.

6 COUNCIL MEMBER MILLER: Okay.

7 COMMISSIONER BEEN: So, would that be
8 okay?

9 COUNCIL MEMBER MILLER: Yes, please.

10 COMMISSIONER BEEN: Perfect, thank you.

11 COUNCIL MEMBER MILLER: For the record,
12 thank you.

13 CHAIRPERSON FERRERAS-COPELAND: Thank you,
14 Council Member Miller. Now we will hear from Chair
15 Williams for his second round of questions.

16 CHAIRPERSON WILLIAMS: Thank you,
17 Commissioner. I just have two questions. One is, do
18 you know how much to date you spent in expense and
19 capital on the Mayor's Housing Plan?

20 COMMISSIONER BEEN: Just one second,
21 sorry. Through March 31st we have spent 462 million
22 dollars, 462--I have trouble reading big numbers.
23 462,484,253 dollars.

24 CHAIRPERSON WILLIAMS: That's expense?

25 COMMISSIONER BEEN: Capital.

2 CHAIRPERSON WILLIAMS: Capital?

3 COMMISSIONER BEEN: Capital dollars.

4 CHAIRPERSON WILLIAMS: And expense?

5 COMMISSIONER BEEN: It's our entire--I

6 mean, our entire agency is involved in producing and
7 preserving. So, you know, our entire budget goes
8 towards that.

9 CHAIRPERSON WILLIAMS: In May 2015 the
10 Administration announced Next Generation NYCHA, a
11 long term strategic action plan to proactively
12 improve and preserve public housing by reducing
13 capital needs, expanding affordable housing and
14 increasing operating funds in NYCHA. To support the
15 development and preservation of affordable housing
16 outlined in Housing New York, NYCHA will coordinate
17 with HPD to solicit RFP's to develop 10,000 new
18 affordable housing units on unutilized land such as
19 empty lots and parking lots within NYCHA
20 developments. Will NYPD--I'm sorry. Will HPD and
21 NYCHA have an MOU to facilitate this development? Is
22 HPD working with NYCHA to perform environmental
23 review functions at these sites, and will this, I'm
24 assuming will be counted toward the 200,000 units in
25 the Housing Plan?

2 COMMISSIONER BEEN: The 10,000 new units
3 will be counted towards the 200,000, yes. We work
4 very closely on the environmental. We, HPD, serves
5 as NYCHA's designated responsible entity for
6 environmental review, and that will continue under
7 the Next Generation Plan. In terms of whether we
8 have an MOU, we haven't needed one. We've worked
9 together very closely and been able to work out any
10 issues that we have. So, we haven't needed an MOU.

11 CHAIRPERSON WILLIAMS: Thank you,
12 Commissioner, and thank you, Madam Chair.

13 CHAIRPERSON FERRERAS-COPELAND: Thank you
14 Chair Williams. Commissioner, we have some questions
15 that we're going to ask in the second round, but
16 we're just going to get those to you, and if you can
17 get them back to us with answers expeditiously, we
18 appreciate it.

19 COMMISSIONER BEEN: Absolutely.

20 CHAIRPERSON FERRERAS-COPELAND: We are
21 going to end this part. Thank you very much for
22 testifying before us today. We will resume with the
23 Department of Buildings in five minutes. Thank you.

24 COMMISSIONER BEEN: Thank you so much.
25

2 CHAIRPERSON FERRERAS-COPELAND: Thank
3 you, Commissioner.

4 [break]

5 CHAIRPERSON FERRERAS-COPELAND: [gavel] We
6 will now resume the City Council's hearing on the
7 Mayor's Executive Budget for FY 2016. The Finance
8 Committee is joined by the Committee on Housing and
9 Buildings chaired by my colleague Council Member
10 Williams. We just heard from the Department of
11 Housing, Preservation and Development, and we will
12 now hear from Commissioner Rick Chandler from the
13 Department of Buildings. In the interest of time, I
14 will forgo an opening statement, but before we hear
15 testimony I will open the mic to my co-chair, Council
16 Member Williams.

17 CHAIRPERSON WILLIAMS: In the interest of
18 time, I will also forgo an opening statement and just
19 thank the Commissioner for the work that he's doing,
20 and I'm excited to hear about how our money is being
21 spent.

22 CHAIRPERSON FERRERAS-COPELAND:
23 Commissioner, my counsel will swear you in, and if
24 you'd like to summarize your statement in the
25 interest of time, we will also be eager to hear you

2 shorten up your statement, whatever you think.

3 Counsel?

4 COMMITTEE COUNSEL: Do you affirm that
5 your testimony will be truthful to the best of your
6 knowledge, information and belief?

7 COMMISSIONER CHANDLER: I do.

8 COMMITTEE COUNSEL: Thank you.

9 CHAIRPERSON FERRERAS-COPELAND: Great.

10 COMMISSIONER CHANDLER: Okay, I'll try to
11 be as brief as possible. Good afternoon, Chair
12 Williams, Chair Ferreras and members of the Housing
13 and Buildings and Finance Committees. I'm Rick
14 Chandler, Commissioner of the New York City
15 Department of Buildings, and I'm joined by First
16 Deputy Commissioner Tom Fariello and Deputy
17 Commissioner of Finance and Administration Sharon
18 Neill along with other members of my staff. The
19 Department's role in supporting the city's economy
20 cannot be overstated. By enforcing construction
21 laws, we facilitate job creation, spur the
22 development of affordable housing, and uphold high
23 standards in energy efficiency while adhering to our
24 principal mandate to promote the safety of those who
25 live, work and build in our city. I'm pleased to be

2 here to discuss with the Department's Fiscal Year
3 2016 Executive Budget and how it supports our bold
4 initiative announced on May 14th to transform the
5 Buildings Department. Our plan titled Building One
6 City and including with my testimony seeks to
7 fundamentally reform the Building Department to
8 enhance public and worksite safety/wait times and
9 delays and modernize all aspects of the Department to
10 meet the needs of the largest and most complex city
11 in America. Allow me to begin with an overview of
12 the budget. The Fiscal 2016 Executive Budget
13 allocates approximately 149 million in expense funds
14 to the Department. Of this, approximately 109 million
15 are for personnel services and 40 million are for
16 OTPS. The Executive Budget's revenue forecast for the
17 Department is approximately 214.9 million, which
18 exceeds our expenses by 45 percent and does not
19 include more than 40 million dollars in Department
20 issued ECB fines that the city collects each year.
21 The Department's budgeted employees for the Executive
22 Budget is 1,438. In calendar year 2014 more than
23 3,100 new building applications were filed with the
24 Department, a 23 percent increase from the prior year
25 and more than 87,100 alteration applications were

2 filed, nearly a 15 percent increase. Through May
3 15th of this year, new building and alteration
4 applications are up slightly as compared to the same
5 period last year. In 2014, the Department issued
6 more than 100,000 initial construction permits, a six
7 percent increase from the prior year, and more than
8 45,000 permit renewals, a four percent increase.
9 Through May 15th, initial construction permits are up
10 five percent as compared to the same period in 2014.
11 Finally, one sign of future new building activity is
12 demolition permits. In 2014, the Department issued
13 more than 1,600 demolition permits, which was nearly
14 an 18 percent increase from the prior year, and
15 through May 15th of this year, initial demolition
16 permits are nearly 27 percent higher as compared to
17 the same period in 2014. Not only is construction
18 activity showing no signs of evading, but in several
19 respects it has intensified. Since my appointment
20 last July I embarked on a strategic planning effort
21 to identify areas where our operations can be
22 strengthened during this several month process. I
23 held a day-long retreat to solicit ideas from the
24 Department staff, establish several working groups
25 focusing on specific issues and areas, engaged in

2 countless hours of dialogue with staff and external
3 stakeholders, and with the invaluable support of
4 First Deputy Mayor Tony Shorris and the Mayor's
5 Office of Operations, Building One City provides the
6 blueprint for this effort. Building One City focuses
7 on four core areas. They include enhancing public
8 safety and integrity, streamlining Department
9 processes, increasing transparency, and improving
10 customer service. Our Department's core mission is
11 to advance public safety by enforcing laws that
12 govern construction and facilitate compliant
13 development. As the city's building stock continues
14 to age and as new construction becomes more complex,
15 enforcement challenges heighten. The increased
16 enforcement resources identified in the Executive
17 Budget will address these challenges. The Department
18 conducts extensive outreach to construction
19 professionals to educate them on code requirements
20 and to promote worker and public safety. The
21 Department also holds construction professional
22 accountable for conditions at job sites through
23 inspections. In 2014, the Department responded to
24 nearly 94,000 complaints and issued nearly 52,000
25 environmental control board violations totaling just

2 under 130 million dollars in penalties. The
3 Department is improving enforcement methods to
4 safeguard the public and strengthen integrity
5 compliance. These changes are intended to promote
6 safe work practices by construction professionals and
7 allow the Department to proactively assess and
8 mitigate risks associated with construction sites and
9 professionals that may pose a danger to the public.
10 Through proactive enforcement and additional
11 discipline of bad actors, the Department is
12 strengthening and reaffirming a commitment to its
13 core mission of keeping New Yorkers safe. Public
14 safety and integrity in three forms include creating
15 a risk management office. The Department has
16 established its first every risk management office.
17 This office is tasked with analyzing the extensive
18 amounts of data maintained by the Department to
19 determine where vulnerabilities exist and devise
20 solutions that eliminate or mitigate risk. We're
21 also releasing an industry code of conduct. Another
22 first for the Department will be to launch the
23 industry code of conduct this summer. This plain
24 language guide will clarify what is expected of
25 developers, design professionals and other

2 stakeholders that interact with the Department.

3 We're enhancing legal action against bad actors. The
4 Department will increase its legal resources and
5 incorporate new technology to enhance disciplinary
6 enforcement against applicants, owners, licensees,
7 and other construction professionals that repeatedly
8 abuse the construction codes. Building in New York
9 City is an extraordinarily complex undertaking, often
10 involving numerous city agencies and requiring
11 interaction with outdated systems and disjointed
12 processes. It is imperative that the Department
13 minimize bureaucracy to ensure rapid, but safe
14 development. In order to support the Mayor's goal
15 dramatically increasing the development of affordable
16 housing and reducing project delays across all types
17 of development, the Department is deepening its
18 investment in plan review through technological
19 improvements and by hiring nearly 200 plan examiners
20 and development inspectors. Process enhancements
21 include redesigning the plan review process and
22 online interface to reduce wait times. The
23 technology to review online plan submissions will be
24 in use by examiners in all five borough offices by
25 the end of the year. This coupled with a significant

2 increase in plan examiners will reduce wait times for
3 virtual reviews. By the end of Fiscal Year 2016,
4 service levels will improve as follows: Initial
5 review of new building and major alteration
6 applications will decrease by 34 percent and 19
7 percent respectively to an average of 10 days.

8 Subsequent reviews of plans will occur within 10 days
9 of request. Average wait times for most inspection
10 types will decrease by as much as 78 percent to an
11 average of five days. As the Department redesigns
12 its online presence, a new public facing web
13 interface will replace the antiquated building
14 information system, or BIS. This will allow
15 customers to conduct any transaction online.

16 Customers will be able to manage more robust accounts
17 where they can make payments, check the status of
18 their project and have virtual interactions with
19 staff. These changes will eventually eliminate the
20 need for in-person visits. A paperless Department
21 that integrates efficient virtual examinations and
22 electronic transactions will result in dramatic
23 reductions in the time necessary to perform reviews
24 and inspections. We're establishing a unit to
25 prioritize processing of affordable housing projects.

2 An affordable housing acceleration unit will be
3 tasked with prioritizing plan examination and
4 inspections on affordable housing projects. This
5 team will work closely with other agencies including
6 the Department Of Housing, Preservation and
7 Development to mitigate delays in interagency hand-
8 offs. By the end of Fiscal Year 2016, service levels
9 will improve as follows: Initial review of new
10 building and major alteration affordable housing
11 applications will decrease by 54 percent and 44
12 percent respectively to within seven days.

13 Subsequent review of plans will occur within seven
14 days of request. Development inspections, that being
15 construction, electrical and plumbing will occur
16 within three days of request. Average wait times for
17 most other inspection types will decrease by as much
18 as 78 percent to an average of five days. We're
19 implementing online appointment scheduling and
20 optimized routing. The Department will launch the
21 second component of the inspection ready program.
22 This will allow inspection routes to be better
23 optimized as well as enhance our reporting
24 capabilities. These changes will continue to improve
25 inspection quality and reduce inspection wait times.

2 We're developing an interagency working group to
3 simplify development. The development and
4 construction process is at times a complex web of
5 agency check-points and hand-offs. A new interagency
6 work group including city agencies and utilities
7 critical to the success of development and
8 construction in New York City will meet regularly to
9 identify and solve problematic touch points and
10 recurring cross-agency issues. Regulatory
11 transparency and industry outreach and engagement
12 remain necessary for promoting safe and sustainable
13 development. By clarifying existing regulations and
14 building awareness of best practices within the
15 development community, the Department will be better
16 able to ensure industry compliance with regulations
17 and reduce delays in the plan exam and inspection
18 process. Transparency improvements include
19 consolidating the building codes to enhance
20 compliance. The Department of Buildings currently
21 administers multiple construction codes applicable to
22 alterations of buildings based on the code in place
23 at the time of initial construction. Developing a
24 unified code for existing buildings will allow the
25 Department to streamline permitting and simplify

2 regulations governing building upgrades and
3 resiliency improvements for the existing housing and
4 building stock. It will also make it much easier for
5 applicants to comply with the building code and to
6 reduce the need for unnecessary intermediaries.

7 We're standardizing the plan objection process to
8 reduce re-examinations. The Department is currently
9 reviewing planning's and disapprovals to identify the
10 most common objections and standardize them across
11 examiners and project submissions. By identifying
12 common objections by project type, the Department
13 will be able to educate its customers about code
14 compliance, requirements and increase the efficiency
15 of the plan review process. This will reduce the
16 number of reviews required to reach approval. The
17 Department at its core is a customer service agency,
18 and we will significantly change the way New Yorkers
19 are able to interact with us. In addition to the
20 initiatives I have already mentioned, the Department
21 will enhance the customer service experience by
22 investing in our staff and offices to better serve
23 the public. Customer service improvements include
24 in-house project advocacy to resolve project
25 complications. The Department will hire 10 project

2 advocates over the next two years to work in each of
3 the boroughs. These individuals will supplement
4 existing resources to help New Yorkers navigate their
5 interaction with the Department. Project advocates
6 will provide an additional point of contact within
7 the Department to assist in the resolution of
8 technical and operational issues relating to a
9 project or property and will serve as a particular
10 resource for those who do not deal with the
11 Department on a regular basis. We're providing
12 after-hour inspection services. To best serve the
13 city that never sleeps, the Department has begun
14 offering after-hours and weekend inspections. This
15 week, the Department began testing this initiative
16 starting with high rise inspections and will expand
17 it further. To receive prompt service at the times
18 that work best for them, developers will have the
19 opportunity to request early morning, evening or
20 weekend inspections. We're developing an equitable
21 fee structure. The Department will seek legislative
22 approval for a more equitable fee structure. Under
23 this concept, larger and more complex projects will
24 pay fees at a rate that is comparable to the scale of
25 development they are undertaking and the enhanced

2 services the Department is providing. We're
3 redesigning the borough office public spaces. Ove
4 the next year, the public spaces in the Department's
5 borough offices will be evaluated for redesign to
6 enhance services and streamline the flow of traffic
7 with the focus on incorporating those modernizations
8 that will occur as additional online process are
9 incorporated into the Department's business model.
10 Building One City will be funded with an
11 unprecedented commitment of city resources, including
12 50 million dollars in new funding over the course of
13 two years and the addition of 320 staff positions.
14 These positions include 163 plan examiners, 94
15 inspectors and 63 support staff. For the first year
16 of the plan in Fiscal Year 2016, the Executive Budget
17 commits 29 million dollars and the addition of 194
18 positions, approximately 11.4 million and 83
19 positions will be targeted toward enhancing
20 operations and improving customer service.
21 Approximately 10.9 million dollars and 39 positions
22 will be targeted toward streamlining processes and
23 increasing transparency, and 6.8 million and 72
24 positions will be targeted toward improving public
25 safety and integrity. In conclusion, New Yorkers

2 deserve a better Buildings Department, a Building
3 Department that can employ sophisticated risk-based
4 data analytics to target unsafe construction sites
5 and negligent professionals before tragedies occur, a
6 Building Department that can harness new technology
7 to eliminate maddening paper-driven process, provide
8 greater transparency and speed up approvals, a
9 Building Department that receives the resources
10 necessary to perform plan reviews and conduct
11 inspections commensurate with the 140,000 permits we
12 issue and the 97,000 complaints we respond to each
13 year. With this plan and the continued dedication
14 and skill of the employees at the Building Department
15 I have the privilege of leading, New Yorkers will
16 have a better Buildings Department. Thank you for
17 your attention and the opportunity to testify before
18 you today and I welcome any of your questions.

19 CHAIRPERSON FERRERAS-COPELAND: Thank
20 you. And I think you did that all in one breath. So,
21 I appreciate you taking the time to read your
22 testimony, Commissioner, and we're really excited as,
23 one, as I stated before, your report is very detailed
24 and it really has helped our Finance Division
25 understand and kind of see your vision and your

2 thinking for the agency. And your testimony
3 highlighted a lot of the things that we wanted to
4 discuss in detail. So, I just have two questions
5 before I open it up to my Chair. One is on budget
6 transparency. You weren't here for last year's
7 Executive Budget or Pre-lim. So you came in right on
8 time. But one of the things that this Council and
9 myself as Finance Chair we've really been asking for
10 is to make sure that we have enough transparency in
11 the budget; example, U of A's or so and so forth. In
12 our budget response, the Council renewed its call for
13 greater budget transparency within the DOB's budget.
14 The Department's Fiscal 2016 Executive Budget
15 currently appropriates 108.5 million dollars of
16 Department's 148.7 million to budget--total budget in
17 a single unit of appropriation for personal services.
18 The Council suggested including more units of
19 appropriation to achieve greater budget transparency,
20 but no action was taken in the Executive Budget.
21 Would your agency consider adding an additional unit
22 of appropriation to this budget line to allow more
23 transparency to better outline how these costs are
24 impacting the overall budget, and have you discussed
25 this possibility with OMB?

2 COMMISSIONER CHANDLER: I think, yeah, we
3 did answer that during the January plan. We were
4 working with OMB on that issue and the Mayor's Office
5 about adding additional lines or additional units of
6 allocation.

7 CHAIRPERSON FERRERAS-COPELAND: So we're
8 going to follow up with OMB in the discussion,
9 because obviously OMB didn't agree. They didn't put
10 it in the Executive Budget. So, we find that
11 incredibly frustrating from our perspective for
12 transparency. Now, I want to talk about the Build it
13 Back funding swap. DOB's budget reflects and
14 adjustment in transfer of 3.7 million dollars in
15 Fiscal 2015 and 2.5 million dollars in Fiscal 2016 in
16 Federal community development block grant disaster
17 recovery, CDBG DR funds to city tax levy funds.

18 These--this is funding for work completed under the
19 City Build it Back program. Can you provide the
20 committee with details on why this adjustment was
21 made and what greater flexibilities are afforded
22 through city funding for Build it Back related work?

23 COMMISSIONER CHANDLER: So, with the CDBG
24 funds we found it rather complex to comply with the
25 HUD regulations and it was becoming more difficult to

2 meet those regulations. So, moving to the city tax
3 levy allowed us to have more efficiencies in the way
4 we were able to conduct our reviews and assign our
5 resources, because prior to that it was rather
6 difficult. So we think we're providing a better
7 service for the Build it Back.

8 CHAIRPERSON FERRERAS-COPELAND: Okay.

9 Well, I agree it'll help expedite things, and kind of
10 figured that one out here, but what happens with the
11 process if those are monies that you would have
12 normally pulled down from CDBG? Do you not pull them
13 down anymore, or do you pull them down for something
14 else? What's the--we're trying to understand the
15 transfer process.

16 SHARON NEILL: The funding was actually--

17 CHAIRPERSON FERRERAS-COPELAND:

18 [interposing] Can you just state your name for the
19 record?

20 SHARON NEILL: Hi, I'm Sharon Neil, I'm
21 the Deputy Commissioner--

22 CHAIRPERSON FERRERAS-COPELAND:

23 [interposing] You got to bring it a little closer to
24 you, sorry.

2 SHARON NEILL: I'm Sharon Neill, the
3 Deputy Commissioner for Finance and Administration.
4 We were actually provided the tax levy funds. So the
5 actually grant is still be managed centrally, but we
6 were actually just given tax levy to perform that
7 services at Department--

8 CHAIRPERSON FERRERAS-COPELAND:
9 [interposing] Okay, so you never got those funds and
10 then--the swap never got down to you. You just got
11 city tax levy directly?

12 SHARON NEILL: yeah.

13 CHAIRPERSON FERRERAS-COPELAND: Okay, so
14 we'll follow that up also with OMB. Our Chair has to
15 step out to caucus, so these two? Okay. Proactive
16 Enforcement Program, the Proactive Enforcement
17 Program was recently launched by your agency in order
18 to increase compliance, and I believe you mentioned
19 that. With all your public safety standards and
20 strategically deployed enforcement resources, what
21 function will this new program perform and how many
22 staff and resources will be dedicated to the
23 proactive enforcement program?

24 COMMISSIONER CHANDLER: So, this is not a
25 new initiative. So, we're not calling it a new

2 program. That's part of our existing enforcement
3 efforts. Additional staff will be hired to reinforce
4 our public safety by strengthening the enforcement
5 and strategically deploying those resources around
6 the city.

7 CHAIRPERSON FERRERAS-COPELAND: So,
8 what's the total staff now at that unit?

9 COMMISSIONER CHANDLER: So, it's at 420
10 right now and we expect it to go up to 518.

11 CHAIRPERSON FERRERAS-COPELAND: 518. And
12 can you just talk to me, and you know, sorry that we
13 highlighted as a new program, but what's the scope of
14 that program? How can we expect to see the 518
15 deployed to do what?

16 COMMISSIONER CHANDLER: So, the majority
17 of these positions will be assigned to our
18 construction and our plumbing, electrical, and
19 special projects enforcements such as our tenant
20 harassment taskforce that we're working on, our
21 Quality of Life Unit that responds to thousands of
22 complaints, and our Building Enforcement Safety Team,
23 which is out at large construction sites proactively
24 and ensuring our safety at the construction sites.

2 CHAIRPERSON FERRERAS-COPELAND: Great.

3 And I want to pivot over to affordable housing. The
4 Executive Budget includes 1.3 million in Fiscal 2016
5 to support DOB's newly created affordable housing
6 unit. How will DOB coordinate with HPD to conduct
7 plan reviews and development inspections? For the
8 average person, you know, sometimes the delay often
9 happens at your agency. So how can we--how are you
10 coordinating with the Administration to make sure
11 that after we have the funding and everything is
12 approved that your agency isn't becoming a challenge
13 or an obstacle to getting those housing units built
14 or online by getting certificates of occupancies and
15 so on and so forth?

16 COMMISSIONER CHANDLER: Well, this is--I
17 alluded to this in my testimony in that we will be
18 working very closely to communicate and manage the
19 hand-offs between the two agencies. In fact,
20 Commissioner Been and I met early on after my
21 appointment to start these discussions, and we've
22 been having regular meetings since then between our
23 technical side of actually First Deputy Commissioner
24 Fariello and Commissioner Been's technical staff have
25 been meeting and we have coordinated our efforts

2 within our building information system so that they
3 can directly enter some things into our system so
4 that we can notice things that they want us to
5 prioritize, and we've been refining that effort for
6 some months now, but we know that with this dedicated
7 team, that with the additional staff, we will improve
8 that even better to communicate needs for external
9 inspections and interagency hand-offs. We just think
10 that's going to get better with more dedicated
11 resources.

12 CHAIRPERSON FERRERAS-COPELAND: Great.

13 So, I have a question not necessarily budget-related,
14 but kind of with your vision so that you can help
15 explain. So we see more and more discussion on
16 green. A lot of small one and two family homeowners
17 sometimes are incentivized about maybe doing solar
18 panels or so and so forth. Do you see or foresee
19 that process of someday people wanting to put up so--
20 I don't know about windmills or turbines, right? We
21 don't want to do that I don't think yet.

22 COMMISSIONER CHANDLER: I think we're--
23 it's in our technical unit, and I think it's under
24 consideration.

2 CHAIRPERSON FERRERAS-COPELAND: Okay. So,
3 do you see the process ever becoming easier for just,
4 you know, someone, a small home owner that wants to
5 put a solar panel on their house? What is that
6 process like now? Is it a total no, and if not, will
7 we make it easier?

8 COMMISSIONER CHANDLER: We have been
9 working with CUNY on this effort for some years now.
10 So, we've had--we have a solar unit at our hub that
11 has been processing applications, which has increased
12 exponentially every--for the last four years, and
13 we've had significant discussion with the
14 sustainability folks at CUNY just recently, and
15 they're proposing that we engage further in our
16 efforts to streamline. So, we have dedicated
17 examiners for this effort, and we have our
18 sustainability unit. So, I do not have data at my
19 fingertips, but its impressive of the--I am amazed at
20 the amount of applications that we're moving through,
21 and there's companies out there that are putting
22 these through very significantly. So, we can get you
23 significant information about how--

24 CHAIRPERSON FERRERAS-COPELAND:
25 [interposing] Great, I would love to be briefed on

2 that and get the information to the committee, but I
3 would love to have more information on the future of
4 solar panels and seeing them more often. When I fly
5 into La Guardia, it'd be great to see some solar
6 panels on people's roofs.

7 COMMISSIONER CHANDLER: We'll have to--I
8 think you should be able to see them now. We'll have
9 to get our mapping capabilities better.

10 CHAIRPERSON FERRERAS-COPELAND: Yeah, so
11 let's get the mapping capabilities. I think Left
12 [sic] Rock [sic] City actually has a lot of solar
13 panels up on there.

14 COMMISSIONER CHANDLER: By the thousands,
15 thousands.

16 CHAIRPERSON FERRERAS-COPELAND: Yeah.
17 Well, I haven't seen them, so--

18 COMMISSIONER CHANDLER: Okay, we'll get
19 you the data.

20 CHAIRPERSON FERRERAS-COPELAND: Alright,
21 great. Commissioner, I'm going to open it up to my
22 colleagues now. We've been joined by Council Member
23 Miller, Gentile and Ignizio. Council Member Miller
24 followed by Council Member Gentile.

2 COUNCIL MEMBER MILLER: Thank you, Madam
3 Chair and thank you, Commissioner for you and your
4 team for being here and answering such critical
5 questions about services that are so important to our
6 community. And I want to kind of digress from the
7 budget and I want to talk about something that you
8 mentioned and obviously is very meaningful to you and
9 your team, and that is coordination and communication
10 of agencies and just transparency and so forth. So,
11 I've had in the past situations that business owners
12 have had plans for a building and plans had been
13 approved by HPD and orders of demolition had been
14 given by Buildings. I don't really call that
15 coordination, but I inherited this problem that has
16 been going on a number of years, and we have yet to
17 sift through it, which kind of leads me to the next
18 level is communication. We have a number of pretty
19 decent sized projects that are going on in the
20 district, which has garnered more than 2,000 letters
21 and 1,500 signatures from community members in
22 opposition because there is a lack of communication
23 and understanding of what these projects are going to
24 be, which leads me to I have spoken to someone in Gov
25 Ops on one occasion, reached out the Commissioner on

2 several occasions, and there's been absolutely no
3 communication with myself, and I'm left holding the
4 bag of these 2,500 members, homeowners who are very
5 much concern about this project.

6 COMMISSIONER CHANDLER: We absolutely want
7 to get you the information that you want to have. We
8 have intergovernmental affairs staff in each of our
9 boroughs, and our new project advocates will
10 absolutely add to that capability to provide
11 information more rapidly to your staff. We do have
12 the ability in our system right now to query what's
13 going on by district, and I think that you should be
14 able to do that. If not, I will gladly have some of
15 our staff sit with some of your staff and go through
16 how to manage our BIS web so that that information is
17 there. It's very, very rich in data. It can be a
18 little bit user-unfriendly sometimes if you haven't
19 spent time with it. So, we're happy to provide that
20 information.

21 COUNCIL MEMBER MILLER: I would appreciate
22 that. And we have actually sent staff to the
23 Department of Buildings to kind of sift through this
24 stuff and it has gotten to that point. So, I'm
25 hoping that we could really enhance the transparency

2 and the communication that you were talking about.

3 Obviously these are important projects, but
4 considering the community voice that we're hearing,
5 I'm hoping that we could partner in at least getting
6 real answers as to what's going on. We requested, we
7 made a request for an audit of property and we talked
8 about self-inspect and other things, and we have not
9 gotten a response and that's been about two months as
10 well. So, we don't want to wait until this thing is
11 done and be surprised.

12 COMMISSIONER CHANDLER: By all means. I'll
13 ask Assistant Commissioner Patrick Whele who heads
14 our External Affairs to engage with your staff and
15 our technical units within the borough. We can sit
16 down and brief you completely on any of the projects
17 that you're concerned about.

18 COUNCIL MEMBER MILLER: Okay. And thank
19 you very much for your time.

20 COUNCIL MEMBER GENTILE: Thank you, Madam
21 Chair. Commissioner, thank you for being here. I'm
22 curious, with the new money for the plan examiners,
23 will that include better examination of alteration
24 permit applications that come before the Department?

2 COMMISSIONER CHANDLER: I think better is
3 subjective, but what we're trying to do is move our
4 philosophy to risk based review so that we can put
5 projects into different categories where we know from
6 experience typically what the largest impact of the
7 project would be if we were to not focus our
8 resources on particular areas. So we know from
9 experience that a particular kind of project needs to
10 focus in certain areas of the zoning resolution of
11 the Building Code. So, we're changing our approach so
12 that we can devote the resources, I think, more
13 intelligently to the projects that we think would
14 have the largest impact if we were missing something.
15 So, in my opinion, that's better examination.

16 COUNCIL MEMBER GENTILE: Okay. And what
17 I'm particularly referring to is not a particular
18 project but a pervasive problem, and a pervasive
19 problem particularly in the outer boroughs is the
20 continued presence of the construction of the illegal
21 conversions, illegal home conversions. And it's
22 accomplished simply by builders applying for
23 alteration two permits, which do not require a
24 certificate of occupancy, and they get the alteration
25 two permits and then they do an alteration one

2 renovation to the building which is a full gutting
3 and illegal conversion, and they do it based on an
4 Alt two permit, but it's an Alt one conversion, and
5 they get away with it almost every single time. And
6 that's how we get that proliferation of illegal home
7 conversions. So, I'm hoping that that is part of
8 your plan to put a stop to that kind of activity.

9 COMMISSIONER CHANDLER: I understand the
10 frustration, believe me. We are adding nine more
11 lines to our Quality of Life Unit, which is
12 substantial now in terms of responding to those
13 complaints, but you're right. We have people who are
14 misrepresenting their documents when they're filing
15 and we are also adding additional capacity in our
16 legal enforcement to go after people who misrepresent
17 the documentation that they submit, and I assure that
18 we will bring every effort and every consequence
19 possible that are misrepresenting that. All too
20 often these owners feel like it's the cost of doing
21 business to just get a stop work order from us after
22 they've already done as much damage as possible to
23 the building, and we're seeking to make some changes
24 to make that cost of doing business a little more
25 punitive, so that they'll think about it more

2 diligently before they'll commit that malfeasance,
3 and that's part of our risk management strategy is in
4 effort to try to identify some of those folks that
5 repeatedly do that, and it's not just the design
6 professionals, but it's also some of the
7 intermediaries that file these applications. So,
8 it's related to our industry code of conduct that I
9 mentioned in my testimony as well so that these folks
10 who do business with us, we start them off by getting
11 them to commit that they are aware that there is a
12 certain code of conduct that we expect them to meet,
13 and then we have certain licenses that we issue and
14 registrations that we issue. So, it's a multifaceted
15 approach to try to address this kind of behavior, but
16 you're absolutely right, we're very frustrated with
17 it as well and we're trying to bring many different
18 consequences.

19 COUNCIL MEMBER GENTILE: I appreciate
20 that. Let me just move on to what I'm very pleased
21 to hear about the proactive enforcement program,
22 because that is something that is new on the horizon,
23 and certainly you have added 45 inspectors, 21 of
24 them being construction inspectors. And one of the
25 problems we've had in the outer boroughs is the fact

2 that we don't have sufficient inspectors to check on
3 what has been alleged, and it usually is an illegal
4 conversion in the outer borough particularly in
5 Brooklyn. So, of those 21 construction, additional
6 construction inspectors, can you tell me how many of
7 them will be assigned to Brooklyn?

8 COMMISSIONER CHANDLER: As I said, we're
9 going to have nine more people in our Quality of Life
10 Unit. After that we'll assign our resources based on
11 the information that we have in terms of the need,
12 and so I can't give a particular number for any
13 borough, so we'll assign them as needed.

14 COUNCIL MEMBER GENTILE: Well, if you look
15 at Queens or Brooklyn, the need is extremely there,
16 and particularly about illegal conversions that
17 really changing the face of neighborhoods and making
18 housing unsafe, unsafe housing, and burdening the
19 infrastructure, just something that I'd like to talk
20 to you more about. Quickly, let me just ask you how
21 the increased funding for the Office of Special
22 Enforcement would help in this attempt to stem the
23 tide of illegal conversions?

24 COMMISSIONER CHANDLER: So, the Office of
25 Special Enforcement is a citywide office. It's not

2 under, directly under my management, but we will have
3 three more additional positions that are funded from
4 our agency that will work with that group, and I
5 can't really say what we think that the impact will
6 be, but certainly they work with multiple agencies to
7 target where they sign their resources as well. So I
8 can't really be more specific than that.

9 COUNCIL MEMBER GENTILE: Right, but it's
10 not specifically under your jurisdiction?

11 COMMISSIONER CHANDLER: Correct.

12 COUNCIL MEMBER GENTILE: Okay. I
13 appreciate your help, and certainly looking forward
14 to working with you on trying to really stem the tide
15 of what's happening in the outer boroughs.

16 COMMISSIONER CHANDLER: Thank you. We
17 certainly do appreciate that problem, and we're
18 frustrated as well, and bringing everything we can do
19 it.

20 COUNCIL MEMBER GENTILE: Thank you, Madam
21 Chair.

22 CHAIRPERSON FERRERAS-COPELAND: Thank you.

23 CHAIRPERSON WILLIAMS: Thank you. And I
24 apologize, I had to run--I had to make a presentation
25 at the Democratic Caucus meeting, so I apologize I

2 had to leave, and I thank the Chair for asking most
3 of the questions that I wanted to ask. Just really
4 quick, again, thank you for the Building One City,
5 the testimony and the booklet. I think it's exciting
6 what you're doing at DOB. A lot of the complaints of
7 DOB has to do with the speed and ease of which people
8 can manipulate what they need to do, and I think this
9 will go a long way to make some of that better.

10 COMMISSIONER CHANDLER: Thank you.

11 CHAIRPERSON WILLIAMS: I did want to ask
12 about the air conditioner crane accident that
13 happened recently. I didn't know if you could shed
14 anymore light about what actually did happen. Is
15 there any--was there anything that needed to be
16 changed so that doesn't happen again? Is there any
17 funding related changes that need to happen? Is there
18 an issue with the useful life of the cranes that we
19 do have? I don't know if it's increasing, but it
20 does seem every few weeks or so we're having some
21 accidents.

22 COMMISSIONER CHANDLER: So, briefly, I'd
23 just like to highlight some of the issues that we
24 think are applicable to this philosophy that I'm
25 talking to you about risk management. One of the

2 things that I've been saying for the last few days is
3 that what we have been doing in terms of managing
4 risk is when we permit these types of things to be
5 done, we require that it be done on the weekends. We
6 require that the floors below the pick of the air
7 conditioning unit be vacated for this very reason for
8 this type of an event, and we do it overnight. Our
9 inspectors are there on site. So, just for the
10 record, our inspector was there starting at around
11 3:30 that morning as far as I know and that there
12 were seven picks by that crane, seven lifts off the
13 street. This was the seventh of seven. The first
14 six went uneventfully, and we're still looking into
15 the exact reasons that this AC unit fell off of that
16 floor. So there'll be more details forthcoming about
17 that. But also, I would just like to point out as
18 well that we have a very dedicated crane unit that
19 are working on revising our rules so that we can
20 monitor even more diligently the number of cranes and
21 the useful life of those cranes. So we have 404
22 mobile cranes that are actively registered, and
23 that's how we were able to know this particular crane
24 and what it was doing and what kind of condition that
25 it was in, and we were able to know that by the time

2 I even got to the site. So, we're continuing with our
3 efforts to upgrade the crane standards, and we're
4 working actually with manufacturers and
5 representatives from all over the world that have
6 come to meet with our experts, and we expect that our
7 new rules will be state of the art. And so, I think
8 that our budget is adequate for that for now.

9 CHAIRPERSON WILLIAMS: And I heard some--
10 was it a crane? Was it the floor that gave way? I
11 heard different things. Was it actually the crane
12 that was the issue?

13 COMMISSIONER CHANDLER: It's still under
14 investigation, but I would say that the machine
15 itself was in fine shape. The hoisting machine
16 operator, which we license, was operating the
17 machine, and then the rigger who does the rigging to
18 contain the unit to the end of the boom and the
19 equipment that hoists it up to the level. So there
20 was--it's in preliminary investigation. It appears
21 that something, one of the pieces of rigging was
22 taken off possibly prematurely in an effort to get
23 the equipment onto the floor. It's a rather
24 choreographed event when you bring something in and
25 you bring it in from the side. There's tremendous

2 coordination between the machine operator and the
3 rigger and the laborers that are inside so that you
4 can put it on rollers and move it off the edge of the
5 building into the inside of the building. So the
6 rigging, perhaps, wasn't choreographed as the way it
7 should have been.

8 CHAIRPERSON WILLIAMS: Alright. Thank
9 you very much and thank you for shedding some light
10 on the incident. Council Member Gentile?

11 COUNCIL MEMBER GENTILE: Thank you.
12 Commissioner, I just forgot to ask you one thing you
13 mentioned in your testimony, and it's actually a very
14 good thing, where you said you enhanced legal action
15 against bad actors. And I guess, I think more than
16 any other agencies Buildings deals with bad actors
17 almost every day, I think, given my experience with
18 people in the industry. Could you expand on what you
19 mean by enhancing legal action against bad actors?

20 COMMISSIONER CHANDLER: Well, we license
21 26 different trades, so one of the things that we'll
22 do is we'll be very aggressive in moving to suspend
23 those licenses and then move to remove those licenses
24 where we think it's necessary. So that's one. We
25 have done that in the past, we just know that we can

2 be more aggressive about it, because there's a full
3 procedure to get it done. That's just--that's number
4 one. Filing representatives who interact with us on
5 a regular basis are registered with us, but we are
6 raising the bar in terms of the amount of material
7 that they need to cover in terms of their training to
8 be able to be registered with us to do business and
9 to represent owners with us. So, we will--we're
10 making that system more robust, and if they're not
11 meeting our standards or if we feel that they are not
12 being as efficient with us, then we will suspend
13 their ability to work with us as well. And so we
14 will take action against them, and we will do more
15 litigation against people who are breaking the law.
16 So we set--our legal unit prepares cases for various
17 law enforcement agencies, so if we feel like
18 something is approaching a criminal activity, then we
19 will prepare a case and then submit for consideration
20 for criminal prosecution. And if not, then we will
21 take the case ourselves to a court--to a criminal
22 court if we think that's necessary. So, with our
23 additional resources, that gives us more ability to
24 do that.

2 COUNCIL MEMBER GENTILE: So does that mean
3 then we will see more action in enforcement against
4 bad actors in regard to the self-certification
5 process?

6 COMMISSIONER CHANDLER: Yes.

7 COUNCIL MEMBER GENTILE: Okay.

8 COMMISSIONER CHANDLER: Yes, we will.

9 COUNCIL MEMBER GENTILE: We will, okay.
10 That's good to hear. Thank you very much,
11 Commissioner.

12 CHAIRPERSON FERRERAS-COPELAND: Thank
13 you, Council Member Gentile. Thank you,
14 Commissioner, for coming to testify before our
15 committees. We have a couple of questions that we're
16 going to get to you, if you can get them back to us
17 expeditiously we would appreciate it because we're
18 going to be using those responses during our budget
19 negotiating. That concludes our hearing for today.
20 The Finance Committee will resume Executive Budget
21 hearings for Fiscal 2016 on Monday, June 8th at 10:00
22 a.m. in this room. On Monday we will hear from the
23 Libraries, the Department of Cultural Affairs and the
24 New York City Housing Authority. As a reminder, the
25 public will be invited to testify again on June 9th,

2 the last day of budget hearings at approximately 1:30
3 p.m. in this room. For any member of the public who
4 wishes to testify but cannot attend the hearing, you
5 may email your testimony to the Finance Division at
6 financetestimony@council.nyc.gov and the staff will
7 make a part of the official record. Thank you, and
8 have a great weekend. This hearing is now adjourned.

9 [gavel]

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1 COMMITTEES ON FINANCE, TECHNOLOGY, LAND USE, AGING, HOUSING AND
BUILDINGS. & SUBCOMMITTE ON SENIOR CENTERS 251

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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 June 14, 2015