

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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

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[gavel]

CHAIRPERSON WILLIAMS: Good morning.

Thank you all for coming to the fiscal year 2017 preliminary budget hearing for the Department of Housing Preservation Development and the Department of Buildings. My name is Jumaane Williams, Council Member, Chair of the council's Committee on Housing and Buildings. I'm joined today by Council Member Rosie Mendez and Council Member Barry Grodenchik and Council Member Lander. And I believe also Council Member Daneek Miller and Council Member Antonio Reynoso. This hearing will cover the fiscal 2017 preliminary operating capital budgets for HPD and the fiscal 2017 preliminary operating budget for DOP. We'll first hear from the commissioner of HPD Vicki Been where we will examine all components of HPD's 876.2-million-dollar expense budget and three-billion-dollar city capital commitment plan along with details and progress related to Mayor de Blasio's housing plan. After HPD we'll hear from the DOB Commissioner Rick Chandler where we'll examine DOB's 155.4-million-dollar expense budget. The committee would like to get updates on the department's progress related to the building one

city initiative and how the intended goals and initiative relate to the rise in construction related incidents, injuries, and fatalities of late. After DOB we'll hear from members of the public. I'd like to remind everyone that will like to testify today to please fill out a witness slip with the Sergeant of arms so we can put you in the cue. I'd also like to thank my staff for the work they did to assemble this hearing including Nick Smith, my Deputy Chief of Staff Jen Wilcox and Megan Chin Counsels to the Committee, Guillermo Patino and Jose Conde Policy Analyst to the Committee and Sarah Gastelum the Committee's Finance Analysts. I also want to thank the Sergeant at Arms and I forgot to thank them in the offsite hearing that we had in borough hall. And they kept it going smoothly. It went well. I want to make sure I publically thank them for all the hard work they do... did at that hearing and do at all... lastly I'd like to thank Commissioners Vicki Been and Rick Chandler and their respected staff for joining us today. And I will now turn over for the testimony. Can everyone who is going to testify please raise your right hand? Do you affirm to tell the truth,

the whole truth, and nothing but the truth in your testimony before this committee and to respond honestly to council member questions?

COMMISSIONER BEEN: I do.

CHAIRPERSON WILLIAMS: And you can begin.

COMMISSIONER BEEN: Great thank you.

Good afternoon Chair Williams and members of the city council Committee on Housing and Buildings. For the record I am Vicki Been, Commissioner of the Department of Housing, Preservation, and Development and I am joined here today with two of New York City's finest; Assistant Commissioner of Government Relations and Regulatory Compliance Bala Halm [sp?] and Deputy Commissioner of Financial Management and Tenant Resources Eva Trumbull. So I really appreciate the opportunity to talk with the committee about HPD's fiscal year 2017 preliminary budget. HPD has again had a very successful year making tremendous progress toward the goals of the housing New York plan. As you know housing New York is a comprehensive approach to the affordable housing crisis. So each and every part of the agency is engaged in focusing on the ambitious goal

of financing the building or... or preservation of 200,000 homes for needing New Yorkers. For today's presentation I'm going to focus on some of the highlights of the progress that we've made given some examples from around the agency because it is an all agency all hands on deck approach. And then I'll discuss how our proposed expense budget for fiscal year '17 and the five-year capital plan position us for the work that's still ahead. So since the launch of Housing New York we financed... whoops, we financed more than 40,000 affordable apartments, 40,204 to be exact because every single one of those units is hard fought. And... and... and important and represents a family that is stable and affordably housed. The 40,000 affordable homes provide housing for more than 100,000 people. In 2015 alone we financed more than 21,000 homes which is the highest production in 25 years the peak of Mayor Koch housing plan we financed 7,179 new homes through... through our new construction programs, the most in any single year in the agency's history since we reformed in the 1970s. And our efforts secure the affordability of approximately 5,000 homes in Stuy town and Peter Cooper Village as part

of a historic agreement bringing the number of affordable homes preserved under housing New York in the first two years of our... of the plan to 25,000 preserved homes. While... is the largest example of HPD's preservation efforts the agency is working hard to preserve the affordability of existing rent restricted housing across all five boroughs and using new tools like the green housing preservation program to bring more of our housing stock that is not now rent restricted into affordability agreements. I know that the council's particularly concerned about the number of homes that we produce that serve the lowest income New Yorkers. We share that commitment and 77 percent of our production through December 2015 serves households that earn less than 62,000 dollars for a family of three and 16 percent of the total serve families earning less than 38,850 for a family of three. We're also committed to doing more to house our seniors and to date just 25... I'm sorry 27 hundred homes have been financed for senior households. This chart shows the full breakdown of our affordability in the first two years of production in more detail. Our goal that... that we

specified in Housing New York for the two lowest income categories... [clears throat] excuse me, is 20 percent of our units would go to the two lowest income categories; the extremely low and very low income families over the life of the plan. We are at 16 percent now and we're ramping up our efforts even further. Last year we changed our term sheets and introduced our extremely low and low income affordability program to reach deeper affordability levels. And as you know from our discussions regarding both the reforms that we achieved in 421A and our proposed mandatory inclusionary housing program we have driven the income levels of homes that were required of developers down to historically low affordability levels. And we look forward to seeing homes of those levels come on line freeing up our subsidies to allow us to reach even lower rents and provide homes for New Yorkers with incomes below the poverty line. The percentage of middle income units that's robin's egg blue I think next to the purple is... reflects the historic agreement that we reached to preserve the 5,000 units at Stuy Town and Peter Cooper Village. It's important to note that the numbers reflect the

maximum incomes that are permitted under our underwriting and our regulatory agreements. Current tenants that are living in those apartments often make much less than the apartments are underwritten for for when a current tenant vacates those... the next tenant could come in at the higher income and that's the way that we classify the apartment. So we use the underwriting standard not the standard of the tenant who's currently in there which is often much less. And similarly tenants with vouchers are counted as a 60 percent unit even though the tenants themselves make often much lower than that. So this chart shows the... that our production occurs across all five boroughs. 30 percent of our... of our production occurred in Brooklyn, 27 percent in the Bronx, and 36 percent in Manhattan. Queens and Staten Island has four percent and three percent respectfully. And we look forward to increasing those numbers as well. In order to ensure that neighborhoods across the city continue to be affordable we need to double down on our engagement with the community so that both property owners and tenants are aware of the programs that HPD has to offer. The Office of

Neighborhood Strategies has worked tirelessly with communities and property owners through its community planning sessions, neighborhood preservation help desks, and other outreach efforts. What you see pictured here are a variety of efforts around the city to work with communities to plan neighborhoods and also to work with owners and tenants to improve the quality of the building, to preserve the buildings to bring them into affordability programs. For example, just last week our team hosted with the Department of City Planning, a community visioning workshop to engage local residents in planning for the redevelopment of a city owned site in East Harlem to allow us to better understand the needs and priorities of the community so that we could shape the RFP to reflect those needs and priorities. We're also trying to reach property owners in new ways through our neighborhood preservation help desks. We're averaging over 125 owners at each of our resources and help desks serve as a very user friendly one stop shop that coordinates information from various city agencies and from private lending resources as well to help those owners keep their buildings in

good shape and bring them into affordability programs. Enforcing the quality and safety of the city's housing stock is a huge priority of the agency and the office of enforcement and neighborhood services is in the midst of a very busy and productive year. Every year I think that veto just couldn't possibly do any more and then he manages to excel once again. And this year has been no exception. So our team is out in full force responding to the needs of New York City residents as can be seen from this chart which reflects the first six months of fiscal year 2016 against the same six-month period in fiscal year '15. The inspections attempted and completed are up 15 percent and nine percent respectively. We also issued 14 percent more violations and removed 22 percent more violations. ENS continues to use all of its tools to ensure that landlords and owners properly maintain their buildings for New York families, improve the conditions of severely distressed properties and protect our tenant... our city's tenants. And I think if you look at that first column the number of inspections attempted... this is just a six-month period. 436,000

inspections that were attempted across the city is really a monumental effort to maintain the quality of our housing stock and protect tenants' rights and... and prevent harassment. The city is working on multiple fronts to protect residents, prevent harassment, and go after landlords who engage in harassment. As part of the tenant harassment prevention task force HPD continues to use data analytics to proactively conduct inspections with the state attorney general's office and the state tenant protection unit and the various city agencies such as the Department of Buildings when we believe that an owner may be engaging in harassment. By revealing landlords who harass tenants and bringing enforcement actions including criminal charges against those landlords the task force is a very powerful tool to protect tenants proactively. The task force also compliments the tenfold increase in funding provided by the city for legal assistance for low income renters which has shown immediate benefits in reducing the number of evictions by 18 percent. We've also launched a collaborative effort with DOB and the... and the fire department to warn about the dangers of illegal

conversions. The campaign is distributing more than 10,000 flyers reminding residents and property owners of the serious and potentially deadly consequences of illegal living spaces we're also engaged in a multi-stage, multi-agency enforcement effort with the state attorney general and DH... the state's DHCR to ensure that landlords who accept tax benefits like 421A or J51 are combined with their obligations through the real estate tax compliance program. Just last December the mayor and the Attorney General Schneiderman announced the return of thousands of apartments to rent stabilization in a settlement with 128 landlords receiving tax benefits under 421A but failing to comply with the... their obligation to register the... the apartments in the rent stabilization program. That investigation continues. We will not rest until every property is brought into compliance. And we have coordinated and strengthened all of the various agency systems to prevent owners from evading their responsibilities. HPD has also expanded access to all of the housing programs that we offer to... and to the 40,204 homes that we financed in the last two years. First we have

translated Housing Connect our online... online application system so that it is now available in six languages in addition to English; Arabic, simplified Chinese, Haitian-Creole, Korean, Russian, and Spanish. And second, we updated the lottery system so that New Yorkers can now apply online for lotteries for the waiting list for Mitchell-Lama developments through housing connect. We created a homeless placement services unit which has placed a total of 320 homeless households including 31 veterans into permanent affordable housing. Additionally, the program has worked in partnership with the Mayor's Office of Veterans Affairs to assist in landlord outreach in securing homes for another 45 veterans which played a critical role in ending chronic veteran homelessness. We also issued 500 more vouchers this past year to homeless New Yorkers in order to enable them to find private market apartments to be permanently housed. And finally we put new marketing standards in place to ensure a fair and inclusive application process. Those new standards from HPD and our sister finance agency HDC restrict how developers can use credit scores and other

background information in screening applicants for affordable housing. The new standards prohibit developers from rejecting applicants based upon... based strictly on a credit score. They limit the lookback periods for negative findings including bankruptcies and evictions. They impose restrictions on the use of landlord tenant actions in housing court and the prohibit home visits among other things. In November we issued our MWBERFP for a prequalified MWBE developers to submit proposals for one or more of six new construction process... projects across New York City. Part of our building opportunity initiative to increase the roll of MWBEs in city housing projects. We also launched the second year of our capacity building course for MWBE developers and expanded on the success of that course this year to open it up for the first time to include nonprofit developers as well. We hosted a networking event for the graduates of our first year course and current enrollees in the... in the current course last night and had an amazing turnout of people in the industry from all parts of the industry to help ensure that those MWBEs and nonprofits are meeting who they need to meet and...

and making the connections that they need to make. We're incredibly proud of the MWBE program but there's still much more that we can and want to do. And one of the things that we're doing is in order to better connect low income workers especially in the communities that are seeing affordable housing being built to construction job opportunities generated by our affordable housing development projects. So we're now partnering with Hire NYC. HPD now requires developers, general contractors, and subcontractors working on projects that receive more than two million dollars in city subsidy to share all their job openings in entry and midlevel construction positions with Hire NYC and to interview the qualified candidates that Hire NYC refers back to the contractor, subcontractor, or developer for that specific opening. So while there's much more progress to report let's turn to the fiscal year '17 preliminary budget. It's critical to note that HPD receives just 13 percent of our total funding from city tax levy funds. We're primarily funded, almost 87 percent of our funds come from the federal government. That means that our funding comes with an enormous number of

spending restrictions, compliance requirements, reporting requirements, etcetera that limit our flexibility to make programmatic and policy decisions. It also means that our future funding levels are highly uncertain and we always have to be working against the backdrop of that uncertainty. We use those 13 percent of the city tax levy, the... the monies that you all provide to fill gaps in the programs that are primarily funded by the federal grants and as a required match for federal grants and to fund programs that are not eligible for those federal funds. To put it very bluntly city tax levy dollars are the... the flexible funds that are so critical to allow us to respond to current conditions, to respond to new needs to give us the nimbleness that really is critical to innovate to address new problems as they arise and to tailor our programs to meet the latest change in our housing challenges. So I really want to thank the city council for the tax levy funds having that source of less constrained and rigidly subscribed funds is absolutely critical to allowing us to serve the real needs of our communities. HPD's fiscal year 2017 budget totals about 876 million

dollars with the vast majority as I've said from the federal government. And most of that associated with federal rent subsidies so that again Robin's Egg Blue, the 616 is our rental subsidies, our Section 8 dollars, and associated funds. In addition, that orange is the federal disaster recovery efforts, our part in the Build it Back Program and the Sandy recover... recovery efforts. Both of those sources are highly constrained federal funding and provide no direct operational support for the agency. Our primary source of funding for the agency operations is really the green and... and that is the... well wait a minute, where's the CDGB, off to the side, sorry, off to the side the CDGB dollars is... is that 125 million dollars. And as I've bemoaned previously while sitting in this chair those federal dollars are highly dependent on the mood in Washington which unfortunately is usually bad. And the federal fiscal year '16 budget is fairly harmless for the CDGB Section 8 and home funding but the outlook for the future is unquestionable at best especially in these election times. So the mayor recognizes that HPD requires additional resources to meet the

ambitious goals that housing New York set forth and has allocated new funding to help support our mission. We received about 6.8 million dollars in city tax levy funds to support 80 new positions across various parts of the agency. And as I've explained HPD is so much more than just our production numbers. We need additional staff to further support our efforts in neighborhoods across the city and to ensure that we're protecting our investments and our city's tenants. So we've received new funding in addition to those new agency personnel who are in our office of development of course, our office of neighborhood strategies that's so critical in our working with communities to plan our technology and strategic development, our technology division which is so critical to bring our systems into the 21st century, strategic development which is critical to developing our policy measures and of course asset and property management which makes sure that every unit that we finance is in good fiscal and physical shape. So in addition to those 80 we... we received 10 new positions to implement local law 101, the elevator repair program, which was a city council

initiative. As you know HPD also responds to all emergency demolition situations in this city. This year we had increased cost because of the tragic gas explosion in borough park. And we received an additional 2.2 million to fund that... those demolition costs. The preliminary budget also includes four additional positions for the continued inspection of residents that have been identified as part of the three-quarter house task force. And since I know that the Center for New York City Neighborhoods is an important city council priority I want to also mention that the mayor allocated an additional 250,000 dollars to provide further foreclosure and prevention efforts and services. Switching to the capital budget this chart shows HPD's allocation over the next five years. The fiscal year '16 number is always higher than those out year numbers because it's frontloaded due to Reso A allocations and previous year rollovers so that's why you see that... that big difference. The five-year plan totals 3.8 billion dollars, 3.6 billion from the mayor and the rest a combination of federal home funds and Reso A funding. The capital funding remains stable and the

mayor's commitment to Housing New York remains fully funded. We're excited to be in year three of Housing New York and are looking to build on the momentum as we continue to work creatively to address new challenges and find new solutions to affordable housing, the affordable housing crisis. We recently restructured in order to provide a new level of attention to streamlining all of our housing incentive applications including consolidated and consistent review of article 11 incentives that come to you. We are very busy in our planning division working with communities on new RFPs and finalizing plans for the existing RFPs. Those sites represent exciting opportunities to enhance neighborhoods and remove and replace old and outdated land uses. We're also busy advancing the mayor's supportive housing initiative and working with our partners in the industry and the human resources administration to provide the 75 hundred units of congregate care facilities through that supportive housing program. These are just a few of the many goals that we've set as we look forward to the next year. There's much more to be done, always much more to be done. And we have a

very significant initiatives underway across HPD to foster a more affordable city to use our dollars, stretch our dollars as far as possible and to provide and protect... to provide affordable homes, protect those affordable homes, and protect those all of New York City's tenants. So thank you for your time today. Thank you again for your support. And I'm very happy to answer any questions.

CHAIRPERSON WILLIAMS: Thank you very much Commissioner for your testimony. And I would say congratulations for the stats on the 40,000... over 40,000 units constructed or preserved under Housing New York. Couple of questions about... oh and of course congratulations to Veto Hor [phonetic] surpasses everyone's expectations so thank you. Just looking... just wanted to make sure I'm understanding both things that were said here. So on page two of the testimony we share that commitment... 77... so we were joined by Council Member Rodriguez. ...production through 2017 so it's households less... that earn less than 62,100 for a family of three. And it's 16 percent of that total for families earning less than 38,000. And then right below that it says our goal under House New

York full of... categories 20 percent over the life of the plan. We're now at 16 percent. I just wanted to just match that up with page three. And I'm probably reading it wrong so I just need some help of the graphics... 61 percent of the low income.

COMMISSIONER BEEN: I'm sorry page three of the... let's get that slide out.

CHAIRPERSON WILLIAMS: Yeah that one.

COMMISSIONER BEEN: Mm-hmm. So the... the 20 percent goal was for what we... what HUD defines as extremely low income families which are families who make less than 30 percent AMI or about 23,000 for a family of three, 18,000 for a... for a single household. So that's the lowest income category. The next lowest income category is what HUD defines as very low income and that's 30... 31 percent AMI to 50 percent AMI. The low income category is HUD defines as 50 to 80 percent AMI and so 80 percent of AMI and below is the 61 percent and then if you look at the... the... I'm sorry the... what color is it, the pinkish orangish whatever that is... the... that is the very low income that 23 to 38,000-dollar category. The extremely low income is the... the darker blue.

CHAIRPERSON WILLIAMS: So just... just to back up the...

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: ...the... the 61 percent is 80 percent of AMI?

COMMISSIONER BEEN: It's 50 to 80.

CHAIRPERSON WILLIAMS: 50 TO 80.

COMMISSIONER BEEN: That's what's defined as low income. So the... the 61 percent low income, 11 percent very low income and five percent extremely low income add up to that 77 percent.

CHAIRPERSON WILLIAMS: Okay. Thank you. I mean I understand why we have the 20 percent goal and not going to harp too much now because hopefully we'll change that but you know should be known that about 28 percent of New York City is extremely low income and the majority of New York City would fall actually low, very low, or low income so anything we can do to increase targets of cost would be great. So there seems to be a differing amount of units of preservability... depending on the year. And I think this year I'm not sure if we're going to meet the target,

hopefully we will. But is there any inside between the mark... performances over the years. We have...

COMMISSIONER BEEN: I'm not sure what you're referring to. I mean the... the... the housing plan is obviously has both fiscal years and calendar years. The 40,204 units that we've preserved or... or... or financed the construction in those first two years straddle the last half of this fiscal 2014, the entire fiscal 2015 and the first half of fiscal year 2016. The... it was pretty steady over that time. There's no... it's just that you're comparing a full fiscal year 15 to half of fiscal year 2014 and half of fiscal year 2016.

CHAIRPERSON WILLIAMS: About 50 percent of the total units started on the HNY were financed in fiscal year 2015. Is that attributable... attributable to the timing of the 421A expiring?

COMMISSIONER BEEN: No, so it... it... the confusion here is calendar year versus fiscal year. Fiscal year 2015 we did about half of the total of units. So that... that was 12 months out of a 24-month period so we would expect to do about half. The expiration of 421A happened in of course December or actually January of 2016 but the end of

December 2015. So that straddles... that's the end of the calendar year and halfway through the fiscal year '16 fiscal year... I'm sorry the fiscal year 2016.

CHAIRPERSON WILLIAMS: With HPD on track to meet its goal of creating and preserving 18,000 units of affordable housing in fiscal year 2016?

COMMISSIONER BEEN: We are on track to meet our goals. I you know... I expect that we will meet our goals... there are challenges that we did not certainly anticipate and we are having to be increasingly nimble and creative to deal with those challenges but... but we are right now fully on track.

CHAIRPERSON WILLIAMS: Other... I know we said that 421A wouldn't affect this fiscal year so which are the other challenges that we've run across?

COMMISSIONER BEEN: As you may know the... we receive what is called Bond Cap from the federal government via the state government and normally in the last few years we have spent between 600 million and almost 900 million in Bond Cap to finance a great many of our projects. Bond... Bond

Cap is just tax exempt bonds that are used to finance the production. And they are a extremely valuable source that we leverage because not only do they provide a lower interest rate but they also leverage low income housing tax credits. So they're a very important source of funding for us. This past November we received an allocation from the state that was far below what we had been led to believe we would receive that has held up about the production of about 12 hundred units of housing. And so that is the challenge.

CHAIRPERSON WILLIAMS: How much... you usually receive annually and how much did you get this year?

COMMISSIONER BEEN: Usually we've received over the past few years between 600 and almost 900 million dollars. We can give you the full list. I don't know, do we have that, the full you know list over the last 10 years or so. We've been using the low income housing tax credits and tax exempt bonds for four decades. And over the... that period of time the amount has you know fluctuated but in recent years we've been using between 600 and about 860 million dollars in bonds.

CHAIRPERSON WILLIAMS: How much did you get in November?

COMMISSIONER BEEN: In November we got 90 million.

CHAIRPERSON WILLIAMS: Is this associated with the new approved process or is the new... process going to make it even worse?

COMMISSIONER BEEN: The new approval process will make it even worse.

CHAIRPERSON WILLIAMS: Can you just talk about some of the implications if that approval process goes through. So we can have that on the record and discuss how much it would affect the housing plan?

COMMISSIONER BEEN: So the new... just to be clear the new... the... the governor's executive budget contained two provisions. One was that when... when the what is called volume cap, I'm sorry I'm trying to avoid getting wonky here. But the federal government issues...

CHAIRPERSON WILLIAMS: Okay this is... this a... a wonky hearing so it's okay.

COMMISSIONER BEEN: I... I know. I know. When the federal government, the federal government

issues what's called volume cap. That is the amount of tax exempt bonds that a state and its localities can issue. And that is a... based on a per capita basis. New York state typically gets about 1.9 billion dollars in volume cap last year. They got 1.9 billion. A third of that is directed immediately to local governments on the basis of their per capita right? That money comes to the city's IDA which is managed by the Economic Development Corporation. The Economic Development Corporation then transfers that money to HDC which is the state... the city's housing finance agency or technically the mayor makes that transfer. The governor's budget would subject that transfer from that city's IDA over to the housing development corporation to the approval of the Empire State Development Corporation. So that is a opportunity for delay for... for... we... we don't know what would happen at that point. Let's put it that way. The second what I call poison pill that the governor's budget includes is that even once the... the volume cap went to HDC. HDC issues bonds in very public process. We have a public board meeting. Everything we do... everything we approve to be funded through

bonds is on our website etcetera never the less the governor's budget proposes to make each and every one of those deals subject to the approval of the public authorities control board which is composed of a... an appointment by the governor and appointment by the assembly and an appointment by the senate. Any one of them could veto any one of the projects. So in any one of your districts we could be two years into working through a project to getting it ready, going through ULERP, all of those things and at the last minute. The public authority's control board one member could say I don't approve that project. So introduces enormous uncertainty. Where there's uncertainty there is additional cost. So that is the implication.

CHAIRPERSON WILLIAMS: Were you aware of or told of any issues with the current process?

COMMISSIONER BEEN: Nope.

CHAIRPERSON WILLIAMS: Any... any reasoning why we'd want to change a process that hasn't had any issues?

COMMISSIONER BEEN: Nope.

CHAIRPERSON WILLIAMS: Alright. Any... how are the conversations going? Are there any

conversations about how this would affect New York City? Did there seem to be understanding on the state's end of how detrimental might be?

COMMISSIONER BEEN: There are conversations. I can't speak to what the state understands.

CHAIRPERSON WILLIAMS: So just for clarity up until the point where the governor put this in the budget you were not aware of any problems or weren't told of any issues with the current process that we have?

COMMISSIONER BEEN: Absolutely not.

CHAIRPERSON WILLIAMS: Thank you.

COMMISSIONER BEEN: The governor... I should add the governor has appointees on our board. We heard no problems from them.

CHAIRPERSON WILLIAMS: And their appointees never brought anything to your attention or any issues?

COMMISSIONER BEEN: No sir.

CHAIRPERSON WILLIAMS: Thank you very much. We look forward to how this is going to end and my hope is that whatever issues that governor's having with this process are with the city will be

left to political discussion and not to things that can very... be very harmful to people of the city of New York.

COMMISSIONER BEEN: 12 hundred families are not moving into homes.

CHAIRPERSON WILLIAMS: Yes, it... it's a huge problem. Staying on state issues, governor announced 20 billion affordable and homeless housing service initiatives. Initiative will provide 100,000 new statewide affordable housing units over the five year 2017 2021 in addition substantially increases the state's effort to provide emergency shelter and supportive housing for the homeless. Is HPD collaborating with HCR or any of the other agencies on this initiative. And do you know what the impact of this initiative will be on New York City?

COMMISSIONER BEEN: Yes, we collaborate very closely with our sister state agency which is the State Department of House... of Homes and Community Renewal and its finance agency, the Housing Finance Agency. We always have, we worked together on many many projects have some state financing, some city financing so we work together.

Traditionally we have worked together very very closely. In addition, on supportive housing we work very closely with the state office of mental health and... and others. And traditionally again we've had a very good working relationship with those state agencies. We look forward to continuing to work with them. The governor announced as you said a 20-billion-dollar housing program but has not released any details about what kinds of homes are... would be... being built where they would be being built, how much of that... those... how much of that... that funding or how many homes would be built or financed in New York City. We don't know the sources of those funds. We don't know whether that's actually total development cost or the... or the state's cost. We really don't know enough to make any judgements about how the... how that plan is going to affect what we do.

CHAIRPERSON WILLIAMS: Alright now just to pivot to MIH really briefly I know they... they... the current options of MIH and the MIs are being reviewed. Got some information from seems like a really good report from ANHD that did some assessments. It seemed like most of the options

that are provided by the administration around between three and six or seven percent off of what we consider acceptable currently from the status quo. I just want to make sure if that was correct. So all for the rent role that normally property owners will get from the current 80/20 system off of that rent role. Usually the options that you have are between three and six or seven percent. So it seems... if we... if we say that the status quo of the 80/20 system now is 100 percent of the rent role that would come in the options that you provide are usually between 93 percent and 98 percent off of that. It's just slightly off of that rent role. So the study... the acceptable study of the 80/20 of what landlords receive in rent. You follow me there? Let's say they get 100 dollar.

COMMISSIONER BEEN: So the 80/20 program is the 421A program right? Okay and so your... so you're asking me the... the return that...

CHAIRPERSON WILLIAMS: Yes.

COMMISSIONER BEEN: Okay. The return that landlords receive under the current 80/20 program and... and you're asking me...

CHAIRPERSON WILLIAMS: I'm... I'm

basically saying it's the return but the way I'm asking is if they get 100 dollars in the entire building. Most of what you're proposing is it seems that in the options you're saying they will get between 93 and 98 dollars.

COMMISSIONER BEEN: That's a... that's a very difficult way of looking at it but I'm not quite sure what they're getting at. So let... let me explain how we approached the issue. When we underwrite a building we look at what are the... what are the cost of construction, what are the costs of operating, what are the costs of lending to make all of that possible, to make the construction etcetera possible. We look to see what the income is going to be coming into the building both from the market rate units and the affordable units. And then we look at the return on cost is one measure or yield on cashes another measure there are various measures that the industry uses to determine whether or not a project pencils out, pencils out means there is enough profit in the deal to interest somebody in making the investment right rather than putting their money in a CD or

whatever. So that's what we look at. So when we tried to set the requirements for MIH we were trying to accomplish two things right? Actually we were trying to accomplish three things. First and foremost, we were trying to accomplish asking developers to help pay for the insure... insuring that all of our neighborhoods are in rename economically diverse. Right, we as a city have said it's important to us as a city to have all of our neighborhoods have economic diversity. We do not want gated communities within New York City. We want all of our neighborhoods to be economically diverse. So from there we tried to figure out okay how can we accomplish that without a... even shutting down production because if we require too much we won't get anything. People don't build if they can't make a profit. The second thing is if we push too far we will end up spending all of our time litigating rather than building. So those were our parameters. So we hired a financial consultant who had designed inclusionary housing programs throughout the country. They met with a wide variety of experts in affordable housing including folks like ANHD to figure out what are the

parameters in New York City, what are the costs etcetera. And they designed a model for us to try to estimate how much... what set aside and what levels of affordability could we require of a developer in an area was being rezoned without pushing so far that we either stop production or lose the program to an adverse court ruling. That... those were our parameters.

CHAIRPERSON WILLIAMS: Sure. My guess is I'm not doing industry studies justice. So my hope is you'll take a look at it. From what I'm seeing starting from the 100 percent mark which I'll just call 100 dollars for the entire building. And the options that you provide from very strong market to a middle market let's say in a strong market option one is about 95 percent of those hundred dollars. Option three is 99 percent of the 100 dollars. And in a middle market it actually goes up to Option 3 where it's... actually 105 dollars so they'd be making more now than they would in... in the 80/20. If you haven't seen it I guess it would be difficult to have a discussion. But I hope you do. What... what... if it's accurate is that there is just

a... an ability to go even deeper based on the same numbers that you have now if it's... a little bit.

COMMISSIONER BEEN: So Chair I have seen the report. I just fundamentally disagree with their approach. And we as a city decided we would rather build than litigate. It's a fundamental decision. We would rather build than litigate.

CHAIRPERSON WILLIAMS: I agree.

COMMISSIONER BEEN: Okay. And so we purposely decided... we purposely decided that we were not going to build a program that was based upon the notion that we should look at every development and try to see how much could we squeeze out of that particular development because that will result in the program being struck down. That's a fundamental difference between us and ANHG.

CHAIRPERSON WILLIAMS: The concept difference I understand... I just want to know if the numbers that they're presenting...

COMMISSIONER BEEN: I disagree with those numbers. We can... we can...

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: ...work you through them.

CHAIRPERSON WILLIAMS: Okay. So if you disagree with the numbers it's hard to have the conversation. But the... the numbers that are here seem to make sense I don't know if I'll word it in the way you're wording it in terms of squeezing... each development but it does seem that there's room to get deeper affordability with the schematic that you're talking about without the litigation so... That would be good.

COMMISSIONER BEEN: As I said we really hope to build. We really don't want to have to spend a lot of time litigating.

CHAIRPERSON WILLIAMS: Me too. I want us to build. So at least we agree with that. There's no disagreement.

COMMISSIONER BEEN: Great.

CHAIRPERSON WILLIAMS: ...wanting to build. Couple more... few more questions and then I'm going to go to my colleagues. So a few days ago we had I guess what I'd call an interesting hearing. It turned out to be a little more interesting than I actually thought it would be. And it was around

Mitchel-Lama. I really just want to focus on two parts. One, when we discussed the... the jumping of lines.

COMMISSIONER BEEN: The what?

CHAIRPERSON WILLIAMS: The jumping of the waiting lists.

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: There seemed to be... there wasn't a lot of information but it seemed that there was the way the lists are brought on the way the data is technology... not technology... technologically up to date. It seems that according to your... your testimony it is my... my question is really do you have all the funds you need to put the applications on line and to be able to promulgate lists easily and manipulate the data?

COMMISSIONER BEEN: So... let... let me make sure that we're on the same page. So when a... in the Mitchel-Lama buildings there's a waiting list right? So when a apartment turns over for whatever reason we go to the waiting lists. Sometimes those wait lists... sometimes those wait lists are ten years old. Sometimes they're... sometimes we open the wait list now. So right now we already have... Well

let me just back up for a minute. It used to be that... that... anyway I... I won't even bore you with the details of how bad things used to be because you've heard my complaining about the Wang computer. I could complain also about the black plastic bags that... that people drew names out of. It... but right now as of last December if a wait list opens up and you want to apply to get on that wait list you can do that through Housing Connect right? So that is all automated. What is not yet automated is that if we have a wait list that is right now in paper right we don't actually have it... the... the owner has it, we have not yet put those old waiting lists onto the computer. Okay so that's the difference.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: Right.

CHAIRPERSON WILLIAMS: So from here forward we have stuff that's automated, from here back we do not.

COMMISSIONER BEEN: Right, we have not retroactively put on wait lists that go back... you know that are already existing onto the system. We are working on that. It is actually... it sounds

simple. It is what I have learned about IT is that it is never as simple as it sounds. And that is being done but it will take some time right. So if you want to get on a waiting list now you can do that easily in seven different languages through housing connect right. But digitizing the existing waiting list is a work in progress.

CHAIRPERSON WILLIAMS: So now it seems that there was no easily way to manipulate the data around problems around the waiting list. So if someone complained that they were skipped it didn't seem like they were capturing that data somewhere where it can be reflected on of what happened there, why the person was skipped and any... any mitigation that happened after that. Is that changed now going forward?

COMMISSIONER BEEN: Well it's actually already changed. So an audit of some of the waiting lists found that in some circumstances someone was skipped over and the reason wasn't adequately recorded right. They can be skipped over for any number of reasons. So if the apartment that becomes available is a three-bedroom apartment and they're a single person they're not eligible for that

apartment. So they're going to be skipped over... skipped over, it's not they're being skipped over, they're not eligible right.

CHAIRPERSON WILLIAMS: Sure.

COMMISSIONER BEEN: So... but the problem was that some of the owners were not adequately recording I tried to reach this person, I mailed them the letter on such and such date and they never responded so I... after... set aside after the period I went to the next person. So we have now changed that. We require all owners to keep proof that they mailed you know the... the notice that an apartment was available etcetera, that they keep all the proof about how they tried to contact the people on the waiting list. So that was thin number one. Thing number two is that if they got in touch with somebody and they called somebody for example and the person said I've now moved to Florida right, and they wrote down no longer available or something like that sometimes that wasn't adequately recorded. So we are now requiring the owners to in those spreadsheets, in those logs to record the details of why it was that they skipped over right. So that's already being done. That's a

change that was made in the last year. But that's already being done.

CHAIRPERSON WILLIAMS: And can you pull from the automation people who were skipped and the reasons that were given?

COMMISSIONER BEEN: Going forward you will be able to.

CHAIRPERSON WILLIAMS: Okay. And any of those that you're aware of has the reason not been good. Has it... I mean has it... I mean has a... has a reason not been a credible reason?

COMMISSIONER BEEN: So... well I can just report it in this way. We... in 2014 we received 210 complaints and all 210 of them were resolved. In 2015 we received 223 complaints, 203 of them have been resolved and the other 20 are still in process. So...

CHAIRPERSON WILLIAMS: And that's all on the new... the new... new system?

COMMISSIONER BEEN: Well part of 2014 I think was before we changed the rules about recording what was being done so it's not all under the new system.

CHAIRPERSON WILLIAMS: Alright of the ones that were resolved...

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: ...were any of them due to malfeasance or nonfeasance?

COMMISSIONER BEEN: If they were due to malfeasance we would have referred it to the department of investigation.

CHAIRPERSON WILLIAMS: Okay were any referred to the Department of Investigation?

COMMISSIONER BEEN: Not to my knowledge.

CHAIRPERSON WILLIAMS: And so of... there's 20 that were still waiting for the resolution...

COMMISSIONER BEEN: Yes.

CHAIRPERSON WILLIAMS: Okay thank you. Are there... are there any penalties for owners if they're found to legitimately skip a... have someone skip the waiting list?

COMMISSIONER BEEN: Well our asset and asset management team that's ably headed by Deputy Commissioner Anne-Marie Hernandez [sp?] is... monitors the... the... the you know performance, the word I'm looking for, the performance of the man...

of the property managers for all the Mitchel-Lama buildings so the ultimate penalty is that if a property manager is not doing a good job, is not abiding by the regulations, maintaining the building in adequate financial and fiscal shape that property manager could be replaced.

CHAIRPERSON WILLIAMS: Okay. So the... the... the penalty if they're found to be doing something is a replacement?

COMMISSIONER BEEN: Yes, I mean we don't immediately fire them. We try to work with them, make sure that... you know see what the problem is but if they do not come into... you know if they're not cutting the mustard then we change the property manager.

CHAIRPERSON WILLIAMS: But it's... it seems though it's quite possible for the list that happened before 2014 that there may be issues there that we never really fully got a full picture of because of how the data was captured. It doesn't seem like you can't easily pull the list... from what I was told you can't usually pull the list of people who were skipped and the resolutions that occurred, is that correct?

COMMISSIONER BEEN: Well it's not automated right. So...

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: We... as you know we have tried very hard to bring the IT systems at HPD into the 21st century. And I actually have a piece of incredibly good news on that which I have not shared with anybody but I will share with you now that you ask... well you didn't ask but now that you've given me an opportunity which is...

CHAIRPERSON WILLIAMS: You share it just with us.

COMMISSIONER BEEN: ...that... [cross-talk]
Pardon?

CHAIRPERSON WILLIAMS: Just with us?

COMMISSIONER BEEN: Just with you. Just with you. So we were recently named HPD's... IT department was recently named one of the elite 100 from information week. Thousands and thousands of high tech technology companies apply to be named one of the elite 100 and we were named one of the elite 100 because of all of the work that we've done on housing connect, e-bills, our e-submit system, our tax incentives submit system. We are

very proud of that. Very few government agencies are ever recognized for their creativity and innovativeness and we were. So..

CHAIRPERSON WILLIAMS: Well congratulations.

COMMISSIONER BEEN: So yeah... but we have much more to do but we are forward looking, not backward looking. So we are trying to move those wait lists onto the digital system. But you know trying to figure out what might have happened prior to 2014 is...

CHAIRPERSON WILLIAMS: So...

COMMISSIONER BEEN: ...is not where I've been focused.

CHAIRPERSON WILLIAMS: So just two things. One it's good that we're forward looking. Our only concern is there may have been a lot of things that happened in the past that will be good to capture, to see them and help us inform what's going in the... happening at future. But obviously there's only so much we can do. And the second is do you have all of the resources you need to get the technology to where you want so you can win again next year?

COMMISSIONER BEEN: So technology is one of those things that I'm sure one could always use more resources. However, that said, as I mentioned we did get 22 new... 22 new positions in our IT Department. We as part of the capital plan the mayor has you know one of the few requests that I made when we were doing the housing plan budget was that we really had to have money to bring our systems into... into the century and the mayor did allocate 10 million dollars every year of the capital plan that could be used for those kinds of things. So while we could always use more money we... I think we are well positioned we have a long term plan for bringing things into... into really state of the art systems. Some of it seems you know that we should have done it a long time ago. And... and we can't really look back but... but we are getting there. So for example in... in Veto's world we have been testing you know feels force laptops so that they can enter the information from an inspection etcetera directly into the system while they are there, take pictures, those kinds of things. We've been field testing those. We're now rolling out 200 of them to our inspectors over the next few months.

So we're... we're making huge strides. Is there more that could be done? Sure. But I... I think that we're well equipped to move forward.

CHAIRPERSON WILLIAMS: And then... the other point that seems to be related to resources was board training for Mitchel-Lama boards. It stopped. They couldn't really tell us when they stopped but they did stop, we did learn that it... apparently HPD can mandate that people go to the board trainings which we hadn't used but when I asked why it stopped it was because of resources. I think it's about... going to start again. I'm not sure. We're just curious because we never got any request for any resources needed for this. So do you need additional resources to implement something as... as board training. Do you know when that board training will start again? And if we needed it why... why was it never a question?

COMMISSIONER BEEN: Well let me make clear... believe me we give OMB many more requests than you see. So... and that is a negotiation because I hear tale that I am not the only agency in the city with needs. And...

CHAIRPERSON WILLIAMS: Shocking.

COMMISSIONER BEEN: ...so... so... so that is a negotiation. We have to prioritize many many needs that we never ask you for because if we ask you for all of our needs other agencies would... and other agencies did the same you know we just don't have that much money. So the fact that we didn't ask you for something doesn't mean that we don't... we wouldn't have liked to have had it. It means that we set priorities internally and asked for things that were higher priority right? So we have added to the Michel-Lama staff, I think we've added two people recently to that staff. You know we will look into the board training. Maybe there are technological ways of doing that we... we will look into that.

CHAIRPERSON WILLIAMS: Do... do you know when the board training will begin again?

COMMISSIONER BEEN: Where... we will have to look into how we would structure it. You know again whether we could give a training module, those kinds of things. So we're looking into that.

CHAIRPERSON WILLIAMS: And are we going to mandate?

COMMISSIONER BEEN: I... I don't know. I'll have to assess the policy implications of that.

CHAIRPERSON WILLIAMS: Okay. Since the managing agents have to provide details on the waiting lists does HPD do any spot checking? Do you go through lists periodically to make sure everything's going...

COMMISSIONER BEEN: Yes, we do. Yes, we do. We do field audits. We do spot checks.

CHAIRPERSON WILLIAMS: Thank you. and I'm looking forward to continuing the Mitchel-Lama discussion so we can have a... hopefully not as interesting discussion but one that helps us move forward on a lot of the issues. I actually have a lot more questions but I want to give my colleagues to ask some questions as well. So I might go in between them or wait until their finished... question I want to make sure we get asked. We've been joined by... want to make sure we get asked. We've been joined by... want to make sure that I get to ask. We've been joined by Council Member Cornegy, Rosenthal, Levine. All my colleagues will have five minutes to ask questions. We have Council Member

Reynoso, Rodriguez, Miller, Mendez, and Rosenthal.

So we'll start with Council Member Reynoso.

COUNCIL MEMBER REYNOSO: Thank you Commissioner for being here. Great presentation the work that you guys are doing. It's really encouraging to see the work on paper and actually being able to... to showcase to the city of New York the progress that we're making when it comes to the preservation and development of affordable housing and the work that HPD does. I want to specifically thank Veto Masachulo [phonetic], Daniel Hernandez, and Ann Marie... Anne-Marie Hendrickson who have done an amazing job in HDPC related roles in enforcement related roles and community engagement roles. You did... the housing taskforce that... I want to say that I helped create in my district has worked very well and I'm hearing a lot of conversations about expanding that elsewhere. And just want to make sure... I always talk to the resources. I don't want to lose a taskforce in my district. I also don't want them spread thin. So it's myself... I always say it's me speaking selfishly. I just want to make sure that if you are expanding the taskforce that you don't take away the resources that I have or

spread yourself too thin and really like draw... scale it up appropriately. And I'm just going to ask more questions because the chair is going to cut me off for five minutes. So I just set it up. It seems like for half a billion dollars we get our Section 8 money from the federal government is how we... how we... the Section 8 that we take... we handle today is half a billion dollars. I think that's a little bit of money considering the value of Section 8 and just really want to put in your I guess for quarter billion dollars can we give 25 percent more people in the city of New York Section 8 housing. Because that's a conversation I never really thought about. This is not that expensive considering the... the work that that subsidy does to maintain housing. And also you didn't talk about the green point hospital RFP in your presentation you said in the next two months you had I think six RFPs that were shown... just wanted to know where in the pipeline that RFP is. Also I think that there was an audit done on the house... the waiting list for Lindsey Park. I never received that and I would love to see that audit and see what it looks like because it's a... it's a... a huge concern that I have

and while all these departments in your under HPD have done an amazing job there's always this one department in Mitchel-Lama that I really feel is falling short and I would like to just... the waiting list is a big part of that. But also when it comes to Governance and what that means in proper management of a... of a development that we have to... we really have to look at that and think about whether or not we're losing affordable housing because of bad management and governance. And right now I believe that Lincoln Park specifically is about to be phased out as an affordable housing option. And that when that happens that those 2,600 units are you guys going to lose that or is it going to take away from your preservation numbers or what you didn't preserve because it's no longer affordable housing. And I think because of the lack of intervention of HPD. So those are all my questions. Thank you.

COMMISSIONER BEEN: So I think there were four or five questions there but I just... I think that I said Ann Marie... did I say Ann Marie Henderson or did I goof it up. Did I? Okay sorry. Okay. Some days the bear eats you right? I hear

you. Are we going to be spread too thin? I can... I assure you that we will not neglect you. Okay I assure you that we...

COUNCIL MEMBER REYNOSO: Thank you.

COMMISSIONER BEEN: We love all of our neighborhoods purple if you're familiar with that book and... So we will make sure that we don't neglect you and we do appreciate the partnership that we've had with you and I think it's a really good showcase for what we can do proactively to prevent harassment. In terms of the vouchers I mean actually that's a boatload of money, because it's a boatload of money because it's a boatload of money every single year. And it... and... and part of the issue is that amount of money doesn't give you any new vouchers right. And that just continues the vouchers that have been issued in the past. And so we have looked into the question of well how could you... how could the city provide a voucher and as you know the city is providing vouchers... voucher like products through the link program and others. It is a extremely expensive way to go. Never the less it's incredibly important to go back to Chair Williams' concern about especially those folks who

are living under the poverty line where their rents won't even pay the operating costs of the building. We have to have a rental assistance program in order to make that work and vouchers are one of our main tools that we used to house those extremely low and income New Yorkers. I wish we had more. Deputy Commissioner Trumbull is a genius in maximizing our ability to use those. IT's a very tricky question because every year is based upon your use in the prior year. So we have to manage those to the max in order to get the max. And... and... but I wish we had more of those.

COUNCIL MEMBER REYNOSO: Just... and how many do we have... vouchers?

COMMISSIONER BEEN: ABOUT 37,000.

COUNCIL MEMBER REYNOSO: 37,000. Thank you.

COMMISSIONER BEEN: The... on... on Greenpoint Hospital we as you know I think have... we... we are very excited. I just want to say I've been out there several times. I'm very excited about the possibilities there. And... and very excited about working with the community. We have hit a little snag. The SHPO... the state historic

preservation ordinance snag. And we are trying to work through that. Full stop. So as soon as we can get work... get that worked through. We will move forward just as expeditiously as possible.

COUNCIL MEMBER REYNOSO: Thank...

COMMISSIONER BEEN: Oh I'm sorry. The audit for Lindsey Park. I don't know whether... as you know Lindsey Park is under... that whole issue is under investigation by the district attorney. I don't know if we are able to share that audit because... but I'll go back to my team and find out what's going on there. Complicated obviously by the ongoing investigation. Mitchel-Lama you asked me something about Mitchel-Lama...

COUNCIL MEMBER REYNOSO: Just...

COMMISSIONER BEEN: Oh... [cross-talk]
board governance.

COUNCIL MEMBER REYNOSO: ...governance, yeah governance structure threatening its affordability, long term affordability. And I think that we're almost to a point where most of the residents in Lindsey Park are paying more than 50 percent of their income and rent? So they are rent burden and it's... it's no... it's starting to fall out

of affordability and whether or not that gets attributed to the mayor's preservation plan. I know he wants 120,000. It's... 2,000 that gets removed from that... from that preservation or that he has to make up for.

CHAIRPERSON WILLIAMS: Alright
Councilman you got it in before the five so I'm trying to let them...

COMMISSIONER BEEN: I'm sorry.

COUNCIL MEMBER REYNOSO: Sorry I'm trying to cheat.

COMMISSIONER BEEN: I mean... we have just through city programs alone we have preserved 34,000 of the Mitchel-Lama homes over the last 10 years at least you know we continue to work with every single Mitchel-Lama to try to make sure that they are fiscally sound financially, fiscally sound, physically sound. We as you know supervise the... the... the process of the board elections and everything that has to be certified. We... we try to monitor in terms of... of board governance, board transparency. We have all kinds of rules about board transparency. I know that there are issues

with Lindsey Park we are trying to work through and we're trying with you to work through them.

CHAIRPERSON WILLIAMS: Thank you. Thank you Council Member. We have a correction in the order. It'll be Council Member Lander, Rodriguez, Miller, Mendez, Rosenthal, Grodenchik.

COUNCIL MEMBER LANDER: Thank you Chair. And Council Member Rodriguez as well. Thank you Commissioner. Good to see you. I want to focus on the... the state issues. But because the Council Member Reynoso raised the federal ones around Section 8. I just want to spend one minute on this as well. So is it fair to say that... that Section 8 is really our best resource for achieving deep affordability in housing low income families in both preservation but especially in the production of new units.

COMMISSIONER BEEN: Absolutely.

COUNCIL MEMBER LANDER: And the best thing we could do to therefore house more of those families would be have more Section 8 certificates.

COMMISSIONER BEEN: Absolutely.

COUNCIL MEMBER LANDER: Okay so...

COMMISSIONER BEEN: From your lips to
god's ears.

COUNCIL MEMBER LANDER: Well this... I'm
somewhere between us and god is the federal
government. And...

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER LANDER: On the one hand
obviously there's all the issues of the republican
congress. But we are having a presidential debate
at least some parts of which are focusing on income
inequality and issues of affordability and working
families who need resources to be able to afford
the... and yet I haven't heard from any of the
candidates, any of the candidates, anything about
Section 8 and anything about public housing,
anything about the resources cities need to address
affordability. Have you heard any such things?

COMMISSIONER BEEN: So several of the
nation's leading affordable housing policy groups
enterprised national housing conference others have
really been trying to elevate the debate. You may
have seen for example enterprise came out with a
new bold new vision that address many of these
issues. There was a tiny... tiny discussion of it in

a new... New Hampshire, in the New Hampshire primaries. But that is all I have seen.

COUNCIL MEMBER LANDER: So I would just like to invite you know all of us... all it's not... you know all of us... although it's not... you know all of us who care about affordable housing there's some primaries headed our way. If we let this presidential debate pass without further elevating the issues of Section 8 and public housing and federal resources for the core issue of affordability shame on us. We can't make them do it in Washington but we can do a whole lot better elevating the issue in this moment than we have done. I think we've kind of given up and just said... we're never going to do it. This is a moment when nationally those people care about affordable housing, have to make sure the presidential debate and the future president of the United States has heard a lot about how important this issue is. Enough said on that. I want to just spend the rest of my time on the state issues. And as someone who's spent a lot of years working in the affordable housing field I just can't tell you how distressed I am about the assault that those poison

pills in particular are on our affordable housing system. So just a few things. Am I correct that for several years in the past decade New York City Housing Development Corporation has been the leading national originator of multi-family housing debt... not even affordable housing debt.

COMMISSIONER BEEN: Yes, you are correct.

COUNCIL MEMBER LANDER: Generally regarded as first in class of all city or state housing finance agencies anywhere in the United States.

COMMISSIONER BEEN: You are correct.

COUNCIL MEMBER LANDER: Has the New York State Housing Finance Agency ever been in the list of leading multi-family housing originators to your knowledge?

COMMISSIONER BEEN: Actually to be fair I... I think HFA has done a wonderful job. I am in no way being critical of HFA. And I do think that at least one year... Eric am I correct? I believe that one year they were the leading. So but our... but your point is well taken both in year after year after year HDC has been the leader. Our bond

ratings... the bond market recognizes us as being you know just incredibly high performing agency.

COUNCIL MEMBER LANDER: And then in general the way HDC work is... is something like a bank with a credit committee. They've got term sheets you apply if you qualify under the program, meet the needs they give you the financing in the way that hopefully if you apply for a loan or a mortgage the bank and their credit committee works, yes?

COMMISSIONER BEEN: Yes.

COUNCIL MEMBER LANDER: And that's very different from a political process where a small number of elected officials decide what things they'd like to extract out of a housing deal.

COMMISSIONER BEEN: Yes.

COUNCIL MEMBER LANDER: Yes?

COMMISSIONER BEEN: It is very different.

COUNCIL MEMBER LANDER: So that... I mean it seems to me that's what we're really... there's a lot of issues here. They're not giving us the several hundred million dollars of Bond Cap last year and costing us those 12 hundred units is bad

the requirement that they'd have to sign off on the transfer of the additional volume cap from EDC to... to HDC is bad. But that fundamental idea of turning something that has functioned like a bank into something that functions like political deal making really could just be catastrophic to our ability to produce affordable housing using packs exempt ones [phonetic].

COMMISSIONER BEEN: That is correct.

COUNCIL MEMBER LANDER: So we're going up to...

COMMISSIONER BEEN: Also just want to point out that HDC was formed by the state 40 years ago in order to de politicize the process in order to provide a countercyclical unpolitical way of getting affordable housing built.

COUNCIL MEMBER LANDER: And... and by all reports has done an extremely good job with nary a complaint about it. So you know I think... you know the city council's headed up to Albany to do our budget lobbying up there. I was very sad to see that these poison pills survived in the 30 day amendments. But I, as with the federal issues just invite all of my colleagues to join together in

making sure it would be catastrophic for our ability to produce and preserve affordable housing if those state poison pills go through and we have work together to make sure that they don't. Thank you very much.

COMMISSIONER BEEN: Absolutely.

CHAIRPERSON WILLIAMS: Thank you Council Member. And of course I think we all feel the same way hopefully. The Governor will hear us this time. Doesn't have a good track record appearance but hopefully this time he will because it absolutely is surely making it a political process. From the reason on Council Member Mendez's first point with the best way would be to get additional Section 8 vouchers. Just back to my conversation I actually don't think that you seen this new NHD [sp?] report that I was speaking of so my hope is that...

COMMISSIONER BEEN: No.

CHAIRPERSON WILLIAMS: ...you will see it and... and hopefully it will change some of the discussion that we had around that. Council Member Rodriguez and Miller, Mendez, Rosenthal, and Grodenchik.

COUNCIL MEMBER RODRIGUEZ: Great. Thank you Chairman. And Commissioner thank you for your leadership. It... first of all I had said before that mayor and the administration that you're a part of is put into... that we didn't have before. I'm surprised when I hear some voices in opposition. Many of those leader who were in the front line working with a 80/20 in our city that gentrify and push a lot of people out. So I think that the plan that the mayor's putting on the table is a good beginning. We can have conversation. We can talk about changes. But no doubt that is a completely different plan than what we have in previous administration where what we go... all we got in most places was a 80/20. And... and again I'm surprised there being... being some meeting here some... my previous former colleague... this plan and they were the ones who put in most of the 80/20 that we got in many... in many communities. My first question is when you become a commissioner of HPD...

COMMISSIONER BEEN: Was I crazy?

COUNCIL MEMBER RODRIGUEZ: ...appoint by...
No. ...appointed by this administration what was your

impression of how deep is the crisis of housing that this administration inherit?

COMMISSIONER BEEN: Well as you know council member I had come from the Furman Center which every year published the state of New York City's housing in neighborhoods and every year sounded the alarm about the fact that rents were increases faster than wages, that we were losing rent regulated apartments faster than we were building new apartments. So I was pretty alarmist. I'm pretty in the know about the extent of the housing crisis. I think what has been... you know I think what we have learned about the crisis over the past few years is just how... how much is behind the scenes in terms of overcrowding, in terms of people doubling up in order to... to combine income so that they can afford you know anything. So you know I think the... I... I knew the numbers. I think that I have seen much more the human toll that those numbers create.

COUNCIL MEMBER RODRIGUEZ: Great. And... and... when it come to Section 8...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER RODRIGUEZ: ...what I... and I'm not a expert on housing but what I have seen is also that Section 8 had been used in the past also as a tool to move people out by encouraging some tenants to go and use Section 8 in certain area and landlord not taking Section 8 in area that they been has a whole plan to change those community.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER RODRIGUEZ: So even though Section 8 is a important tool today can we agree that many landlords refuse to take Section 8 even though tenants they have it because landlord cannot... I mean Section 8 cannot compete with what the landlord's asking for in rent in many communities such as mine.

COMMISSIONER BEEN: Yes.

COUNCIL MEMBER RODRIGUEZ: Washington Heights... Hill?

COMMISSIONER BEEN: Yes. I mean the... the amount that Section 8 pays is set as you know by... by HUD. It is often below what... what landlords believe they can get on the market. And we hear time and time again that landlords... some landlords refuse to accept Section 8. As you know the Human

Rights Commission is in... is trying to use testing and other ways about... of... of smoking those landlords out. But it is a... it is a problem that we will continue to work on.

COUNCIL MEMBER RODRIGUEZ: Yeah which probably you know it should take all of us from the city and state and all the electives who advocate together so that they should be the increase on how much Section 8 cover when it came to helping a... a New Yorker to pay the rent.

COMMISSIONER BEEN: I think there are conversations underway about trying to make the Section 8 rents more reflective of actual market rents but those are you know... they're slow.

COUNCIL MEMBER RODRIGUEZ: Great. Now I move to... when I look at the budget on a preservation for code enforcement and repair first of all you know no doubt we have said before Veto is back there... Veto Mshirly [phonetic] and a great deputy commissioner know that I had met many of us one that spend so much time and he had so much give some more time to go... and however when I look at the budget they have been 2016 that was 36 million dollars and this coming budget this 35 million

dollars for... for the code enforcement. So even though you know in order to attack... to do better job on preservation I think that the amount for code enforcement and also the maintenance and repair should be increase because it not only be able to send a men and women to do the inspection but it's also what is the follow-up. So how can... you know what expectation should we have on seeing an increase of more resources for the unit that you doing the code enforcement.

COMMISSIONER BEEN: So I mean we are... we are always working to both increase the efficiency of that team and to augment that team. And we have both this year gotten some new heads. Last year we got some new inspectors. But we're also really working to improve the backend efficiency as I said like having laptops so that they don't have to go back to the office and enter that information, doing much more. So I think we... we are really pushing to increase the efficiency so that every one of those inspectors can be out in the field as much as possible.

COUNCIL MEMBER RODRIGUEZ: Great, thank you.

FEMALE COUNCIL MEMBER: Council Member Miller.

COUNCIL MEMBER MILLER: Thank you Council Member. So I want to thank you for the work that you... that you've done. Obviously you've taken over an agency that was in peril and... and... in the height of a crisis. And you guys do... well I also want to mention... talk about the accessibility and access of your office is to be commended and... and those who work with you and to say that... it's not to say that is not... that we always agree but to have access is really important. Most importantly I'd like to thank you which has not been mentioned in this budget for your support in the community restoration fund and what we are doing around supporting affordable home ownership.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER MILLER: So which is a good Segway in the talk about the... the... the home ownership program. And what I want to talk about along with that and Section 8 and some other things is really the oversight of these programs because while we extort the... the progress and success of these programs they don't come without unintended

consequences as it was just mentioned in the Section 8 program where I differ from Council Member Rodriguez I think that in some cases they help to inflate rents in certain communities by over... overpaying and... for properties that we would not necessarily see. Some of the things that we are seeing now... So I want to talk about oversight in that program to address those issues but in particular around the affordable home ownership program. So my question is who is currently managing this program. Obviously we've had some number in my district in Southeast Queens but they've been problematic in that some of these programs have been restored and ready to go for the past year and a half and the new owners have not gotten into those homes. So what I'd like to see is while it's great that we're creating this but if they're not serving the needs it's... it's a problem. So I want to talk about who's running these... the... the process... the management whether or not it was an RFP on this and what is the MWBE involvement around the home ownership program?

COMMISSIONER BEEN: So are you referring to the... what we call the infill home ownership

program, the NYHOP? You're seeing... where... where are you seeing vacancies? I didn't... I... I wasn't clear on that.

COUNCIL MEMBER MILLER: I'm... I'm talking about some... some... some of the homes had... that had been restored.

COMMISSIONER BEEN: Oh.

COUNCIL MEMBER MILLER: In... in the district. But these are private homes that have been restored. Some belong in the HPD and others...

COMMISSIONER BEEN: Okay I will... let's... let's talk turkey about the specifics because I need to look into that. I'm not familiar with that and we shouldn't have... we shouldn't have empty ones. The... the... in general our home ownership programs are under the direction of assistant commissioner Lisa Cohen. We have a variety of home owner... of affordable home ownership programs. As you know they've... when the market crashed in 2006 2007 and it was impossible to get mortgages we kind of shut down the affordable home ownership programs. We're now bringing all of that back online now that mortgages are available. And we have I'm happy to say worked through many of the

log jams that had occurred there where we were not able to convince OMB that we should be moving forward with some of those repairs and... and rehabs. We're now... we've... I think we've broken through that log jam. We are closing on some of those what we call the affordable neighborhood co-op program. We are closing on some of those homes. We've got more in the pipeline. I'm optimistic that we're working through all of those programs taking too long...
[cross-talk]

COUNCIL MEMBER MILLER: All of that is done internally? There is no...

COMMISSIONER BEEN: Pardon?

COUNCIL MEMBER MILLER: ...outside or community base or not for profits involved in... in this particular program?

COMMISSIONER BEEN: Yes.

COUNCIL MEMBER MILLER: Okay.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER MILLER: Alright so if...

FEMALE COUNCIL MEMBER: If... can I add I think that the council member I remember some years ago there were a lot of small buildings, I think two and three family homes in Queens in his

district that HPD took over... they would transfer to neighborhood restore for... but to be renovated. And I think that's what he's referring to.

COMMISSIONER BEEN: Okay I will look into those specifically but they are at neighborhood restore and I thought they were being... they weren't...

COUNCIL MEMBER MILLER: So...

[background comments]

COMMISSIONER BEEN: So they're moving forward but let me get back to you with specifics about...

COUNCIL MEMBER MILLER: Yeah because... because in terms of oversight we... there are more than... I want to say more than 10 that have been in full repair for more than a year and remain unoccupied and become you know exactly what they were before.

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER MILLER: And do have unscrupulous real... realtors and others that are trying to rent or sale the apartment... the homes that they don't own. So I... you know again I... think it was about oversight. And for those 14 seconds I

just want to say that the 250,000 dollars for the foreclosure prevention is that above...

COMMISSIONER BEEN: Yes, that's an additional 250... [cross-talk]

COUNCIL MEMBER MILLER: ...that's an additional 250...

COMMISSIONER BEEN: Yeah.

COUNCIL MEMBER MILLER: ...thousand.

COMMISSIONER BEEN: Mm-hmm. Absolutely.

COUNCIL MEMBER MILLER: Okay thank you.

COMMISSIONER BEEN: Thank you.

CHAIRPERSON WILLIAMS: Thank you. And Council Member Mendez. Thank you.

COUNCIL MEMBER MENDEZ: Thank you. Thank you Commissioner. I'm going to ask all my questions up front and... [cross-talk]

COMMISSIONER BEEN: Yes, mm-hmm.

COUNCIL MEMBER MENDEZ: ...on page one you referenced all the affordable apartments that have been launched and financed. You mentioned 21,041 homes. I'm just wondering what type of homes. Are we talking about rental apartments or are we talking about home ownership and if it's home ownership it... like a two or three family home? Is

there a rental component to it for the new home owner? In page four you referenced the Office of Enforcement and Neighborhood Services. I want to know what services are provided by that... those units, what's the overall head count? Has there been an increase in that head count from the previous fiscal year? And what is the head count for each? I'm assuming this is some of it... of this is code enforcement.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER MENDEZ: And some of it is other support services. So the head count for each...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER MENDEZ: And what is the increase specifically for code enforcement inspectors? Later on you reference how many more violations were issued and were removed, removed by whom... by HPD through emergency repair or through litigation and the landlord removed them through your litigation efforts. How much more did removing these violations cost HPD in terms of attorneys to do the litigation or in terms of actually doing the emergency repair. How much if any of the landlord

harassment or criminal charges did any of that lead to any 7A actions? And if so which 7A actions have been completed and which are still in court? And then for the collaborative effort between HPD, DOB, and FDNY what is the headcount for that unit taskforce? And is there an increase in headcount? And what are they specifically doing? Or is it someone from a unit also working you know collaboratively and how much of their time is being spent doing that collaborative effort?

COMMISSIONER BEEN: Great. Thank you. So your first question... home ownership versus single family... or I mean I'm sorry Home ownership versus rental. So of the 40,204 that we've financed since January of 2014 3,219 were home ownership units. The other 30... almost 37,000 were rental units. I don't know how many of those rental units were in a one to three family house where there was also a home ownership unit. I can get back to you about that. I don't know the specifics there. E... ENS... the code enforcement headcount... Where is that? So the budget for ENS of course is a total of 110 million dollars, 775,000. I will... let... let me get back to you with the specific headcount for each of the

divisions of that. If I may... the violations... a violation can be removed in any number of ways, one of course in the way that we hope things work is that the landlord fixes the problem, certifies that it has been fixed and we confirm that it has in fact been fixed. So that's one way. If the... if the landlord does not do that and it is an emergency, then we can use our emergency repair program to make emergency repairs which we then bill to the landlord and remove the violation that way. If a landlord has you know a large number of repairs, they're not getting them fixed, a large number of violations, they're not getting them repaired then the building maybe the subject of a 7A action or maybe the subject of our... of our AEP or alternative enforcement program. I can... I can get you the breakdown of all of that... exactly how many of each of the removals were accountable in each of those different ways. Right. Okay. Two more. The landlord harassment, how many of those that were identified by the taskforce went into 7A, again I will get back to you with those specific numbers. The headcount for the taskforce, it's not a standalone unit. It really... the analytic team working under

Veto's supervision identifies the buildings, if the buildings are in Brooklyn then we call on the Brooklyn staff so it... so it's fluid depending upon where the buildings are also what kind of issue it is so for example if it's harassment by demolition it's going to be a different crew than if it's you know other kinds of harassment. So it's a fluid... we pull in people as we need.

COUNCIL MEMBER MENDEZ: Okay thank you. One question you missed. In terms of the Office of Enforcement and Neighborhood Services what other than code enforcement is being done by that office?

COMMISSIONER BEEN: Oh, I'm sorry. So code... the office of... the enforcement in neighborhood services includes both code enforcement or housing litigation division that brings the 7A that... that works you know often is in there with tenants in housing court. It also involves our registration unit where... that... make sure that buildings are registered so that we can reach the owner in the event of a... of a... an emergency. We have a... a shelter... you know it... shelter repair squad where our inspectors are in the homeless shelters doing inspections and in some

cases repairs. They are inspecting for housing quality standards, for Section 8. They are staffing a mobile³ office, a mobile van. Right now we're experimenting with that. We... there's an alternative enforcement program that actually makes the... makes the... the repairs when a landlord is not living up to their responsibility. There's a demolition unit, an elevator repair unit, and a... an outreach unit that does tenant education, etcetera. So there are a lot of things going on in there.

COUNCIL MEMBER MENDEZ: Thank you very much. And I look forward to getting the rest of the answer.

COMMISSIONER BEEN: Okay thank you.

COUNCIL MEMBER MENDEZ: Thank you Mr. Chair.

CHAIRPERSON WILLIAMS: Thank you. We were joined briefly by Council Member Ulrich, Council Member Rosenthal, and Council Member Grodenchik.

COUNCIL MEMBER MENDEZ: Thank you so much Chair Williams. Commissioner thank you so much for your time in bringing your tremendous staff including Deputy Commissioner Anne-Marie

Hendrickson. Sorry just... so... and actually I do want to talk about her... her division and first want to start by thanking you. We have a couple of Mitchell-Lama buildings in my district that... where the managing agents have been a little... I'm not a lawyer so I don't want to use inappropriate terms but shady you know on the face of it.

COMMISSIONER BEEN: That's why I said don't cut the mustard... legal term right right.

COUNCIL MEMBER MENDEZ: Exactly. And they have been as helpful as they possibly can be. But my question is are there any tools that we can help with in the council to facilitate moving... removing these management teams in some sort of creative way. I mean it... maybe it's you know bringing... identifying other management teams in the pipeline, bringing them through the pipeline in some way to ones that would be squeaky clean and really follow the HPD rules.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER MENDEZ: You know from my perspective when I hear you describe the number of complaints and then the number of complaints that have been resolved you know my concern is that

there are residents who are passed over who don't even know they're passed over and don't know to complain. And people have given up on the system. So in so many ways all the steps you've taken and rightly bragged about in terms of the IT system moving forward those are going to be a big help. And once you digitize the old waiting list project by project that will help. But of course you know it's not just digitizing, it's the oversight. I want to know that you have enough resources to do those spot checks to aggressively you know manage those developments. I guess they're 96 remaining so that we can hang on to every single one of those units. I mean it's my understanding that five are on their way out. So now we're down to 91. This was from the Mitchel-Lama hearing the other day and you know I've got two in my district that are challenging. What more could... what other resources or tools can we give you. So it's not so much like I hear you that you have added IT people, that's great. But also do you have enough inspectors. You know this... this self-certification stuff I think is what gets us in trouble. I guess it's what gets us in trouble in DOB... on the DOB side. And here it's

what gets us into trouble. Now I don't... I'm not looking for... to over government everything. And maybe I am.

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER ROSENTHAL: But do you have any suggestions along those lines and then I'm going to ask you about 421A before my five minutes are up.

COMMISSIONER BEEN: Okay. So I do have a suggestion and... and look... we... everybody loves Mitchel-Lama right? Everybody asks me four times a day why don't we do a new Mitchel-Lama. But the truth is that the Mitchel-Lama program and system is outdated in any number of ways that limit our enforcement at... authority and limit our ability to work with those buildings. So we have been trying very hard to move them... move buildings out of Mitchel-Lama into basically Article 11. Sure. And that is... it's... it's a difficult process. It's... you know we... getting people to change and all of that is a difficult process. Ann Marie [sp?] has been working... and her team have been working really hard on that but that's something where your support of that and you're working with Mitchel-Lamas in your

district to convince them about the advantages of that is critically important. So that's one thing that... that I would really appreciate from... from the council.

COUNCIL MEMBER ROSENTHAL: Alright we'll talk more.

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER ROSENTHAL: I... I think I need more tools then.

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER ROSENTHAL: Okay. So I'd like to follow-up on that discussion for sure with you and maybe we can sit down with your deputy commissioner. The second question I have is sort of along the lines of what Council Member Lander was getting at. Could you just talk for a minute about what the repercussions will be if the state does not approve new 421A program.

COMMISSIONER BEEN: So 421A is needed in the city of New York to allow the construction of rental housing. It just is right. And I think the issue if 421A is not renewed in something close or identical to the form that it was passed last... last June is that we're just going to see a lot more

luxury condos being built and not seeing the rental buildings. If a building is a rental building or even a home ownership building that has a significant proportion of affordable housing I have other tools to use. But where I don't have other tools to use is in traditional... 70... we're not doing 80/20s anymore. But 75/25s or whatever. You know I am limited in my ability to use those other tools for those buildings. So it's really going to hurt in the market rate buildings where we were seeing market rate that was cross subsidizing affordable apartments. What we're going to end up seeing is luxury condos that don't have to provide any affordability at all and all of us looking you know for rental apartments and... and the need for rental apartments to accommodate the growth of the city of New York it's not going to be there. It's not going to be there. That's going to be the long term implication. And that's not a pretty picture. It's just not. I mean we are our rental city. 70 percent of our families live in rental buildings to say that we're basically going to stop production of rental buildings, that's insane.

COUNCIL MEMBER ROSENTHAL: Okay.

CHAIRPERSON WILLIAMS: Thank you Council Member. Council Member Grodenchik.

COUNCIL MEMBER GRODENCHIK: Thank you Mr. Chair. I'd say good morning but it's good afternoon now. Thank you Commissioner. I want to thank you for your patience and your forthrightness and your expertise in this area. I have a question about the percentages in my home borough of Queens which is almost like a rounding error today. We're at four percent. Queens is 27 percent population of the city and it's 36 percent over a third of the land mass is in Queens County. And yet so far in the HNY production we only have four percent which barely beats Staten Island. We all love Staten Island but it's much smaller than my borough. It's about a fifth of the size, population-wise. So I wonder if you could explain that to me or what's going to happen in the future that I can tell people are looking for affordable housing in Queens.

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER GRODENCHIK: ...where they might be able to look in the next few years.

COMMISSIONER BEEN: Okay. I mean we are trying very hard to develop more affordable housing in Queens. We're very excited about obviously what's going on in Long Island City but we're very excited about what's going on in Jamaica. We look forward to bringing the Jamaica Crossings buildings right there by the... by the you know the train into fruition that goes back to Council Member Lander's point about bonds. We need bonds for that project. And... and that's really critical. Similarly, in Flushing West where we're looking at rezoning we're very excited about some of the things that are going on there. But at bottom we don't have a lot of opportunity to build affordable housing in so many parts of Queens because the zoning envelopes are so restrictive.

COUNCIL MEMBER GRODENCHIK: That's true in my neighborhood. I... I'll... I'll grant you that. In the future I'd like you to keep an eye... we haven't gotten the land yet but Creedmoor is about to access about 52 acres and...

COMMISSIONER BEEN: Mm-hmm.

COUNCIL MEMBER GRODENCHIK: ...we've had discussions with our borough president Melinda Katz

and I look forward to the development of affordable senior housing there.

COMMISSIONER BEEN: Absolutely.

COUNCIL MEMBER GRODENCHIK: I'm looking forward to working with you on that. But it is a little hard for me to believe that in 109 square miles that we... there aren't more opportunities because Manhattan... is... is it just that the density in Manhattan is so greater... so much greater in terms of the... you know the zoning...

COMMISSIONER BEEN: Mm-hmm. But I'm happy to sit down with you with a soft site map only I could think that that was a fun exercise. But... But I'm happy to sit down with you with a soft site map... [cross-talk]

COUNCIL MEMBER GRODENCHIK: Well when we get... when we get to that Creedmoor thing we'll... we'll... we'll be happy to do that. Because I'm... I'm really looking forward to that. I think it's something the community will want and you know during the campaign canvassing and knocking on those thousands of doors I saw so many seniors who really should be in a socialized environment and you know instead of living with their families perhaps maybe

living with other seniors so they could have more socialization.

COMMISSIONER BEEN: That's critical and that's of course the main reason that we put forward the zoning for quality and affordability proposals.

COUNCIL MEMBER GRODENCHIK: Thank you very much.

COMMISSIONER BEEN: Thank you.

CHAIRPERSON WILLIAMS: Thank you. I have a... no one else on the list but I have a couple questions I want to try to get in. And then my colleagues brought up 421A but with both 421A and J51 can you help us figure out how the efforts are going to renew both of those. And what's the estimated loss or reduction of units that can be preserved or created if we fail in both of those programs?

COMMISSIONER BEEN: So... so let me just be clear 421A as you know was passed in June but then lapsed or was suspended is the technical term I suppose in... at the end of December because there was no memorandum of agreement between the construction traits and the real estate board of

New York. J51A... oh no... J51... J51... okay I'm getting tired. J51 was renewed. I believe... doesn't it... council have to... the local law has to enable that but... but the state did renew... did extend J51. So that... knock on wood we hope the council will take that up soon but knock on wood that...

CHAIRPERSON WILLIAMS: Well I'll ask... there are some people who also don't want J51 to be... so I... that's why I include...

COMMISSIONER BEEN: I have learned in this job that there are some people who don't want something always. Right? So that does not surprise me. But we... J51 has been absolutely critical to the rehab of thousands and thousands and thousands of apartments that would not otherwise have access to those resources. So what is the... you know what is the count? I mean obviously I can't predict exactly what's going to happen with the market etcetera. In the two years that we have been working about 5,000 of our units were financed with a 421A exemption. Some of those we think about 60 percent of those could have been restructured to take advantage of one of the other programs that we have but 40 percent. Do I have that right? Or do I have it

flipped? 40 percent of those would not have been... we could not have done them in any way other than 421A. So the implication for us for the affordable housing program is you know maybe on the order of a thousand 2,000 units a year that we will not be able to do through any other way than 421A. The implication for the broader market however is that we will not see rental production go forward except through affordable housing programs. And I think a good example of that is in January of 2016. We saw a precipitous drop in building permits for rental buildings in February of 2014. The numbers came back up a little bit but if you looked at those numbers they were our affordable buildings. They were not market rate rentals. And that's where the... it's not going to be a pinch. It's going to be a full on stop to rental housing in... in New York City. That is going to be critical.

CHAIRPERSON WILLIAMS: Have we made any preparations in case 421A is not renewed? Or... or I should say a program that is similar to...

COMMISSIONER BEEN: Well we have spent a lot of time as I said trying to figure out how could we restructure things, how could we you know

get our... our buildings into other kinds of programs but for the market as a whole I can't provide market rate rental housing that's not my mission. I don't have those resources and it would be silly for us to be doing that. The market needs to provide those units. And the... the barrier to the market providing those units is the fact that expenses and property taxes because of the inequities in the property tax system are very very high for rental buildings. And so they don't pencil out. They can't compete against the condos. I can't do anything about that. There's no plan B for the market. I have a plan B for my units. There's no plan B for the market.

CHAIRPERSON WILLIAMS: Thank you. I just want to talk briefly about the Battery Park City money. This... two different tranches. So the housing trust fund... it was created in 2006 with 130 million revenues. The fund provided flexible subsidies, hard to reach households, and got us to look deeper into affordability. And the 421A fund was created in 2010 provided 400 million for the fund comprised of 200 million from Battery Park City and 200

million from the city's capital program. Can you tell us how much is remaining in each one of those?

COMMISSIONER BEEN: So in the affordable housing trust fund there... which was originally funded with I think about... did you say 130 million... what... I'm sorry...

CHAIRPERSON WILLIAMS: Yeah.

COMMISSIONER BEEN: Yeah, 130 million in the... in the affordable housing trust fund. There is about 15 million dollars left. That's actually the interest on the 130. We are working right now with... with OMB and the Comptroller's Office to... to direct those monies and we hope to finalize that... that program and be sure that those monies are programmed for affordable housing in this fiscal year. The 421A fund, how much is left? We only have about four million dollars left and it is programmed.

CHAIRPERSON WILLIAMS: Any plans to re-up any of those?

COMMISSIONER BEEN: I wish. I would be delighted to discuss that. It's not up to me but I... we would be happy and we would love for you to push on that.

CHAIRPERSON WILLIAMS: Thank you. Next we want to move on vacant city owned lots, the comptroller did a February 2016 audit, identified about 11 hundred vacant properties under HPD jurisdiction that could potentially... potentially be transferred over for development. The audit stated that of these lots 460 were unsuitable for development and 400 have already been assigned to developers or will be scheduled for development within the next three years. Can you verify if this information is correct? Can you provide the committee with details on the current process for identifying and conveying vacant lots?

COMMISSIONER BEEN: Yes, I can talk about the... the specific numbers but I really want to start by saying that I thought frankly that that was a really unfair audit. HPD has over the last four decades put into... back into use about 50,000 vacant lots and vacant buildings. We've put those into use in communities throughout New York in many cases bringing back those neighborhoods from you know what the alternative was being proposed of planned shrinkage. We have disposed of those vacant lots in a communist, community sensitive in a

efficient way that has provided affordable homes and rebuilt those communities. After four decades when you've worked through 50,000 lots the thousand or so that's left are by definition not going to be the easiest ones to work with right? So to be criticized that we have a thousand left and they're not you know... they're not all immediately programmed is both unfair and frankly unrealistic right. First of all, the complaint now is not that we have too many it's that we have too few. And we're trying to use those lots in absolutely the best possible way largely to get the deep affordability that owning the lot can give us access to and to really use those as an anchor and a catalyst for neighborhoods. So I think that the... the top line point here is that we are using our vacant land in an aggressive and efficient way that works for the communities that respects the desire of the communities to have a voice in how those lots are used. That takes time and I'm not going to rush that. I just don't believe that we should be running rough shod [sp?] over neighborhoods to get things into production that the community should have a say in how those are being programmed. So

all that said we... we clarified with the comptroller that 310 of the lots have major development challenges. They don't have sewers, they don't have roads, they need infrastructure, and we have a plan for those because we've set aside a... half a... half a billion dollars in an infrastructure fund to get those lots into... to give those lots the kind of infrastructure investments they need so that we can program them. So that's the 310. 150 are better suited for non-residential uses. Some of those we've already moved over to the parks department. They were community gardens. They were best used as a community gardens. We permanently protected them as community gardens. Others are best used for some of our sister agencies and we're moving them onto the... our sister agency's books. 670 are now appropriate for development. 400 of those have already been designated or earmarked for development within the next two years. And the other 270 we will be using I can assure you as part of the ten-year plan. And that leaves us with zero.

CHAIRPERSON WILLIAMS: Thank you. Is... is there a currently... plan of how you plan to convey the 270 or is it still in process?

COMMISSIONER BEEN: Well so the way that we do all of these is that we work with the community to try to come up with a plan for the property. We then RFP it and you know get bids back and then we work through those bids, we talk that through with the community again and then we dispose of them to the bid winner right. So in some of the 270 we're already in discussions with the community. Some of them we will be going into discussions with the community soon.

CHAIRPERSON WILLIAMS: So I know there's a... you just recently released the RFQ for neighborhood construction program and NYHOP the new... home ownerships opportunities program for newly development on vacant publically owned sites that will be... for disposition..

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: How much funding is dedicated to each program in 2017? And how many sites are being considered for each program? And were these sites in the comptroller's report?

COMMISSIONER BEEN: I believe that they were in the comptroller's report. They should have been in the comptroller's report. I believe they

were. And actually not to... not to go on about this but they are a good example of where we have been I think very creative. Those were lots that were very difficult to... to program because they're small lots and they just weren't... often weren't worth... we couldn't... we couldn't attract developers to them because they were costly to develop and... and inefficient to develop. So what we did was that we clustered them together and we offered them as... as bids. I mean we... we offered them up to the people on the... on the RFQ list clustered together so that they could get economies of scale and efficiencies of production. And that's how we are... are sending those... those difficult to develop lots into production. For fiscal year 2017 there's 3.2 million for the neighborhood construction program and 9.6 million for NYHOP. But that said you know as I said we're just now in the process of asking people on the prequalified list to... to actually propose specific... very specific uses for some of the clusters. So those numbers will adjust. We... we adjust... just so that you know the way that we work we have a capital plan going into the fiscal year. We have a big pipeline of projects. We've allocated

that capital money into the projects based upon a... any number of things including the availability of bonds. We weave and dodge and adjust as we learn more about those projects, as we learn more about how many... how much bond cap we're going to get etcetera. So we adjust typically about three times a year to how many capital dollars are going to a specific program.

CHAIRPERSON WILLIAMS: Thank you. We also were joined by Council Member Espinal. We know... we're interested in getting an update on learning about progress that has been made in regards to few new funding programs in EDC's capital plan as earmarked for infrastructure and housing development in the mayor's housing plan. 75 million in acquisition fund, 512 million of housing fund, and one billion dollars for neighborhood development fund. Have any projects been green lighted to receive these funds?

COMMISSIONER BEEN: So those are all in process. They're being managed largely by EDC. The neighborhood... the... the one-billion-dollar infrastructure fund is being programmed by EDC in consultation with HPD and the Department of City

Planning. The infrastructure money is... is a... is a conversation between us, DOT, DEP because it involves... it often involves sewer and roads. So all of those are... you know we're working with the other agencies to program them best based upon our availability of land, based upon their you know overarching plans, etcetera.

CHAIRPERSON WILLIAMS: Thank you. We're in the home stretch. We got just a couple more questions. Appreciate...

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: ...your... your patience. HPD's fiscal 2017 prelim budget included 2.1 million, fiscal year '16, 7.8 in 2017 for temporary shelter cost related to support the continued inspection and relocation of individuals impacted from three quarter housing initiative. Can you provide the committee with details on HPD's role and long term strategy for these residents?

COMMISSIONER BEEN: So HPD's role is that we are inspecting... we're trying to identify what might be three quarter houses. We're inspecting three quarter houses where we find a three quarter house that is unsafe, uninhabitable.

We issue the vacate order. If we issue the vacate order we are responsible for finding other accommodations, other housing for the people in those three quarter houses. So that is our role. The long term plan is something that is... is really being spearheaded out of HRA.

CHAIRPERSON WILLIAMS: Just for the record the council's been very interested in trying to solve this problem without taking away needed housing for folks as well. So I know it's a fine line to walk. We appreciate the conversations that we're having with HPD and hopefully we can continue and get to a solution because I don't know that we're there yet.

COMMISSIONER BEEN: Absolutely. It's a critical problem.

CHAIRPERSON WILLIAMS: So I know the 2017 budget headcount 20-4... 2,428 positions, 25 percent increase budget positions in 2014 representing reversal of downward trend in headcount since 2008 but still leaves the agency below its 10-year headcount. What types of positions were reduced or lost in 2008 and how many of these positions are now being backfilled?

COMMISSIONER BEEN: So that's... it's hard to... to say that it's a one for one replacement. Because I think one of the things that... that... well let me put it this way. One of the things that led me to promote Deputy Commissioner Trumbull was that during that period we really got creative, not we because I wasn't here then... she and others really got creative. We figured out all kinds of ways to use technology. We figured out all kinds of ways to be more efficient, etcetera. So it hasn't been the case that we lost somebody in this title and we've replaced exactly that title. We've... we've shifted around. We've become much more efficient in all kinds of ways. So... and I think just to give an example one of the best examples of that is in enforcement and neighborhood services where we've learned to use our housing inspectors much more efficiently and much more effectively. And one example of that is that we used to have a separate housing quality standards inspection team that was looking to qualify the housing for Section 8 vouchers than our housing code maintenance team we combined those. It's much more efficient and effective that way. So... so it's... there's no one to

one correspondence there. I mean what I will say is that we... from our ten-year high headcount you know we were down about a quarter. We built back up. We're not nearly to where we were but we have built back up. And we've managed through those efficiencies to both do what we had to do but also expand our housing production by a third and expand to three quarter houses and shelters in all kinds of other ways. So I think we're just being a lot more efficient using people much... much more efficiently and... and better and using technology as well.

CHAIRPERSON WILLIAMS: Of the headcount how many... do you have demographics on the employees? Male, female, black, Latino, and... of the positions of leadership... the same question?

COMMISSIONER BEEN: Mm-hmm. Okay so my managerial staff is... I have 70... no, I have 140 managers, people in managerial lines. 79 of them are men, 61 of them are women. I have... of the 140 11 are Asian, 36 are African American, 14 are Latino, 72 are white, seven are American Indian. On the non-managerial staff, I have 2,048. I have 993 men, 1,055 women...

CHAIRPERSON WILLIAMS: Sorry say that part again.

COMMISSIONER BEEN: 993 men, 1,055 women. Of that 2,048 I have 207 who are Asian, 898 who are African American, 390 who are Latino, 489 who are white, and 64 who are Native American.

CHAIRPERSON WILLIAMS: That's... looks pretty good.

COMMISSIONER BEEN: Thank you. Thank you. I'm very proud of that. And I have to say that... one of my greatest joys is when I go up to the ninth floor, or the eighth floor, or down to see the diversity in my workforce, not just racial diversity, not just gender diversity, diversity in all kinds of ways. I have people from every country on the globe. It's really amazing what we do to democratize the workforce and to bring people in. I can't tell you how many people for example in my bills department... my... that's full of engineers, and architects, and construction managers. Many of them are you know Asian architects, Greek engineers, Egyptian engineers and they come here and they get a toehold in... in the United States when they immigrate in. And it's... it's... I have to say it is a

very good thing that city government does that rare... we rarely get enough credit for is democratizing the workforce.

CHAIRPERSON WILLIAMS: Well in terms of the new hires they're really good. I hope the rest of the agency is like that as well. But even with the new hires... I don't know if you can share that with some of the other agencies, best practice of how you did that because a lot of places we have new hires that doesn't go this... this well. So congratulations on that.

COMMISSIONER BEEN: Thank you.

CHAIRPERSON WILLIAMS: I have about three more questions. Our understanding is that just as a shift is traditionally property transfers that were associated with affordable housing were exempted from the city's real property transfer tax. However, we have heard that some recent projects may have been subject to this tax making it more difficult for the dealers to go forward. Have you heard that this might be an issue? Is there a clear rule of which affordable housing projects are subject to this tax and which are not?

COMMISSIONER BEEN: So we are in ongoing discussions with the Department of Finance to straighten that out as our projects have shifted in complexity. The real property tax transfer rules were really sort of designed for low income housing tax credit projects where our projects have become much more complex and they've raised some IRS issues. We're working through that with the Department of Finance. It has held up a few projects. I'm confident that we'll be able to reach a resolution.

CHAIRPERSON WILLIAMS: Obviously there's been some discussions after the... article of units that we're trying to recapture. For the purpose of this I just want to know is there enough resources in the department that is dealing with recapturing those units to one make sure it doesn't happen again whatever system we need to put in place.

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: And two continue recapturing the department.

COMMISSIONER BEEN: Yes, and yes. So we have been working on that issue for several years in conjunction with the state DHCR, the office of

administration, and with the state attorney general we as you know have brought thousands of units back into rent regulation. We are right now... we have issued revocation letters revoking tax benefits for about 52 owners who were... did not bring themselves into compliance. And... but more importantly we have really closed I think some of the loopholes that allowed this to happen by just much better interagency coordination so that things weren't slipping through the cracks between one agency and another and also by just a really vigorous attention to enforcement. I... I restructured the tax incentives unit. I... I... I appointed Louise Carroll to be the associate commissioner of incentives and charged her with really increasing the stringency of the enforcement and working better with the other agencies on that. And she has added a number of staff. We're now... we have a little taskforce that's looking at all of our enforcement issues and trying to figure out exactly the best way to move the enforcement issues through the agency because somebody gets a tax exemption from our development department. Then it goes to our asset management. But there are... especially with the new 421A there

are instances when a building doesn't touch asset and property management because it doesn't have any of our other money in it. And so that's where some of the slippage was occurring and where we're working through all of those issues.

CHAIRPERSON WILLIAMS: Thank you. And my last topic particularly as it comes to the preservation side. I couldn't remember how much the budget is for I think it's the office of neighborhood services and then how much funding is going to community groups to assist...

COMMISSIONER BEEN: Office of Neighborhood Services or Neighborhood Strategy.

CHAIRPERSON WILLIAMS: Sorry Neighborhood Strategy, yes.

COMMISSIONER BEEN: Okay so tell me what... we'll find it and we have a binder full of numbers.

CHAIRPERSON WILLIAMS: Sure.

COMMISSIONER BEEN: We will... and how much of that is going to the... like the... our neighborhood coordination... do we have that number?

CHAIRPERSON WILLIAMS: And I know that... I mean there's... the MPCP program I think is the

only other place where HPD funds groups. City council usually takes up that... that burden and we'd like to shift some of it your way so we're hoping...

COMMISSIONER BEEN: The... the MPCP contracts are 580,470 dollars. The Office of Neighborhood Strategies... tot total budget... it's staffed at 68 people. And that... and the total budget is 5,460,000 dollars.

CHAIRPERSON WILLIAMS: Are any of those... is any of that money regrants to groups or that's just to run the organization... to run the agency, to run the department?

COMMISSIONER BEEN: The five million is the cost to run the department. The community con... I'm sorry the community consultant grants which include...

CHAIRPERSON WILLIAMS: Yeah I think... I think that's council funded.

COMMISSIONER BEEN: Mm-hmm.

CHAIRPERSON WILLIAMS: I think all... all you have is...

COMMISSIONER BEEN: That's the ten million right, yeah.

CHAIRPERSON WILLIAMS: So the... it's only the MPCP program which has been a...

COMMISSIONER BEEN: Right.

CHAIRPERSON WILLIAMS: ...source of frustration.

COMMISSIONER BEEN: 580 million. No, 500... wouldn't that be nice, 580,000.

CHAIRPERSON WILLIAMS: Yes, so my hope is that there is appetite on administration side to beef up the amounts of funds that you're giving to the community groups because right now it's all on the council shoulders. So all of the initiatives with... HPI... several others that all comes from our side. And I think it's... it's a... it's a fundamental part of the housing plan so it'd be great if the administration could take up some of the... some of the lift for that. So I don't know if any of my colleagues have additional questions but I don't have any more. Thank you for spending some time with us. So I appreciate the patience and I think that'll be it.

COMMISSIONER BEEN: Thank you.

CHAIRPERSON WILLIAMS: Thank you.

COMMISSIONER BEEN: Always good to see you. Thank you...

CHAIRPERSON WILLIAMS: And we'll stand at recess for 10 minutes and... and next we'll have DOB.

UNKNOWN MALE: Alright everyone find seats. We're about to start. Make sure the cell phones are put on vibrate. Thank you.

CHAIRPERSON WILLIAMS: Alright thank you everyone who either returned or is watching us on TV still. We're going to have our testimony from DOB, Commissioner Rick Chandler, Deputy Commissioner Fariello, Neill, Hogan, Fisher, and Jayaram, Jayaram thank you. Can everyone who's planning to testify please raise your right hand? Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this committee and to respond honestly to council member questions? Thank you. You can begin.

RICK CHANDLER: Good afternoon Chair Williams and members of the Housing and Buildings Committee. I am Rick Chandler, Commissioner of the New York City Department of Buildings. I'm joined by First Deputy Commissioner Tom Fariello, Deputy

Commissioner Finance Administration Sharon Neill, Deputy Commissioner of Enforcement Timothy Hogan, Deputy Commissioner of Legal and Regulatory Affairs Alexandra Fisher, and Deputy Commissioner for Strategic Planning and Policy Archana Jayaram. The deputy's... or the department's role in supporting the city's economy cannot be overstated by enforcing construction laws we facilitate job creation, spur the development of affordable housing and uphold high standards in energy efficiency while adhering to our principal mandate to promote the safety of everyone who lives, works, and builds in our city. I'm pleased to be here to discuss with you the department's fiscal year 2017 preliminary budget and how it not only allows us to provide critical services to protect the safety of the public and facilitate development but also supports our bold initiative announced last year to transform the department. As you know our plan titled Building One City seeks to fundamentally reform the department to enhance public and worksite safety to reduce wait times and delays and modernize all aspects of the department to meet the needs of the largest and most complex city in

America. Fiscal year 2017 preliminary budget allocates approximately 155 million dollars in expense funds to the department. Of this approximately 124.5 million are for personal services and 30.9 million are for other than personal services. The preliminary budget provides approximately two million additional funding for 29 new staff positions. This includes 700,000 to fund ten positions to enhance façade enforcement, 500,000 to fund seven positions to assist with the mayor's universal prekindergarten initiative, 600,000 to fund nine positions to assist with build it back, 100,000 to fund two positions with the department's affordable housing unit in... administrative position. The preliminary budget's revenue forecast for the department is approximately 220 million dollars and does not include more than 40 million dollars in department issued environmental control board finds that the city collects each year. The department has 1,579 budgeted employees. In fiscal year 2015 more than 31 hundred new building applications were filed with the department, a 23 percent increase from the prior year and more than 88,000 alteration

applications were filed, an 11 percent increase. In fiscal year 2015 the department issued more than 104,000 initial construction permits... 5.9 percent increase from the prior year and more than 44,000 permit renewals, a .5 percent increase. Finally, one sign of future new building activity is initial demolition permits. In fiscal year 2014 the department issued nearly 19 hundred demolition permits which was a 24.2 percent increase from the prior year. As you can see construction activity throughout the city has shown little sign of abating. Before updating the committee on our accomplishments toward reforming the department and our plans to continue this progress in the coming months it is important that I first address an issue that has appropriately generated significant intention in recent weeks that is construction safety. While the department's broad mandate certainly includes advancing development across the city our first priority is to do all we can to ensure that construction work complies with the law and does not jeopardize the safety of construction workers and the public. On the morning of February 5th the crawler crane operating just a few blocks

from here on Worth Street was in the process of lowering its boom. During the operation the crane collapsed with its 565-foot boom crashing to the ground and stretching nearly two city blocks. As a result, three people were injured and one person lost his life. I extend my deepest sympathies to those injured and killed and we resolve to do all we can to learn from this tragedy and ensure it does not happen again. Two days later Mayor de Blasio and I announced four proposals to increase safety when large cranes are operating. All crawler cranes throughout the city are now required to... to be put in a secure position when sustained winds are forecast to exceed 20 miles per hour or when gusts... when gusts exceed 30 miles per hour. This decision was made on an abundance of caution while we continue to research crawler cranes and determine if the wind threshold needs adjusting. In conjunction with FDNY the department has increased its enforcement to ensure adequate sidewalk protections are put into place to protect pedestrians. Prior to moving a crane operators are now required to notify occupants of neighboring building. Finally, the crane safety technical

working group of independent experts was announced. The working group is charged with evaluating circumstances of the collapse and proposing recommendations to improve crane safety. The working groups members have no business before the department and their findings will be released within 90 days. This tragedy comes on the heels of a disturbing increase in construction accidents. We are all aware of the surge in construction activity throughout the city. Since 2009 construction volume is up 300 percent and accidents are up 98 percent. In response to this trend the mayor and I recently announced a number of initiatives to attack this problem. We're quadrupling penalties for failure to safeguard construction sites the maximum penalty will now be 10,000 dollars. As we speak we're performing enforcement sweeps of 15 hundred construction sites focusing on sites of less than 10 stories with poor safety records in all construction sites over 15 stories. By July we will require construction superintendents for all major construction projects and sites under 10 stories where more than 70 percent of accidents occurred last year. Finally, as part of our Building One

City Plan we are hiring nearly 100 additional inspectors through fiscal year 2017. The fact is that many of the 433 construction accidents that occurred last year in the city were completely preventable. When we respond to an accident we routinely find that injuries are caused by failures to follow basic safety standards like wearing a harness to prevent falls, or having proper guardrails. Our message to bad actors in the construction industry is to stop cutting corners and recklessly increasing the risks of construction work. Simply put we need to change the culture of construction sites so that safety is the highest priority. This will not be easy but our heightened enforcement efforts are designed to increase the deterrent effect shows contractors that should expect more than a slap on the wrist when they put people's lives at risk were determined to change the mindset that safety violations are simply the cost of doing business. I would now like to... update in the committee on the progress we've made toward achieving the goals we put forth in our Building One City plan. The department's core mission is to advance public safety by enforcing laws that govern

construction and facilitate compliant development as the city's building stock continues to age and as new construction becomes more complex enforcement challenges heighten. In 2015 the department responded to more than 85,000 complaints and issued nearly 52,000 environmental control board violations, imposing 145 million dollars in penalties. The increased enforcement resources were allocated to the department in the fiscal year 2016 executive budget will address these challenges. With the support of the mayor and council the department is making significant investments and improving our enforcement as mentioned previously the department is on pace to hire nearly 100 additional inspectors through fiscal year 2017, a 24 percent increase. While this investment will certainly enable us to be more effective in our response merely adding headcount is not enough. The department is reimagining its approach to enforcement to better protect the safety of New Yorkers. The department maintains an enormous wealth of data, the likes of which may be unbridled anywhere in city government. While historically this data was primarily used to better understand

the work we do we see enormous potential in leveraging this data to drive our enforcement efforts. With that in mind the department is hiring its first chief data analytics officer. The chief data analytics officer will be working in partnership with our risk management officer and a team of data scientists to uncover disturbing trends in construction activity and identify bad actors. All this will help enable the department to be far more proactive in its enforcement efforts. Additionally, the department is becoming more holistic in its enforcement. The fact is there are a number of construction professionals who choose to ignore violations issued by the department. Within the confines of what the law allows the department is now going beyond issuing violations and will be more aggressive in our discipline. This includes stopping work, suspending and revoking licenses and registrations, and where appropriate making referrals for criminal prosecution. A number of recent high profile cases demonstrate the beginning of this effort as we continue to incorporate additional legal resources and data analytic tools. After the east village explosion,

the department implemented new procedures to identify illegal gas work. As a result, our inspections from con-ed referrals increased 400 percent last year compared to 2014. Historically the department has allowed licensed master plumbers to self-certify that their gas piping jobs were code compliant. With significant new resources from the administration the department is dramatically increasing the oversight of gas installations. We are hiring 22 new inspectors who will focus on gas work. Our goal is to audit the majority of gas installations citywide. And we will ramp up this effort further as we hire more staff. We will have additional announcements on this initiative in the coming weeks. At the end of January, the department completed an enforcement sweep of all sidewalk sheds throughout the city, more than 300 miles of sheds were inspected including 77 hundred properties, 600 of which belong to NYCHA. Sidewalk sheds were inspected to make sure they are safe, well lit, and not a blithe on neighborhood streets. Additionally, the department has stepped up its enforcement against those who use construction as a means to evict tenants from their department. The

department works closely with HPD to identify instances of the use of construction to harass tenants and take enforcement actions where appropriate. In addition to our enforcement the department performs weekly inspections with HPD and over the past 18 months has issued over 15 hundred violations among other penalties. As part of the tenant harassment taskforce the department and its partner agencies meet regularly with numerous tenant associations to understand their concerns, receive complaints, and properly inspect.

Administratively the department is developing better tools to share information which will improve our ability verify occupancy and rent regulation status. Additionally, we are now requiring that tenant protection plans be submitted separately from the construction plans and they are now available online. The department will not approve plans and issue permits unless a tenant protection plan is filed and approved to the department's satisfaction. With the support of the mayor and city council the department is making significant investments in staffing in technology to quicken the pace of our reviews and provide the

filing community with the guidance they seek in consistent and transparent manner. The department has hired 49 inspectors and 48 technical staff representing 70 percent of our fiscal year 2016 target. The department has begun the long term process of redesigning its online presence with the new public facing web interface that will replace the antiquated building information system and seamlessly interface with our other technology initiative such as inspection ready. When completed this new system will allow customers to conduct all transactions online including filing applications, making payments, checking the status of their projects and having virtual interactions with staff. In the spring we will be piloting this program for plumbing and sprinkler applications. The department has established an affordable housing unit tasked with prioritizing plan examination and inspections for affordable housing projects to achieve the mayor's goal of creating and preserving 200,000 units of affordable housing. This unit works closely with other agencies including the Department of Housing Preservation and Development to mitigate delays in interagency

handoffs and ultimately get homes occupied sooner. The preliminary budget includes funding to hire two additional positions bringing the total to 15. The department successfully launched the second phase of our inspection ready program. With this phase our construction inspectors are now equipped with smartphones and tablets spending more time in the field where they belong which enables them to perform more inspections. Customers are able to request appointments online, receive email updates during each step of the process and receive inspection results in real time. While we are pleased with our process thus far there's more work still to be done. We thank the council for its support and look forward to continuing our work together to improve the department for the benefit of all New Yorkers. Thank you for your attention and the opportunity to testify before you today. I welcome any questions that you may have.

CHAIRPERSON WILLIAMS: Thank you very much for all your testimony. The department's fiscal 2016 executive budget introduced the Building One City initiative comprised of several significant initiatives and actions intended to

streamline online operations and reduce processing times for construction applications, strength and proactive enforcement, tools, and expedite the review process for new... affordable housing production. Together these actions call for the addition of 320 new positions and an increase of 120 million dollars for over a year... for four years at DOB. Since this is a new initiative can you give us some... some more update... I want to make sure... the... the ones that includes what you were just referring to toward that end, the affordable housing unit... it's inside there right? The... the... that's all a part of...

RICK CHANDLER: Yeah it doesn't... well the two new positions is for the... the 2017...

CHAIRPERSON WILLIAMS: Okay how much of the 120 million has been spent down since the launch of the initiative.

SHARON NEILL: So I just want to make sure that the 120 million is... it's clear that it's actually funding over a four-year period. So the amount that we would report that we spent against this fiscal year would represent 29 million of the 120. So year to date we spent 11 million dollars to

date and eight million of it is in PS and three million in OTPS.

CHAIRPERSON WILLIAMS: I think you may have mentioned it, can you just repeat how many positions related to initiatives have been filled and how much remains to be built.

SHARON NEILL: So the Building One City for fiscal year '16 includes 187 positions and we filled 115 of them now. So we're at 62 percent fill rate.

CHAIRPERSON WILLIAMS: Sorry can you just identify yourself for the record?

SHARON NEILL: I'm Sharon Neill. I'm the Deputy Commissioner for Finance and Administration.

CHAIRPERSON WILLIAMS: Thank you. Do you anticipate the need for additional funding in the future?

SHARON NEILL: At this time, we're working toward filling the positions and spending the resources that we currently have.

CHAIRPERSON WILLIAMS: Thank you. And you referenced of course think that's on most of our minds which is the construction related incidences and so despite strict safety regulations

that mandate safe construction. Construction accidents causing serious or fatal injuries have increased. Most people believe they've increased at an outpace... outpaced... outpacing what it should specifically be with the increase of construction, 2016 preliminary mayor's management report states that department reported 23 construction related injuries, 181 construction related accidents, and an increase of 91 percent and 84 percent respectively. I think you have slightly different numbers. Do you have... do you know what's... what do you believe is accounting for the increases?

RICK CHANDLER: As I noted in my testimony construction is up dramatically in the city. The total construction volume is up 300 percent and new housing units are up 500 percent since 2009. The increase in construction has led again to 98 percent increase in accidents over that same time. So that's a significant I think difference but we don't accept that it's an inevitable that with an increase in construction you have an increase in accidents. So as I said we know that these accidents are preventable so we have identified a factor that we say is under 10

stories where 70 percent of these accidents are occurring. And I think that there is a noticeable lack of supervision in some of these locations where we think that the accident absolutely could have been preventable and have there been more supervision than we think that that can contribute to the safety which is why the mayor and I announced that by July will require construction superintendents for all major projects had buildings under 10 stories. Not simply new construction as is currently required.

Superintendents will now have to inspect sites daily and keep detailed logs of the conditions that they observe and contractors who fail to comply will be issued stop work orders in penalties from five to 25,000 dollars to repeat infractions or other proactive enforcement measures as necessary as noted in my testimony we will look to registrations and licenses as well.

CHAIRPERSON WILLIAMS: So I haven't crunched the numbers and I know you said 300 percent versus 98 percent. I've been told that if you... if you crunch it it still outpaces

statistically what you would expect. Have you found that to be the case?

RICK CHANDLER: Yeah if you put it in graph form, yeah it does outpace... it's... it's not... look can't sugarcoat it, it's... it's not acceptable.

CHAIRPERSON WILLIAMS: Okay... and... but you believe that... do you still have the same answers to why it's outpacing? Is just the... the... do you think supervision... has something changed? Is it... is less... that was before or are people not doing their jobs... before? What has changed to cause it to outpace?

RICK CHANDLER: Yeah I'll comment and I then I don't know Deputy Commissioner Hogan might have it... another answer. It's just that as... as I said it's... I don't know that there's really one specific answer. We're trying to focus on that area where we see the most accidents. And I think with this type of volume you're having people that require more supervision that I think the workforce is spread a little more thin and people are pressured to get their jobs done more quickly and they are in set devised to take shortcuts and

that's the culture we're trying to address. I don't know Tim...

TIMOTHY HOGAN: Just to give you an idea...

CHAIRPERSON WILLIAMS: Just identify yourself.

TIMOTHY HOGAN: It's Timothy Hogan. I'm Deputy Commissioner of Enforcement. To give you an idea we... we've targeted a... a group of buildings that we felt were operating in a less safe manner than others. We identified 1,021 sites where they visited 233 of those and we've issued 113 environmental control board violations at those sites. We've also issued 22 stop work orders for egregious conditions where we would not allow them to continue working based on their current practices. We've also instituted a significant number of safety compliance officers on locations where we found in the past that they had accidents that could have been easily avoided and so we have a safety compliance officer that the contractors required to put in place who sends us a weekly report as to what he's observed and whether or not they are complying with the safety requirements.

And we will continue to use that as a... another means of proactive enforcement to try and reduce the number of incidents. One of the things to bear in mind is that the amount of square footage that's being built in the city has increased tremendously. So it's not just... you don't just look at the number of permits but you have to look at the amount of square footage in those permits and the data is a contributing factor to the number of accidents.

CHAIRPERSON WILLIAMS: I'm not sure if you saw... I... I believe it was Channel 7, might have been Channel 2 had an expose of workers who were drinking while at lunch. Obviously it was disturbing. I... I probably lost... I didn't... I just didn't know how prevalent it was. Do you have any idea how... this might be? Have you encountered it? Is it something that's concerning to you? And are you doing anything to try to address it?

RICK CHANDLER: Clearly that's absolutely outrageous behavior that we don't accept and won't accept if we observe it. And we observed it on that... on that video to be certain and we sent people out there. I don't have the results of what we observe... out there afterwards. We certainly made

a referral to OSHA and it's something that we will communicating to site safety managers it's... and working with the industry organizations to get the message home that they need to be mindful of a workplace alcohol and drug abuse.

CHAIRPERSON WILLIAMS: Was it something that... were there complaints that came in before? I mean... the video was horrendous; nobody can excuse that. I just... I was wondering if that was something I heard before as being something that's prevalent? Do you think the videos are... are one-offs, they just happen to catch some people who are doing bad things?

RICK CHANDLER: The... the majority of responsibility in this area goes to OSHA because its worker safety. I can't tell you that in the past we have been made aware of programs from specific builders. One in particular I know that uses narcotic detection dogs to go through their location and remove employees if they show any sign of abusive narcotic drugs. I also know of certain instances where we have encountered people that were inebriated and removed from sites. It's not a common issue but it does occur.

CHAIRPERSON WILLIAMS: Thank you. And I think some of the folks in... in that video have been removed from the jobs is that the case?

RICK CHANDLER: We really can't speak to that. That's... it's actually an employer employee issue. Not... we don't really have the oversight. It's an OSHA issue as far as worker safety.

CHAIRPERSON WILLIAMS: I didn't know if there was any other types of fines or punishments associated with the... what we saw in the video.

RICK CHANDLER: I think we're going to have to get back to you on that. I have seen a report. I know that we did send some folks out there. I haven't seen a report on what they found.

CHAIRPERSON WILLIAMS: Okay yeah I'd like to... I'd like to...

RICK CHANDLER: Absolutely, you're... you're right.

CHAIRPERSON WILLIAMS: Thank you. I have another question. I'm pretty sure I know what the answer is because it's been similar in the past. But there is a discussion of whether as union sites or nonunion sites that are more dangerous. Do you

have any updates to that for what you've seen of which are more dangerous and why?

RICK CHANDLER: So I'm not sure that the... we're going to say too much more than what we've said before but our... you know our typical answer is that... that not only do union and nonunion sites typically vary in their size and number many have a combination of union and nonunion labor which makes it difficult to say whether an accident was caused... was caused by union or nonunion personnel or to arrive at a credible conclusion as to which is safer from the department's perspective all sites whether union or nonunion must make safety a priority and we promote safety and punish bad actors wherever they might be.

CHAIRPERSON WILLIAMS: Do you know if the training programs and apprenticeship programs that unions provide cause for a safer environment.

RICK CHANDLER: You know I think that it's... I think that it's... unions are pretty well known for excellent training programs. And so we... we promote and support safety programs wherever they might be and so I applaud what the unions can do. But I also know that nonunion organizations do

safety programs as well. Obviously I... I think that probably some of the smaller nonunion sites are probably not promoting those safety programs as much as you would find in other places. Again as part of the reason we are focusing on the under 10 story projects and making a rule that a construction superintendent be on site with the goal that there will be more oversight. I think that one of the outcomes of training whether it's union or not is that you... someone becomes a second set of eyes... hopefully a supervisor over someone who might be making a... a... an egregious error in taking a shortcut so that's... we think that supervision will help prevent some of those high risk operations from happening.

CHAIRPERSON WILLIAMS: So based on... thank you and based on what you said it seems like some of the smaller projects aren't doing some of the training that the larger ones which happen to be union so some of those sites are where most accidents are occurring, is that right?

RICK CHANDLER: So we're... we're going with the... our statistics that say that 70 percent of the smaller jobs have these accidents and again

when... when we get out an investigative accident it's... it's... it's so obvious in many cases that it was a very very preventable accident for someone that was taking a risk that they shouldn't have taken. And again I don't... can't say to what extent how many of those were union and what were not.

CHAIRPERSON WILLIAMS: So one of the pushbacks... and I appreciate you've... I guess trying to be cautious on this I... but one of the pushbacks that we've heard when we mentioned those statistics is that the nonunion jobs are much more prevalent and therefore that's why they have more accidents and then they're reversed to that perspective is that... it... but it's less square footage I guess if you compare how much is in the bigger jobs. Have you seen the numbers of it... you know how that plays out?

RICK CHANDLER: I haven't seen those numbers. And again I would take that with some skepticism because what are... what we find is that it's... it's just not clear cut. It's not a clear cut union job or nonunion job in many instances. I mean there are... there are numerous cases where it's absolutely clear. It's no question that it's a

union job but there are... are a large many as well that it's not clear. You might have a subcontractor or one subcontractor that's union and one that's not or you may have some workers who are off their regular job and doing moonlighting jobs that some work... some of these workers might be a member of a union but it might not be having a work... a union work at that point so I'm somewhat skeptical of the data.

CHAIRPERSON WILLIAMS: Thank you. You mentioned the... of course the crane accident that resulted in a loss of life and our prayers are with that family as well. All the others who've lost their life unfortunately in recent years. You mentioned some of the new safety measures. Talk about a little bit more please if how you plan to evaluate whether those are working and how quickly you'd be able to return to something.

RICK CHANDLER: So as I mentioned two days after the collapse the mayor and I announced four proposals to increase the safety when large cranes are operating. All crawler cranes throughout the city are re... now required to put in a put in a secure position when sustainments are forecast to

exceed 20 miles per hour or when gusts exceed 30. This decision was made out of an abundance of caution in conjunction with FDNY the department has increased its enforcement to ensure adequate sidewalk protection and are put into place to protect pedestrians. Prior to moving the crane operators are now required to notify occupants of neighborhood buildings and additionally the department is in the process of updating our rules related to cranes. A prominent forensic engineering firm has been retained to identify the cause of the collapse. Additionally, the mayor and I announced the formation of a crane safety technical working group of independent experts in the working group is charged with evaluating the circumstances of the collapse and proposing recommendations to improve crane safety. The working group members have no business before the department and their findings will be released within 90 days. Meetings with that working group are ongoing.

CHAIRPERSON WILLIAMS: So...

RICK CHANDLER: So that's how we're approaching this.

CHAIRPERSON WILLIAMS: So in terms of... of my question. So we should have some kind of evaluation what the process going to be or would have been evaluated in 90 days.

RICK CHANDLER: So Mr. Chair we... we are continuing our work with our forensic engineering team, DOI is also involved and we do expect with the... with the ongoing meetings with the technical working group that there will be information and somewhat other recommendation report issued within... at the 90-day period.

CHAIRPERSON WILLIAMS: Thank you. What... what's the date of that... the 90-day mark?

RICK CHANDLER: 90 days from February 24th was the day that I think we announced the... the working group.

CHAIRPERSON WILLIAMS: Thank you. Of course there's been a... a spate of deadly gas explosions. I think... alarming to everyone. Can you just provide the committee with how the department conducts the... the testing of the gas systems? How often... who conducts them? And if you work with other agencies?

RICK CHANDLER: So historically the department has allowed licensed master plumbers to self-certify that the gas piping jobs were code compliant. And we would audit them in an unannounced way. They needed to give us a heads up. We may or may not show. With the significant new resources, the department is dramatically increasing that oversight. As I testified we're hiring 22 new inspectors who will focus on those gas jobs and our goal is to increase that unit to the majority of the installations. And we will wrap up this effort as we hire more staff. We have implemented a new system with con-ed in which we notify each other in real time when our teams encounter potential improper gas work and then we inspect these sites within 48 hours but usually sooner. And Deputy Commissioner Hogan will add to that.

TIMOTHY HOGAN: So the... the actual testing is actually done by the plumber not by the department. We observe those tests to make sure that they meet... than they were able to hold vacuum for... for lack of a better word to... to hold pressure

to make sure that they don't have a leak. We've been working... [cross-talk]

CHAIRPERSON WILLIAMS: Sorry just so I understand... So the testing is done by a plumber who is hired by the contractor?

TIMOTHY HOGAN: By a plumbing contractor, yes.

CHAIRPERSON WILLIAMS: So... and then DOB may or may not do a surprise inspection on the...

TIMOTHY HOGAN: They have to notify us when they're going to be doing a gas test. We send inspectors out and we spot check those gas locations and we observe the test to make sure that they are in compliance and to make sure that they pass or fail.

CHAIRPERSON WILLIAMS: You observe every one?

TIMOTHY HOGAN: We do not observe everyone. We... we do what we call spot checks right now. We have recently received additional staffing and we will be increasing the number of spot checks that we will be doing in that field but will have more information on that down the road. As we build

up the staffing we've been attending more and more of the gas tests.

CHAIRPERSON WILLIAMS: How many... is it a... you put in a permit to change the... the gas system? Is that what it is?

TIMOTHY HOGAN: They have to file a permit that they're doing gas work and they have to send a notification when they're going to do that. The... the...

CHAIRPERSON WILLIAMS: How many permits have been put in for... in... in 2015 or 2016?

RICK CHANDLER: I... I don't have that number directly in front of me. They... they... they can be put in with plumbing work for sanitary as well as gas. They can be put in just as gas so they vary. I don't have the actual permit number.

CHAIRPERSON WILLIAMS: Do you know what...

RICK CHANDLER: We can get that back to you.

CHAIRPERSON WILLIAMS: Do you know what percentage was gas... was spot check?

RICK CHANDLER: Oh I'll have to get back to you. We... we'll get you a report back on that.

CHAIRPERSON WILLIAMS: Alright. I know this is... and I... hearing specifically on that but those are probably good numbers to have so we can try to evaluate what's needed and not needed. I have actually several more questions but I'm going to pause now for my colleagues who have a couple questions as well and then I'll come back. Each colleague will have five minutes. Council Member Rosenthal and Council Member Reynoso.

COUNCIL MEMBER ROSENTHAL: Thank you so much Commissioner. Thank you for your testimony. And of course I want to start by thinking you and your staff Director Wally [sp?] is on my speed dial and he gets back to me so quickly when there's a problem in my district and I really appreciate his follow-up and you're follow-up to... you've gotten involved in some of these buildings as well.

RICK CHANDLER: Thank you.

COUNCIL MEMBER ROSENTHAL: I'm wondering about what percentage of the positions that you've been allowed to... that you've been given funded... funding for... funding for what percentage have you been able to hire?

SHARON NEILL: So we included in the testimony where we were against the Building One City plan which is a two year hiring plan. So...

COUNCIL MEMBER ROSENTHAL: Okay.

SHARON NEILL: ...the total number for that authorized headcount was 320 annualized next year. So the target for this year was to hire 187 positions and we've filled 115 of them. So there...
[cross-talk]

COUNCIL MEMBER ROSENTHAL: Great.

SHARON NEILL: ...at the 62 percent mark.

COUNCIL MEMBER ROSENTHAL: Great, great. Sort of where you are. Alright thank you. And I'm wondering... I want to go to page four of your testimony and ask you a couple of questions about the construction superintendents. And this is something we talked about before. Would you require a photograph? Would consider requiring a photograph of the construction superintendent that the developer chooses that you could have on file so that when your inspector goes out and looks at the records that they're keeping that you know that indeed is the construction superintendent.

RICK CHANDLER: Yeah I remember you and I had talked about it and I remember saying I thought that was a pretty good idea and it's on our to do list. I'm going to ask Deputy Commissioners Hogan and Jayaram to speak to that. I think there's a technology issue challenge there but I... that we have talked about.

COUNCIL MEMBER ROSENTHAL: Okay.

ARCHINET JAYARAM: Hi this is Archana Jayaram, Deputy Commissioner for Strategic Planning and Policy. This... this is as the commissioner mentioned on our list of considerations. I... I think as you all know there is a very long list of IT priorities that we are taking on right. So this is one that we are evaluating right now and we can get back I think in... in some amount of time with a concrete answer and timeline.

COUNCIL MEMBER ROSENTHAL: I'd appreciate it. I have a building on my site where I strongly suspect that the person listed on record is not the person who is performing the duty and...

RICK CHANDLER: That is so completely unacceptable so I urge you to speed dial Patrick and he'll get us to the right place to get us...

COUNCIL MEMBER ROSENTHAL: Okay.

RICK CHANDLER: Or me. And then we'll get somebody out there.

COUNCIL MEMBER ROSENTHAL: Great. Thank you very much. And do you have a sense... since the construction superintendent would have to make a review every day with that... and you're saying that review would be documented would it be... is that documentation sent to DOB?

RICK CHANDLER: There's actually a new construction superintendent rule that is just been sent out for publication. It will require log books be kept on site and that the construction super has to sign in when he comes in and put notations as to what he observed and what he directed for the day when he's there.

COUNCIL MEMBER ROSENTHAL: Is that information uploaded or shared with DOB besides the onsite?

RICK CHANDLER: It's not... it would be something that we would inspect when we do an onsite inspection to look for those records which is what we do now for site safety managers by the way so... which we think has been successful program

for site safety managers which is a couple levels up on the larger job. So that's why we... that's why we wrote it the way... that way.

COUNCIL MEMBER ROSENTHAL: Could I trouble you to put that on your list of things to explore? I'm always struck by the reality of the need for self-certification but then the need for oversight and you know certainly we don't want to throw it all onto government to do day to day inspections. But there should... it should be facile for a government to make sure it's happening accurately. Do you have a sense of how many jobs those construction superintendents could take given that they would be... at one-point I... I thought you mentioned four jobs per person. Do you have a sense in how will you keep track of that?

RICK CHANDLER: The current rule... even the new rule allowed them up to ten jobs. The ten jobs however may not be physically possible because their ability to... they have to go to each job site each day for a period of time. There are however times when a site gets stalled. So to limit them to only four jobs wasn't realistic because it... they may sign up for a construction job that's not going

to happen for two months. And then they'll be working on another site for that period of time. So the... the strict limit is 10 sites. There are some exceptions if the buildings are contiguous on a... on a tax lot for development. But as a... as a rule it would be the amount that a construction super would be comfortable to handle for daily visits.

COUNCIL MEMBER ROSENTHAL: Chair could I trouble you for a few more minutes or should I go to second round?

CHAIRPERSON WILLIAMS: I guess we'll try to do a second round. I wasn't planning on it but we'll try to...

COUNCIL MEMBER ROSENTHAL: Okay.

CHAIRPERSON WILLIAMS: ...get you in some more time.

COUNCIL MEMBER ROSENTHAL: Thank you.

CHAIRPERSON WILLIAMS: Alright.

COUNCIL MEMBER ROSENTHAL: Thank you.

CHAIRPERSON WILLIAMS: Council Member Reynoso.

COUNCIL MEMBER REYNOSO: Thank you again Chair. Hello Commissioner and team. Thank you guys for being here. Just wanted to ask a couple of

questions, one of them being in... in these sites where we're seeing the dangerous things happen I just want to make mention to the fact that the deaths are happening mostly to Latino men and that the demographics are very clear about who is being taken advantage of in these unsafe and preventable worksites. When we talk about I guess licenses and what authority you have to remove licenses or any registration or any type of ability for these bad contractors to continue to do work in the city of New York? Is that something you can do? And if you can do it have you done it before?

ALEXANDRA FISHER: Hi, I'm Alexandra Fisher, Deputy Commissioner for Legal and Regulatory Affairs. I'll... I do my best to answer the question. We do have some fairly robust provisions in our code for the suspension revocation other disciplinary actions against various of our licensees and registrants. And indeed we have in recent past gone fairly heavy handed against some of the bad actors. We've recently revoked the license of the plumber associated with the second avenue explosion. We had several general contractor one two three licensees

whose licenses were suspended and or revoked. Does that...

COUNCIL MEMBER REYNOSO: It does except give the amount of deaths that we've seen and the increase I think is to 98 percent increase since 2009 or 2008 in the amount of I guess dangerous accidents or... or... well preventable accidents. Given that it's 98 percent increase is there a 98 percent increase in like the verification licenses for... I think maybe it's... the one in the second avenue site for example is an extreme case. So in extreme cases I would expect that to happen but what about in the... well any death I think is an extreme case. But I really want to speak to... to that. Just... are we doing enough to... I don't want to say... to... to prevent this from happening by... I don't know how to say without saying the wrong word. So I'm just going to say what... what are we doing to make folks feel like this is something they can't do moving forward when it comes to their ability to provide for themselves?

ALEXANDRA FISHER: The department as I mentioned does use its tools and has in the recent past used them in a more forceful manner I'd like

to say. And in addition we partner with the Department of Investigations so that when the actions are egregious that they have access to information where the district attorneys can then bring criminal cases against the entities who may have... had unsafe practices on their construction sites.

COUNCIL MEMBER REYNOSO: So how... so give me a number. How many people have lost their ability to do work in the city over the... the death in the workplace?

ALEXANDRA FISHER: I'd like to get back to you so that I can get you the exact number for what period of time.

COUNCIL MEMBER REYNOSO: Okay has it... is it more... so in the last five years...

ALEXANDRA FISHER: The number...

COUNCIL MEMBER REYNOSO: Is it more than 10?

ALEXANDRA FISHER: I really would have to get back to... [cross-talk]

COUNCIL MEMBER REYNOSO: Okay so I'll... I'll... I'll... that's... I understand that. So now I want to talk about construction without permits and

in these sites do we see that there are folks working without permits or in... in cases where they don't have the... the proper... They haven't... gone through the proper protocol through the Department of Buildings to make sure they can do this type of work or construction?

RICK CHANDLER: You're... are you referring to the incident sites where there were accidents...

COUNCIL MEMBER REYNOSO: Yes, the incident sites, are they related or are these approved sites by the department... Department of Buildings.

RICK CHANDLER: I can say the majority without having the numbers in front of me that the majority were permitted and in some cases the work exceeded the scope of what they had a permit for. But I think the... the majority simply were people trying to get done quicker what they... what they were going to get paid to do to get to the end of the job. And so they were taking risks they shouldn't have taken. And I'm going to ask Deputy Commissioner Hogan to talk a little bit about what

we're doing with the immigrant affairs on some of the... these...

COUNCIL MEMBER REYNOSO: Great.

RICK CHANDLER: ...these men that are being injured.

COUNCIL MEMBER REYNOSO: And just... so before that answer just also want to get to the architects. If there are people working out of scope what are we doing to the architects that allow for a very small projects for example that they would do the work knowing that there's going to be a lot more work to be done and fall away from that. So I guess it's just I have 20 seconds so I'm trying to put in two questions into one. So you can go ahead with the immigrant affairs. I think it's great and then if we could follow-up with the second question.

RICK CHANDLER: So briefly architects are not licensed by us but we do have the ability to prevent them from filing in the five boroughs of New York City. It's a high bar so what we do... depending on what they've done is we limit certain parts of what they can file.

TIMOTHY HOGAN: To address the issue on safety of day laborers the department working with the... a number of the lay labor groups have... has developed a training program for safety that we will be presenting I believe starting in May. But we have upcoming programs that we've developed training courses for the immigrant community to give them safety issues that they should be aware of that are being given in various languages. So that is a program that we have been trying to do outreach with the mayor's office of immigrant affairs and we anticipate right now I believe four programs are scheduled or in the process of being scheduled but we're working with our safety team to develop the issues where we see the most number of accidents to try and help the laborers be aware of the safety issues... most of these people that are in these groups don't work for the large union organizations inaccessible [phonetic] to the safety training. So we're trying to do a familiarization to them about the things they should be looking out for.

COUNCIL MEMBER REYNOSO: Please give me... let me know when that's happening or several

locations where day laborers are operating. And I want to be helpful to them and also just want to thank you for your participation in the housing task force. DOB's participation is extremely valuable and I just hope that you guys continue to do that with the same dedication.

RICK CHANDLER: Thank you... happy to be helpful.

CHAIRPERSON WILLIAMS: Thank you Council Member the risk management office was recently created to proactively assess risk, penalize unsafe and corrupt behavior and better identify buildings that pose a threat to public safety. I think you may have made reference to it. Can you just give us a... a further update of the efforts... how much resources will be dedicated to a risk management office and does this unit inspect unsafe behavior at construction sites?

RICK CHANDLER: So we launched the first risk management officer in January of 2015. The Office of Risk Management has been involved in numerous initiatives. Some examples include continually assessing risk within the agency whether it's reviewing the operations of a unit,

reviewing and updating standard operating procedures, or reviewing policy the office has been working on strengthening our auditing process and helped reproduce the first industry code of conduct which was published in July 2015 and an accompanying tutorial that filing representatives must complete before they can be licensed by DOB. The office has been working closely with human capital in term... internal affairs to strengthen our quality of our integrity program which is ongoing at all times has been strengthening our partnerships with local utility companies in an effort to improve our communications and coordination. Today there's been an increased volume of inspections and... and violations used as a direct result of that improved communication. The office has been working with the subject matter experts to identify high risk buildings most recently looking at facades. As a result of that effort the department is expanding the facades unit capacity and adding additional inspectors and improving how owners can file with the department. The office has also been working with the office of the buildings marshal, internal affairs, the legal

bureau, and the department of investigation in an effort to identify bad actors and weed out corruption. The staff members to date... the office has been staffed by the risk manager officer director and analyst and an administrative assistant. And they do not go on sites directly.

CHAIRPERSON WILLIAMS: You said they do not go on construction sites?

RICK CHANDLER: No, no.

CHAIRPERSON WILLIAMS: The department's adding two million dollars in fiscal 2018 through fiscal 2020 to cover expenses related to the private leasing of a new space. DOB is currently in the process of identifying a building to move into and is expected to begin the move of 280... 280 Broadway within the next few years. Can you provide us with details regarding the need for this move? Can DOB utilize already existing city owned space? Has department worked collaboratively with other entities to do this work?

ARCHANA JAYARAM: So I just wanted to reframe your question because our plan is not to move out of 280 Broadway and that the... the funding that was provided for the lease is to actually

expand to the ground floor of 280 Broadway which happens to be 55 Chambers.

CHAIRPERSON WILLIAMS: I see. So there's no movement, you're expanding where you already are?

ARCHANA JAYARAM: Yes.

CHAIRPERSON WILLIAMS: Thank you. And you could still talk about the need if you like.

ARCHANA JAYARAM: So we've actually submitted a... a space request and as a result of that space request we obtained the space at 55 Chambers and we've also been allocated additional city owned space at 2 Lafayette Street which will help us with the much needed staff expansion and re... relocating like units to... to have better adjacencies. And we work very closely with DCAS who assist us in these efforts as well as with OMB to ensure that we're getting the funding for either the improvements in city owned space or the lease funding to our expense budget.

CHAIRPERSON WILLIAMS: Thank you. I believe my next question will be my last and then I'll go to second round which we have so far only Council Member Rosenthal which will be for three

minutes. Committee's all interested in learning more about the makeup of the staff. Do you have demographics of the headcount of 15 hundred employees; male, female, black Latino, and the same question for leadership in the department.

RICK CHANDLER: The department workforce is approximately 65 percent male and 35 percent female. Approximately 57 percent are minority, 39 percent as nonminority, and the remaining four percent are undisclosed. The department's leadership workforce directors and higher consist of 76 percent male and 24 percent female, approximately 41 percent are minority, 56 percent are nonminority, and the remaining three percent are undisclosed.

CHAIRPERSON WILLIAMS: Do you have a breakdown in minority; black, Latino, Asian?

RICK CHANDLER: We'll have to get back to you on that.

CHAIRPERSON WILLIAMS: That would be helpful. IT's very often there's certain categories within that category that are very underrepresented so we... we'd like to take a look at that as well.

RICK CHANDLER: Absolutely. And you know we... we're looking... we're hiring so we welcome any... any referrals.

CHAIRPERSON WILLIAMS: Sure. I... you can... in some of the categories you gave you can still try to beef up a little bit and... [cross-talk]

RICK CHANDLER: Absolutely.

CHAIRPERSON WILLIAMS: ...leadership... [cross-talk]

RICK CHANDLER: Welcome that opportunity.

CHAIRPERSON WILLIAMS: We usually see the leadership with a dearth of... of diversity there. So whatever we can do to help with as well will be helpful. I was very actually pleasantly surprised by HPD's breakdown so I want to speak to them and see what they've done...

RICK CHANDLER: We think that we are better than them.

CHAIRPERSON WILLIAMS: Oh... they're... nah well... well they gave us some stats that I think we're a little better than this.

RICK CHANDLER: I'll talk to Vicki about that.

CHAIRPERSON WILLIAMS: Alright. And we want to get some best practices of how we're reaching out to those communities. So I thank you very much and I'll move on to Council Member Rosenthal for final questions.

COUNCIL MEMBER ROSENTHAL: Really quick questions. Deputy Commissioner Hogan you talked about the sites that you're inspecting in particular. You said it was 1,021. Could I get... would it be possible for me to get a list of those sites that are in my district?

TIMOTHY HOGAN: I can work on that but until I have... until we're further along in the... the... we expect it to be finished within 90 days and I'll be happy to give you an idea on those sites. We don't want to have any issues with where the sites are at this point. I don't necessarily have them broken down by community board.

COUNCIL MEMBER ROSENTHAL: Sure.

TIMOTHY HOGAN: But we'll... we'll look at making arrangements... [cross-talk]

COUNCIL MEMBER ROSENTHAL: You mean within 90 days you'll have the list completed?

TIMOTHY HOGAN: Within 90 days we'll have them completed.

COUNCIL MEMBER ROSENTHAL: Oh you'll have the inspections completed?

TIMOTHY HOGAN: Right.

COUNCIL MEMBER ROSENTHAL: Okay.

TIMOTHY HOGAN: Yeah we'll be... we'll be able to break them down when we're done.

COUNCIL MEMBER ROSENTHAL: Okay.

TIMOTHY HOGAN: That'll tell you you know by community board what those sites were and what actions were taken at those sites.

COUNCIL MEMBER ROSENTHAL: Would... would it be possible for you to start with the 200 that you've done so far?

TIMOTHY HOGAN: I can... I can look at those and see if we can do it... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Okay. Thanks so much. Secondly I'm wondering about the TPP which you've now put up online which I really appreciate. Do you... when there are amendments to the TPP do you put up... do you take down the... the old version and put up the new version by page? The reason I ask is because I've been working with residents to review

the TPPs and it's always confusing about which page is the most recent. In other words, if you have the TPP for a seven story building it might amend one page and then they put in... this is very confusing.

TIMOTHY HOGAN: Council Member this is new to me on how we're processing the tenant protection.

COUNCIL MEMBER ROSENTHAL: Sure.

TIMOTHY HOGAN: So I can't give you specific answer on that so let me try to get back to you on that.

COUNCIL MEMBER ROSENTHAL: Okay and then...

TIMOTHY HOGAN: I'm happy that we got it done but I don't... those... that's a very detailed question I don't know the answer to.

COUNCIL MEMBER ROSENTHAL: Okay. And then secondly when you put it in if you could be mindful of the fact that they are really hard to see because they're written in fine print. If there's a way to print them in large... enlarge the printing because tenants... I mean we all know... and the TPP needs to be... if the TPP is to be taken seriously it needs to be legible and it's just not.

So would you consider putting it in large print?

You can just say yes.

SHARON NEILL: Yeah that's fine. I mean I think... I think what we can do... I got 25 seconds. Okay then yes I have another suggestion but yes, sure.

COUNCIL MEMBER ROSENTHAL: So we'll talk about it offline thanks. And then when... I'm wondering how you work with other agencies for specific addresses. So it sounds like the housing taskforce that Council Member Reynoso has has a way of bringing together agencies for a certain address. But I find when working with a building that it requires remediation from HPD, DOB, DEP, DOH. How do you guys coordinate that... the inspectors going out within your own agency? And do you need additional resources to help you with that?

RICK CHANDLER: We currently have a significant number of taskforces with separate agencies. For example, every week we go up with the fire department on illegal conversion complaints. We go out weekly with Housing Preservation and Development on Construction work ongoing in

multiple dwellings where they believe there may be a violation of either a tenant harassment or that they're overbuilding based on the permits that they have on those locations. We have inspections that we do with the tenant harassment taskforce that's usually every two weeks. We have a weekly taskforce where we go out with the fire department specifically on illegal conversion new construction where we believe we have contractors who are building illegally convert... doing illegal conversation work under false permits that say that they're doing some minor work on a building but actually converting the building to multiple illegally converted apartments. We also have groups that we do on a... on a basis, things like the March Program for... Additionally what we do case by case with people like the New York State Department of Health comes in on adult social daycare centers, you know... I mean we have a myriad of different interagency coordination efforts going on daily.

COUNCIL MEMBER ROSENTHAL: Great do you ever contact... [cross-talk]

RICK CHANDLER: But that's just a few.

CHAIRPERSON WILLIAMS: Council Member.

COUNCIL MEMBER ROSENTHAL: ...Council Member if they're involved in those buildings to let them know? Because sometimes I think you're doing stuff and my office doesn't necessarily know that you're already all on it.

RICK CHANDLER: I think the issue is that it's so many different locations all of the city that I think it would be difficult for us to try and do that on a... on a regular basis.

COUNCIL MEMBER ROSENTHAL: I'm not talking about the citywide. I'm just... Okay. Thank you so much. Thank you Chair.

CHAIRPERSON WILLIAMS: Thank you council Member. And thank you very much for the testimony. That's all the questions that the committee has for you today.

RICK CHANDLER: Thank you for your time.

CHAIRPERSON WILLIAMS: We'll take just five minutes to help commission and staff clear out and hopefully there's someone from the administration that is... will remain here to hear the public. Arthur Goldstein Master Plumbers Council, Veronica Lee Asian Americans for Equality,

Jessica Yager NYU Furman Center and Benjamin Dulchin for ANHD.

[pause]

CHAIRPERSON WILLIAMS: So coming up to the dais now should be Arthur Goldstein from Master Plumbers Council, Veronica Lee Asian for... AAFE, Benjamin Dulchin NHD, Jessica Yager NYU Furman Center, and Semi Chester Stabilizing NYC. Don't... Okay. Okay okay.

[pause]

[background conversations]

CHAIRPERSON WILLIAMS: So we have Veronica Lee... no just raise your hand, it's okay. We have Benjamin Dulchin, Jessica Yager, Arthur Goldstein, Semi Chester, no Semi?

FEMALE: He... he stepped out.

CHAIRPERSON WILLIAMS: Okay. Can you please raise your... raise your right hand? Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this committee and to respond honestly to council member questions?

ARTHUR GOLDSTEIN: I affirm.

CHAIRPERSON WILLIAMS: And you have... each have two minutes for your testimony. You can start in order you prefer.

ARTHUR GOLDSTEIN: Should we just go left to right? Okay. Arthur Goldstein representing the Master Plumbers Council. I will forward the written testimony because it's like two pages. Number one I'd like to start off with a compliment for DOB on the implementation of inspection ready. That was a very good dialogue with the... with the plumbing industry in terms of budget. DOB needs more funds for inspect... inspectors so that they could focus on illegal and unlicensed plumbing activity. Even with the numbers referenced by the commissioner it is not enough for what's going on because unfortunately greed is the most important variable here and if owners are working with a... a process that takes too long for them it leads to owners cutting corners and... and using either unlicensed plumbers or plumbers who are allowing their license to be used by others. To that end it's important to also examine and work with the Department of Buildings to increase funding for technology initiatives. Because those initiatives

will help make the department more... more efficient which will reduce that variable of... of owners saying it just takes too long to deal with... with city agencies. Thank you very much.

CHAIRPERSON WILLIAMS: Thank you.

VERONICA LEE: Thank you. Good afternoon Chairperson Jumaane Williams and members of the community... committee on Housing and Buildings. My name is Veronica Lee and I'm a Housing Organizer at AAFE, Asian Americans for Equality. I am here on behalf of the citywide coalition Stand for Tenant Safety, STS and we stand... we thank you for this opportunity to testify today. So for over 40 years AAFE has advocated for a right to safe, healthy, and affordable housing in the communities we work with. As a member of the STS Coalition we remain committed to fighting against unscrupulous landlords that use construction as harassment to displace residents from their homes. Many who are seniors, have disabilities, low income working families, and new immigrants. City agencies such as the DOB play a critical role in protecting this vulnerable population and the affordable housing stock. They ensure that landlords are complying

with the law when they submit floor plans and apply for work permits to do construction. And they hold bad landlords accountable by issuing violations, penalties, and stop work orders for legal construction being done. Therefore, we're here to request that DOB receives increased funding so that they can better enforce the laws, protect tenants, and continue to preserve safe and affordable housing. We have seen these landlords make use of loopholes in the regulations protecting safe homes to flip rent regulated properties into market rate units, utilizing speedy reckless construction and thereby putting tenants' lives at risk. In our Queens preservation work AAFE is working with residents at Zara buildings that are experiencing these events. Zara will buy a building and immediately begin construction to fix up the units and turn them into luxury apartments. Residents have complained to us that Zara is doing construction without considering their safety and health. Large scale ceiling and interior drywall and plastering work was done without providing dust jackets or masks for residents causing a lot of dust and breathing problems. Hot water service

would be disturbed during the week. In another instance major pointing and waterproofing work was done on the building's exterior with a chemical that residents complained were highly toxic because it burned their eyes and throats. In our Chinatown preservation work AAFE is working with the 173 tenant association and have complained of their illegal harassment as well. So an increase in funding would be crucial for the DOB to continue to effectively enforce the city's codes and to uphold responsibilities in protecting the affordable housing stock. Thank you for your attention.

CHAIRPERSON WILLIAMS: Thank you.

BENJAMIN DULCHIN: Good afternoon Chair Williams, Council Member Reynoso, and Rosenthal. Thank you for this opportunity to testify. My name is Benjamin Dulchin. I'm the Executive Director of the Association for Neighborhood and Housing Development. We're an association of 101 neighborhood based affordable housing groups across all five boroughs of New York City, groups that both build affordable housing and also work on local tenant protection and affordable housing preservation issues. And so I'm here today just to

talk very briefly about some... the really key echo system of programs that exist for...

CHAIRPERSON WILLIAMS: Can you bring the mic closer?

BENJAMIN DULCHIN: I'm here today to talk really briefly about the really key ecosystem of programs that exist for neighborhood based crews to be able to work effectively on affordable housing issues. So there's really three programs that have been consistently available to neighborhoods; the Housing Preservation Initiative, the Community Consultant Contract, and the Neighborhood Preservation Consultant Program. And taken together they really add up to a comprehensive neighborhood approach with the housing preservation initiative coming from the council and really giving community groups the ability to do strategic neighborhood-wide work on whatever the key strategic threat is to affordable housing in their neighborhood. And the community consultant contract that really goes through groups of their front line anti-eviction workers, the worker who was there to support the senior citizen who needs SCRIE filled out or the... you know the...

the... the single parent who is... you know is facing an eviction, and then the neighborhood preservation consultant program which funded and run by HPD which works with community groups to offer... to... to have a... a building-wide approach often when there is a building-wide issue with repairs and a need for inspection and a need for pressure. And taken together those three things really do add up to you know an effective and comprehensive approach. I want to commend the council for their support of the housing preservation initiative and the community consultant contract and we would call again on the council this year to maintain the existing levels of funding from both of those programs. And you know as the... as Chair Williams mentioned you know when... when Commissioner Been was testifying the unfortunate piece of this is that the administration really isn't carrying their piece of the burden. Historically the neighborhood preservation consultant program was funded over a million dollars and was a significant addition, was a significant symbol of partnership by the administration with the council in funding these neighborhood based preservation efforts. It was

part of this ecosystem of support. Unfortunately, there's been a 75 percent cut in that over the last number of years. We would urge the administration to restore that and we would urge the council to help them to... to... that thing... to push them to restore as well. And again thank you for your... for your long support of these... of these important programs.

CHAIRPERSON WILLIAMS: Thank you very much.

JESSICA YAGER: Good afternoon Chairman Williams and members of the committee. Thank you for the opportunity to speak today in support of NY... the NYU Furman Center's fiscal year '17 funding request. My name is Jessica Yager and I am the Executive Director of the Furman Center, a research center at NYU that advances research and debate on housing, neighborhoods, and urban policy. In addition to conducting empirical and legal research on urban policy issues providing data and analysis about housing and neighborhoods essential to our mission. Since 2011 the city council has supported our subsidized housing information project or the SHIP, a free interactive database that allows users

to access information about subsidized housing in New York City. Thanks to your support the SHIP is undergoing a redesign that will greatly improve the users' experience and we are also adding new data to the database. The ongoing maintenance of the website and the annual updating of the data are significant ongoing costs for us. We are requesting continued funding from the council for fiscal year '17 which would allow us to continue to operate and... operate and update the SHIP and to pursue two other related projects. The second project included in our FY '17 request is a new initiative called neighborhood portraits. The project would create detailed portraits of housing and economic conditions in New York City's neighborhoods which we would then make available online and through extensive outreach. Finally, we are seeking funding to continue our tracking ownership patterns project. This project seeks to create a methodology for discerning the true ownership behind the single use holding companies that own much of the rental housing in the city. With support from the council this year we have produced a prototype data set of apparent ownership portfolios and are now in the

midst of testing the data and refining the algorithm. In the coming year we hope to complete this process and make this tool publically available via an interactive mapping platform. We believe that all three of these projects will make significant contributions to our understanding of the state of housing and neighborhoods in our city. I thank you for the opportunity to testify today and I'm happy to answer any questions you may have.

CHAIRPERSON WILLIAMS: Thank you very much. And I'll just start with you because you ended. But... so... on me where... we're still waiting to see what's going to happen with the Governor keeping his word so I think we want to try to make sure that we can maintain everything. I'm not sure if we'll be starting new initiatives but thank you for the idea that you have. We... we... I think... I know I have it... my colleagues have been trying to make sure that folks know that since the inception not all initiatives are going to be maintained for the duration of this term or even the next term because there's going to be some downsize... So hopefully people are bracing for it and have diversified enough to sustain any cuts that may come but

hopefully none will come this year. I don't know that we necessarily foresee it but depending what the governor does it may happen. And I don't know if new initiatives are necessarily that feasible. But you hold a pretty important seat. I've heard some of the former executive directors have gone on to do some great things. I did want to know if you heard some of the interaction about the AMIs and how deeply the affordability can go? I don't know if you had any response to what they said and I said. I know you did some analysis in general but can you give us your feeling on where we're at now and the space to go deeper.

JESSICA YAGER: I wasn't here for the earlier testimony and I'm not prepared to comment on that right now. I... I apologize. We certainly can follow-up with your office in... on the issue if you would like.

CHAIRPERSON WILLIAMS: Sure. What about... do you know the... well you know the options they have now, do you want to comment on that?

JESSICA YAGER: For the mandatory inclusionary... [cross-talk]

CHAIRPERSON WILLIAMS: Sorry for the MIA, yes.

JESSICA YAGER: ...zoning program? I am familiar with the proposal but again wasn't prepared...

CHAIRPERSON WILLIAMS: Sure.

JESSICA YAGER: ...to speak today about that. Our office has done significant work on that issue though and would be happy to follow up.

CHAIRPERSON WILLIAMS: Sure, thank you. Arthur do you... I think you... they didn't really have an answer to my question about how many permits are given for gas related work. Do you have any idea on the numbers of how many permits are given to... for gas related work and... versus how many are inspected?

ARTHUR GOLDSTEIN: No but I could tell you it's... it's not enough. Just based on a conversation we had the other night at a plumbing meeting after they come from us... what's called a sub-ops [sp?] a meeting that you may be familiar with, and it goes back through the point of my testimony. They need more inspectors to... to do more spot checks in addition to what... what I was focused

on getting more inspectors to... to try to look at illegal plumbing and unlicensed plumbing. As an example... as an example I was on Willoughby Street about 10 days ago and I saw a plumbing truck that has a 516 number... a Long Island number. And I called the master plumber's office to ask them if they could look into this. And I took pictures of buildings on both sides of the street with addresses because it appeared that two buildings had work being done. I couldn't tell... and once I stayed there for an hour... where the work was being done. If that could have been called into DOB and they could have gotten an inspector there in a couple hours one might have seen illegal plumbing work occurring. And they... they could have responded within a period of time if they had enough inspectors. So that's... that's why we're asking for the council even before the mayor's exec budget comes out to... to be dealing with this issue to see if the funds could be increased. Because any one of these situations unfortunately could be the 2nd Avenue explosion all over again.

CHAIRPERSON WILLIAMS: Benjamin I just want to make sure that my line of questioning on

report... I know that they haven't seen yet was a good kind of summary. Did I get across what you were trying to get across in the report?

BENJAMIN DULCHIN: Yeah no I thought that your question was very accurate. And unfortunately we had not yet shared it with Commissioner Been or her... her staff. So I think what she was reacting to was you know sort of some previous work that we put out that she did not like the... the conclusions of. In terms of the methodology of the... you know the new analysis that we did we drew it entirely from the same methodology as the city's own consultant who did the underlying work for the mandatory inclusionary model, BAE. So the methodology is very conserve... straight down the middle and it really is an attempt to have an objective comparison between the different... the different affordability options both the administrations and the different affordability options being proposed by community groups to get to lower AMIs. And so for us I think the thing that we're particularly interested in sort of talking... you know and sort of trying to establish is that... that there is and you know you can do an objective

analysis and that as there is a push for low AMIs where the city has been talking about 20 percent housing at 40 percent AMI as their low... low AMI option that when groups push back and say that that's not sufficient, you know A the groups mean that both in the point of view their neighborhood residents concern that 40 percent AMI in most of the neighborhoods that are currently being rezoned insufficiently low but that it also is at the... the low end of... of... of what the city has been seen as being a feasible amount to... to ask that developers contribute to affordability while still maintaining the viability of the... you know of the project. So again what we're trying to establish is there's a band... there's kind of a band of comfort of... of... that the city has and that we're trying to aim the low AMI options in the conversation to that same comfort band.

CHAIRPERSON WILLIAMS: Thank you very much. I don't know if any of my colleagues had any questions. And then... well actually can we just... we've been joined by Mr. Chester... can we just allow him to... to... you can give your testimony of two

minutes for testimony and then we'll continue with the questioning.

SAMI CHESTER: Thank you. Good afternoon. SaMi Chester, Senior Organizer for Cooper Square Committee. This is a funding request for the Stabilizing NYC initiative Fighting Predatory Equity and Tenant Harassment. There are cases filed on behalf of Harlem tenants against Alomar Realty for providing no heat or cooking gas within that building. Advocacy on behalf of a tenant's living in unsafe conditions, in buildings, in Fordham neighborhoods of the Bronx owned by predatory equity landlord poorish [phonetic]. The tenants have been demanding repairs for months. And the landlord has yet to address most of the serious violations. Since Stabilizing NYC's inception in 2013 we have continued to grow and strengthen. In the past year we've added two new groups; the Cooper Square Committee and Saint Nick's Alliance in 2015. And we're looking to add additional organizations this year so long as funding allows the same. In order to reach additional neighborhoods and council districts. And we have set ambitious new goals for the coming year to take

our work to the next level. That is why we are requesting 2.5 million in council funding for our physical year 2017 citywide initiative. As you are well aware of the impact that predatory equity has on affordable housing in your district to... and throughout the city we are grateful for your tireless advocacy. Our coalition seeks not only to serve tenants but to mobilize them and build up bleeders who will preserve affordable housing for generations to come. We humbly ask that you consider our request for 2.5 million in initiative funding in the coming year and we look forward to working with you to defend and preserve one of our city's greatest access... access. Once again thank you for the opportunity to testify Sir.

CHAIRPERSON WILLIAMS: Thank you. Right before the bell, nice. Thank you for the testimony. As I was discussing previously it's uncertain what's going to happen with the governor and some of the cuts that he's proposed. So we're not sure where... where we're going to go. I think in general we want to make sure we try to maintain what we have. I can't speak for... for the council. But I do know looking at the... in the... the housing

initiatives I'm not sure if we'll be able to double initiatives that were there or start new ones. We definitely want to try to make sure we're able to maintain what we do have. But I would like to suggest is that all... all these recommendations also go to the mayor's side. They have... they actually control of... the lion's share of the budget and they... they're not yet doing their share in terms of this type of funding. And so that will be helpful because most of the burden comes to us which I understand but the mayor actually controls a lot more of the funds so that will be helpful as well. Thank you very much and I'm going to go with Council Member Reynoso for questions.

SAMI CHESTER: Absolutely. Thank you.

COUNCIL MEMBER REYNOSO: Thank you Chair. I just wanted to ask regarding the Community Consulting Contract what I'm hearing from neighborhood organizations is that the... I guess the... the parameters that you have to abide by are 10 20 years old so they're asking for no follow-up work is being recorded or being awarded money for so it's just the initial contact that you make with someone, the content of that initial contact on

whether or not it's something that's of value is insignificant. It's just a numbers game. It talks about faxes and how many faxes you have to make or how many copies of a... a paper you have to make, all things that are kind of antiquated.

BENJAMIN DULCHIN: Right.

COUNCIL MEMBER REYNOSO: Do you think that there... are you feeling the same way, do you believe the same thing and should we be looking to modify how HPD is monitoring success under the CCC?

BENJAMIN DULCHIN: Yes, I mean CCC is deliverables and the milestones that they require are... are less... they are... they are somewhat antiquated they are less, they are less, it's... really in touch with the way that the good groups are doing the work. You know I think the dynamic at work here is that for HPD initiatives that are funded by the city council are sort of the bastard children of HPD's neighborhood preservation work right. They really... they struggle to find the right deliverables both for HPI and for CCC which is a shame because those are frankly the two most effective programs. And it is true that CCC is... it is really you know enormously effective at getting

the best services to... you know to the residents who really need them and stopping sort of you know crisis at the point of eviction but not because HPD's milestones are particularly well designed but rather because it is the right groups and the right neighborhoods getting those resources. And HPD has been very slow to consider modernizing making the... you know the amount you know of the... of the payments per deliverable more appropriate. But I think that's the dynamic at work. And similarly with the housing preservation initiative you know I think the council you know has... has chosen you know for the large... in the large part really good groups to do good strategic thoughtful work. It's had a really important neighborhood wide impact. I will say... that HPD has... has not made that harder. They have not gotten in the way but nor have they been a helpful resource. And again like... if they came to the table with the resources that they always had over the years with NPCP you know then they would really be thinking more constructively about what you know good community effort could be, how all those pieces could work together. So we agree but you know again for us it comes down to their well-

designed programs you know from the council and as long as good groups are getting it there are very good outcomes.

COUNCIL MEMBER REYNOSO: So if the... if the CCC contract was more mirrored to like how HPI is... is... is... would that make more sense? It seems like HPI's a more modern attempt at dealing with a lot of these local issues.

BENJAMIN DULCHIN: I think that they do different things. So yes... I mean look we... we HPI is... is our baby right? So we think it is a really good model right? A really sort of... we think that the best... the best approach to the neighborhood affordable housing crisis is to really understand neighborhood by neighborhood what in that specific neighborhood, that population, that kind of housing stock what's causing that specific threat to affordable housing and then having a smart effective local group come up with a community engage plan to deal with that. That's the HPI model. It really works. CCI... CCC is less sexy in a certain way right? It's sort of less fun for us to talk about. But you know having good you know sort of small to medium sized local organizations that

have the door open that are on the avenue where you know the... the... you know the tenant who's at risk, the senior citizen who needs the SCRIE filled out, the tenant who needs their eviction papers translated, that's some place they know to go. And although the program model sounds a bit dull when we write it up it's actually... it... it's extraordinarily important. You know if... if... wasn't there with resources just to grind out every day helping residents who are facing frivolous non-pays you'd be losing a lot more apartments. So we would... we would argue that... you know that CCC as much as it's not the most interesting program model it is a consistently really effective one and it is... it is well worth the support.

COUNCIL MEMBER REYNOSO: So just... Chair just for the... the CCC contract when we're at BNT just to really think about updating it or modernizing it so that it's respective of... of valuable work. I think there's one part of it for example you need to get 5,000 dollars, you need unit to do 10 community workshops. And it doesn't matter if it's one... two people in the community workshop or 500 people in the community workshop.

So it's just... it's just not working the way we want it to but we can modify it to make sure that it's doing what we want it to do and not being onerous or... or you're not doing... you're not duplicating steps that are unnecessary to truly help people. So thank you Chair for allowing me to speak so much. And it was a good hearing.

CHAIRPERSON WILLIAMS: Thank you. Thank you. And I think we actually in the process of doing just that. So...

COUNCIL MEMBER REYNOSO: Good job guys.
[cross-talk] City council's always at work.

CHAIRPERSON WILLIAMS: And plus you know I came up through those... through those programs actually and so I... I know exactly what it is you're talking about. Thank you very much for your testimony. I really appreciate it.

BENJAMIN DULCHIN: Thank you.

CHAIRPERSON WILLIAMS: For the record we have testimony from Enterprise and the Urban Justice Center. And with that this hearing is now closed.

[gavel]

CHAIRPERSON WILLIAMS: Okay we're going to... [cross-talk] No problem. We're going to reopen the hearing very briefly just to say we've been joined by Council Member Richie Torres.

COUNCIL MEMBER TORRES: It's an honor to be here Mr. Chairman.

CHAIRPERSON WILLIAMS: And the hearing is now closed again.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 29, 2016