CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

----- X

March 23, 2017 Start: 10:24 a.m. Recess: 11:44 a.m.

HELD AT: 250 Broadway - Committee Rm.

16<sup>th</sup> Fl.

B E F O R E: JUMAANE D. WILLIAMS

Chairperson

COUNCIL MEMBERS: Rosie Mendez

Ydanis A. Rodriguez Robert E. Cornegy, Jr. Rafael L. Espinal, Jr.

Mark Levine

Helen K. Rosenthal Ritchie J. Torres Barry S. Grodenchik Rafael Salamanca, Jr.

Eric A. Ulrich

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

Alexandra Fisher, Deputy Commissioner Legal Affairs NYC Department of Buildings

Patrick Whaley, Assistant Commissioner External Affairs NYC Department of Buildings

Jeffrey Shear, Deputy Commissioner Treasury and Payment Services NYC Department of Finance

Henry Berger Special Counsel for the Mayor

Frank Richie

2 [sound check, pause]

1

3 CHAIRPERSON WILLIAMS: Good morning 4 everyone. I am Council Member Jumaane Williams, 5 Chair of the Committee on Housing and Buildings. 6 Thank you everybody for your patience. We are here today to conduct a hearing on two pieces of 8 legislation. The first bill proposed Intro No. 750-A 9 [coughs] sponsored by Member-Council Member Kallos, 10 will require apartment owners to provide a voter 11 registration form to each tenant signing an apartment 12 The second bill Intro No. 1133 sponsored by 13 Council Member Vacca would forbid the issuance of a 14 building permit for property with \$25,000 more of 15 unpaid charges are owed to city. The bill provides certain exception in this prohibition such as where 16 the permit will be required to correct a dangerous 17 18 [coughs] condition. At this point, I normally allow 19 the sponsors of the bills to make brief statements on 20 their bills. Council Member Kallos who sponsored 21 proposed Intro No. 750-A is unable to join us this 2.2 morning and has asked me to read a brief statement on 23 his behalf. [coughs] Voting is necessary for a 24 functioning democracy enforcement. Instead of seeking ways to streamline the voting process the 25

1 COMMITTEE ON HOUSING AND BUILDINGS 5 2 government has created many barriers, barriers which 3 disproportionately affect youth, low-income and voters more of color. The first barrier is 4 5 registration. Roughly 70,000 eligible-700,000 eligible voters in New York City are not registered 6 7 and many more have outdated registrations. 8 city—as a city of renters with high intercity mobility, it's very easy during the stress of moving to forget to register to vote or update your existing 10 11 registration. Many don't even know they need to do 12 [coughs] Proposed Intro No. 750-A requires 13 that a voter registration form be included among the 14 other required forms when signing a residential 15 This is an easy low-cost step, which will 16 increase the number of registered voters. Landlords 17 can request these forms to be mailed to them for free 18 by the Board of Elections or download from the 19 Internet. One additional sheet of paper be included 20 among the other documents can have a substantial 21 impact on our democracy. Government should be 2.2 looking at sensible ways to reduce barriers to civic 2.3 participation. Proposed Intro No. 750-A does just that. I want to thank Council Member Kallos [coughs] 24

for this bill. I believe New York-New York State is

COMMITTEE ON HOUSING AND BUILDINGS 6
the second or third worst participation in—in voter
turnout, and anything that we can do to increase we
should. I believe the state can do a whole lot more
The City is very limited in what it can do to
increase it. We do what we can, but I think that
being able to find-fine tune places where we can
object is-is great, and we applaud Council Member
Kallos for this, and now I will let Council Member
[coughs] make s a statement on his bill. [coughs]
COUNCIL MEMBER VACCA: Thank you. Thank
you Chair Williams for this hearing today. 1133
remedies an issue I've sworn to address since my
first term in the Council. It remains an issue I'm
passionate about seeing corrected. The proposal,
which I call the bad actors law is something I came
up with when I discovered a controversial building i
my district was being developed by a notorious
landlord who owed more that \$250,000 in ECB fines,
\$60,000 in taxes and over \$15,000 in emergency
housing repairs. All the properties they already
owned. Yet, DOB went ahead and green lined it their
next project, and under the law, they had no choice
but to do so. I said to myself, how could this

happen. You already owe the city so much money on

taxpayer's expense. Over the past several years

2

3

4

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

we've seen an incredible amount of development in this city, and this legislation will not limit that growth. Rather it allows the City to address the fact that there are some good developers and contractors and that there are also some absolutely terrible developers and contractors. Right now the City basically treats all permit seekers the same. Previous abuses and outstanding fines on separate job sites no matter how numerous or how egregious are not enough to stop DOB from issuing a contractor or developer another permit to do more damage and rack up more fines, and my legislation would change that. It would ensure that DOB takes into account property owners and developer's past actions, and that they deny building permits to those without outstanding debts in excess of \$25,000. And owners should not be rewarded with a permit to build more when they already have unpaid fines. The problem with giving permits to owners with large uncollected fines is twofold. Firstly, there's an issue of building safety and compliance and secondly there's a issue of revenue. My bad actors law will address both. regards to safety, it is DOB's mission to ensure a safe home and work environment for all New Yorkers

and of late to improve safety for workers and residents. The City has stepped up many DOB violation fines, and its increased inspections. fines are meant to encourage compliance with zoning and safety. Yet, without rigorous collection and no consequences for unpaid fines, where is the motivation to avoid getting a fine in the first place? What does it mean to put something on paper that cannot be collected? Violations and fines only work when people have to pay them, and face penalties for doing something illegal and wrong. actors law creates just these consequences, ensuring that owners are more concerned with compliance in the first place, and that the city even gets the money it's owed or property owners don't get the permits they want. In the face of permit denial, owners will be more likely to pay their past debits, and these increased payments will be a financial windfall to the City. So at the end of the day, this legislation is about justice, safety and it is about revenue, and I thank the committee for hearing this bill today, and I hope we can advance it in the next set of laws. Thank you.

1

2

3

4

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

2 CHAIRPERSON WILLIAMS: Thank you. 3 believe this is another excellent bill. For far too 4 long we've been trying to figure out how to encourage 5 property owners (1) to pay their debts, and (2) to be punished for bad behavior. I think this bill does 6 7 both of those particularly in a day and age where 8 [coughs] those Washington Making America Great Again, their version makes us incur many, many additional costs, and anyway that we can deal with that without 10 11 taking away programs is what we want to do. So 12 correcting that is an excellent way to do that while 13 encouraging responsible behavior. So I want to thank 14 Council Member Vacca for his leadership and vision on 15 this. We've also been joined, of course, by Council 16 Member Grodenchik. I'd like to thank my staff for 17 the work they did to assemble this hearing including 18 Nick Smith [coughs] my Deputy Chief of Staff, who is 19 today— Is this your last hearing Nick? This is Nick 20 Smith's last hearing. Remember he's been taken by 21 the dark side across the hall. So I just want to say 2.2 thank you again for the work that you've done. 2.3 going to miss you here. Megan Chin and Guillermo Patino, Counsels to the committee Jose Conde, Policy 24 Analyst to the committee and Sarah Gastelum the 25

am Alexandra Fisher, Deputy Commissioner of Legal

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

Affairs at the New York City Department of Buildings. I am joined Assistant Commissioner for External Affairs, Patrick Whaley and Department of Finance, and Department of Finance Deputy Commissioner for Treasury and Payment Services, Jeffrey Shear. pleased to be here to offer testimony on legislation that prohibits the issuance of building permits when certain outstanding debts is owed to the city. No. 1133 requires the department to withhold building permits for any property with \$25,000 or more in outstanding debt to the city associated with it or to the owners of a property if they owe \$25,000 or more in debt to the city. Permits can be issued only if the department determines that binding agreements regarding payments are being complied with as certified by the property owner or if the work is necessary to protect the public or to tenants within a building who are not responsible for the debt. department takes seriously its mandate to enforce the Construction Codes in an effort to protect the safety of the public. Some of the many examples of this include the 56,289 violations we issued last year, a 23% increase from 2013 along with over \$128 million in penalties. In certain instances the department

2 does use tools at its disposal to help ensure penalties are paid. For example, we will not renew a 3 4 construction professionals license until all outstanding penalties are paid, not just penalties 5 resulting from violations issued by the department 6 7 but penalties issued by any city agency. 8 Additionally, we require penalties associated with work being performed without a permit be paid before issuing a permit for that work. The Administration 10 11 recognizes the importance of collecting outstanding 12 debt to the city and applauds the City Council for 13 exploring creative ways to increase collections. 14 From the department's perspective when penalties for 15 violating the construction codes are not paid, it makes our enforcement less effective, which is 16 17 something we take quite seriously. Requiring payment 18 of debt to the city before permits are issued may very well incentivize owners to pay the debts they 19 20 have incurred. However, what about the owners who 21 lack the means or the desire to pay the debt. will choose not to do the work. Ohers, however, may 2.2 2.3 choose to do the work anyway without permits, and absent the department's regulatory review and 24

enforcement, this work has the potential to

3

4

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

2 | negatively impact the safety of the public.

Furthermore, should the department uncover this unsafe and unpermitted construction, it will lead to additional penalties that ironically may further increase uncollected debt. Last year the department issued a 1,006 violations for performing work without a permit, a 20% increase from 2015. Unfortunately there are many property owners throughout the City who choose to perform illegal work without proper safequards and absent the department's scrutiny. And these are the bad actors whose decision to disregard the law is not encumbered by owing money to the city. It is difficult to quantify the extent to which unsafe and unpermitted work would increase should this bill be enacted. Since our principal mandate is to enforce the construction codes to safeguard the public, any proposal however well intentioned gives us pause if it has the potential to result in unsafe This committee is quite familiar with the recent increase in construction accidents across the city, and we appreciate the opportunity to continue to work with the Council to explore solutions to this problem. As we continue our discussions of this important legislation, it should be viewed not solely

through the prism of debt collection, but in this
context as well. Less important but still
significant is the bill's proposal to expand the
department's role in debt collection efforts, which
resides well outside our mandate. It is not the
department role nor do we have the means to keep
track of all the debts in this-excuse me-to keep
track of all debts to the city, any agreements to
resolve the debt or make a determination as to
whether the debts were paid. Furthermore, requiring
the department to check with a property owners who
have outstanding debt with other agencies would
significantly slow our permitting process overall
including for those applicants who have no
outstanding debt at all. In sum, while the
department is considering this legislation with an
open mind, we think it warrants further discussion to
determine the extent to which it may result in unsafe
construction, and how it may be tailored to
appropriately conform with the department's mission
and expertise. Thank you for your attention and the
opportunity to testify before you today. We welcome
any questions you may have.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

2 CHAIRPERSON WILLIAMS: Would you like—you 3 can read your testimony for the second bills.

HENRY BERGER: [off mic] Well, I'll do two if you'd like.

CHAIRPERSON WILLIAMS: Yeah. Sure, no we can do both at the same time. Thank you.

Thank you Chair Williams HENRY BERGER: and members of the Housing and Buildings Committee for the opportunity to appear before you today. Henry Berger, Special Counsel for the Mayor, and I'm here to comment on Intro 750-A. The legislation would require landlords of multiple dwellings to provide English language voter registration forms to prospective tenants signing a vacancy leases and to provide the from in four other languages at the request of the tenant. In addition, the legislation would permit the owner to assist the tenant in completing the form and to transmit the form to the Board of Elections. The City Council and the Administration have already adopted a number of proposals to ease the burdens imposed by state law on voter registration. The Council has enacted agency based registration with provisions for voter-for agency assistance, and the Administration has

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

have worked with the high schools in their districts to establish a student vote, a registration day, and register thousands of our high school students. of these programs calls on governmental entities to assist in the voter registration process. legislation on the other hand would impose a burden on the a private party-private property owners. believe it is inappropriate to do so. Most importantly, we worry that permitting landlords to intercede in their tenants' voter registration process even if it is at the tenant's requests creates opportunities for improper political pressure even voter intimidation that are not necessary or desirable give the other opportunities to register that the city provides or is pursuing. The Election Law prohibits employers and union representatives even if a vote is a request from interceding in voters' election activities. We believe the landlord/tenant relationship, which is similarly unequal and financial is analogous to these circumstances where intercession in voter activity is inherently inappropriate. Many landlords do not have expertise in or familiarity with election laws or registering people to vote, and not every tenant in

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

the city is eligible to register to vote in New York State or eligible to vote at the address where they have a lease. And tenants who receive a voter registration form together with their lease may mistakenly believe that the form must be returned to the owner who may not wish to collect them. also concerned about imposing additional burdens on owners of smaller buildings, many of who manage the buildings themselves. Finally, HPD is concerned about the inclusion of this provision in the Housing Maintenance Code, which establishes housing quality standards for owners to maintain dwelling units for the benefit of tenants. We do not believe it is appropriate to add this requirement to a code that is focused on ensuring health and safety of the tenants. It is also not clear that the bill may be properly enforced in the Housing Maintenance Code given that its mandate is not related to housing standards, quality or maintenance. For these reasons, we do not support the-the legislation, and if you have any questions, I'm pleased to answer them.

much. I have a couple questions, and then I want to move quickly to my colleague Council Member Vacca so

illegal, but it just doesn't appropriately fit.

## COMMITTEE ON HOUSING AND BUILDINGS

2.2

2.3

2 the Housing Maintenance Code is really for set-for 3 safety and for--

CHAIRPERSON WILLIAMS: [interposing]
Okay.

HENRY BERGER: --maintenance of the building, and it just doesn't fit there, and the enforceability provision [coughs] provision makes it very, very difficult. I think it's in the Housing Maintenance Code.

CHAIRPERSON WILLIAMS: Thank you. I have some questions on both bill, but I want to move to Council Member Vacca so he can ask questions on his bill.

COUNCIL MEMBER VACCA: Thank you, Mr.

Chair. I wanted to limit my questions to 1133. When we talk about uncollected fines, I used the \$300 million in ECB fines before as a conservative number, but I wanted to say that upon looking at the open data portal of the city of New York the fines now that are uncollected through the Buildings Department ECB violations looked to me to be more like \$500 million. Do you have a number or do you just—do you dispute the \$500 million? Can you tell me the number of uncollected fines that you estimate you're owed?

15

16

17

18

19

20

21

2.2

2.3

24

25

2 DEPUTY COMMISSIONER SHEARS: Yes, so the 3 Department of Finance is required by the City Council 4 and Local Law to issue annually a report to the Council on the status of the ECB judgment inventory, and the report that we issued in this past November, 6 7 November of 2016 indicated that the amount owed attributable to the Department of Buildings was over 8 \$900 million. Now, I do want to add that a significant portion of that is due to penalties, \$448 10 11 million so about half of that is due to default 12 penalties that are assessed if a respondent fails to 13 appears for a hearing, but the total number is \$900 14 million.

COUNCIL MEMBER VACCA: So we're basically talking about almost \$500 million plus \$448 basically, and we're talking maybe a little less, \$450 million and \$448 in penalties?

DEPUTY COMMISSIONER SHEARS: It—it—it's \$450 and \$450 and if you are going to drill down I should also point out that of the \$900 million, \$228 million is interest. So the base fine amount is \$225 million plus about the same amount for interest getting one to about \$450 and then another \$450 in penalties bringing the total up to \$900 million.

2.2

2.3

exploring this issue, things have gotten worse not better. We seem to be incurring more debt and we seem to be digging ourselves further into a fiscal hole. That's what it appears to me because these numbers are the largest I—I have seen and as I said, my bill is pending now almost nine years.

DEPUTY COMMISSIONER SHEARS: I—I don't have the—the figures that you looked at previously. When we looked at the figures from November of 2015 to November of 2016, we did not see significant change. If—if you want us to explore the earlier numbers, you have we're—we're happy to do that.

have-[sneezing]-bless you. God bless you, it's true. I would like to say that would like you to explore it, but more than that I'd like you-I'd like you to collect it. Now, your agency is not a collection agency. I agree with you, but knowing how much money is owed and working with other agencies using technology I hope is the way our city should be going about this. Not just saying well this requires other agencies to do this and that. I mean those days should be gone. Your testimony indicates what-if

2.2

2.3

2 the-if the owners can't pay the debt, maybe they
3 won't do the work. Well, I say if they can't afford

4 to pay the debt why are they doing more work? Let

5 them pay their debt before they start the next

6 project. I'm not concerned about people who can't

7 start their next project because they haven't paid

8 | the city money that they owe. Tough. [pause]

DEPUTY COMMISSIONER FISHER: I think the concern is that potentially the work that they end up wanting to do ends up being done without the oversight of the department because they will forward regardless. So they won't come forward to pay their debt, but they also won't come forward to pull the permits in the first place.

department has to issue stop work orders and you—you have to issue orders that will tell these people that without permits—I have instances right now in my district where people did work without permits and your department issued a stop work order, and that's exactly what stop work orders are for. But I'll tell you the truth, I have another person in my district who is building six—story building right now, and he has four site safety violations in progress while the

building is going up and he's defaulted on all four,
and your agency lets him go ahead and build, and no
stop workwork order issued. I mean I'll be damned
if this is going to continue in the city of New York.
Why are we not telling these individuals that they
have to pay what they owe? Maybe they'll be more
careful in requiring site safety mandates. Maybe
they will be more careful in planning future
development and financially prudent enough to
understand that I cannot further over extend myself
because for once what the city puts on paper they
mean business with. There is not view today at all
with the Buildings Department. These violations are
not worth the paper they're written on and all these
developers who are engaging in this stuff know that
they can pay those fines ten years down the line, 20
years down the line or basically not pay them at all,
and here we have instances where they're not paying
them-paying them at all, \$900 million worth in
Buildings Department alone.

ASSISTANCE COMMISSIONER WHALEY: So

Council Member I think we do agree with the goals of
the legislation and much of what you've said.

However, you know, you're going to have a situation

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

where some of these owners will choose to pay the debt, and that's certainly the desirable outcome. We all can agree with that. There will others who choose to not do the work and we agree with there. That's not our concern either. What our concern is that there very well might be some number of owners who will choose to do the work anyway, and that work they will not pull permits for it, and our enforcement is largely reactive. So we'll get out there when receive a complaint or we see something, and upon seeing illegal work we'll certainly stop that work. But what happens if that work happens ad the department hasn't gotten out there because we haven't received a complaint? That work is being performed unsafely, and there's a potential that the

COUNCIL MEMBER VACCA: Patrick, with all due respect to you, I cannot accept that answer. I cannot accept the answer that we're going to allow people to get away with unlimited debt because if we make them pay they're going to go ahead and do what they want and do anyway, and we're not able to stop them. This is not the wild, wild west of—of development. This is the city of New York. We have

public could be negatively affected by that.

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

rules and regulations. We have the right to collect fines that are legally assessed. I object to any type of defeatism like that. It's not-it's not good public policy to say that we are not going to collect debt because we're afraid we're afraid you'll do something wrong down the line. They something wrong, they will be stopped. They will be hauled in. will defer the fines, and they won't do something wrong when they see that the Buildings Department has teeth behind collecting the fines. Now, I do see your point when you say that you're not a collection agency, and perhaps we should look at the legislation, but we have a Department of Finance in the city of New York. We have other agencies that have to come to the table and we want to get this legislation passed. I'm hearing from your agency that you think it's good. I'm h earing from the Chairman that we are facing a financial crisis the likes of which the city may never have been faced in the past because of federal disownership of our city. So therefore rather thank take away and face the prospect of reducing programs that we feel are important in this Council, it is a sin not to act on this debt. It is a sin and I just don't think we're

2 capable of doing it at this point. I think that

3 | we've not given it the priority it needs and we've

4 kind of thrown up our hands in the air. Now, I'm

5 | leaving this Council December 31st but I want this

6 done before I leave. It's only been nine years and

7 the problem has gotten worse, and do we mean in nine

8 | years we've totally been incapable of having agencies

9 | sit down to say we've got to do this? In nine years

10 that does it take to get this done, to collect the

11 debt, and to stop more work from going on? What does

12 | it take?

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

1

DEPUTY COMMISSIONER FISHER: So to answer part of your question, if I may, the department has worked with the Finance Department most recently and also a few years ago on amnesty programs in order to help collect some of this debt. We are also working towards implementing lien provisions that exist in the construction codes for certain tenancies. So that would also help the city collect the debt, and finally, the department does upon license renewal collect the debt that the licensee owes us prior to receiving their license back.

COUNCIL MEMBER VACCA: Well, that's-it's not answering-it's-it's not-it's still-we are still

- in the financial hole. So what happens with these
  developers who get these violations? They default.

  What does it mean? What does it mean? They default.

  They don't go to court. They have \$8,000 in fines
  because the scaffolding was not constructed properly,
- 7 which is, by the way, unlikely in that situation. God
- 8 forbid. Somebody walks under that scaffolding and
- 9 there's an \$8,000 violation. It could be a life and
- 10 death situation. So what happens to those fines?
- 11 They just sit there in the computer somewhere. I see
- 12 them. They're in the computer. They're in the-
- 13 | they're in the Building Information System. So what
- 14 happens? [pause]

- DEPUTY COMMISSIONER FISHER: So in some
- 16 instances we do work with the Law Department to have
- 17 debt collected. They bring additional actions to
- 18 have that collected. Again as I said, we are working
- 19 with Finance on various projects moving forward, and
- 20 we absolutely welcome the opportunity to talk further
- 21 about this legislation.
- 22 COUNCIL MEMBER VACCA: I want there to be
- 23 a sense of urgency. My God, nine years of this.
- 24 | There's no sense of urgency. Talk to Finance. Talk
- 25 to this one. Look, I'm through with the talk. When

25

2 | are we going to take action and get the money?

3 There's no answer to this. I think it's obvious that

4 there is no answer to this. I have an answer. I

5 have a bill. I am going to push this bill very

6 strongly. I don't even understand the arguments

7 against it, which your arguments are not against so

8 much, but even the explanation you give is-is weak,

9 and it's like we can't get our act together type of

10 explanation, and I'm-I'm not accepting this. And

11 | you're now unable to deny a permit because somebody

12 has outstanding fines. You are unable, legally

13 unable to deny a permit. I could produce whatever

14 | evidence, site safety, illegal occupancy, Fire

15 | Department violations. I could produce whatever I

16 want, but that person who's done all that, is going

17 | to go ahead and get the permit for the next

18 development and your agency has no authority to stop

19 | that, and that to me say it all.

20 ASSISTANCE COMMISSIONER WHALEY: So

21 Council Member if I could add, just the example

22 | you've cited previously. If there is unsafe work

23 | occurring, we'll certainly stop the work and, you

24  $\parallel$  know, work to ensure that it gets corrected.

Obviously, the payment of the penalties is a separate

- 2 matter, which is the subject of this hearing. But I
- 3 just wanted to state that for the record. And
- 4 furthermore, when there is unsafe work occurring, we
- 5 do have the authority to revoke permits and stop the
- 6 work from continuing, which again I understand is a
- 7 separate matter, but I just-
- 8 COUNCIL MEMBER VACCA: [interposing] A
- 9 separate matter.

- 10 ASSISTANCE COMMISSIONER WHALEY: --but I
- 11 just wanted to be clear on that.
- 12 COUNCIL MEMBER VACCA: I understand that.
- 13 | I understand that. What I don't understand is that
- 14 no agency in this city has come-what I don't
- 15 understand is the agencies in the city have not come
- 16 | together to collect all this debt and to say no more
- 17 | permits unless we collect what you owe. A man and a
- 18 | lady, a woman and a man, a couple who have—who want
- 20 house. If they don't have the resources, they don't
- 21 | build the two-family house. If a developer does not
- 22 | have the resources to build another high-rise because
- 23 he has violations on the last high-rise, he has to
- 24 complete his obligation to the high-rise he already
- 25 | built before he goes ahead and builds the next one.

- 2 He has fines. He has to-t his is common sense. It's
- 3 common sense but, you know what, beyond common sense.
- 4 It's hitting us in the pocketbook now, and it's
- 5 hitting us for all too long. And as I said in my
- 6 statement, this is about justice, too. Whey do we
- 7 have site safety regulations and why do we impose
- 8 | fines if we can't collect, and we can't get our act
- 9 | together to collect them. I have no further
- 10 questions.
- 11 CHAIRPERSON WILLIAMS: Thank you, Council
- 12 Member. [coughs] So apparently there isn't that
- 13 much enthusiasm for both the bills. But, I do want
- 14 | to say there is a lot of frustration that is shared.
- 15 I'm going to start with Intro 1133. We've been
- 16 | joined by Council Members Mendez and Salamanca. I'm
- 17 going ask some questions and then go to my colleagues
- 18 | who have questions. One, how many violations total
- 19 more than \$25,000? How many of those are
- 20 | individuals, separate property owners? Properties or
- 21 owners? [pause]
- 22 DEPUTY COMMISSIONER FISHER: Sorry, I'm
- 23 | not sure I understand your question.
- 24 CHAIRPERSON WILLIAMS: [coughs] How many
- 25 | violations total more than \$25,000 that will be

they're on this list are likely to be do improper

2.2

2.3

repairs. So wouldn't you be able to just focus to
make sure that any repairs aren't done improperly?

[background comments, pause]

DEPUTY COMMISSIONER FISHER: So I think hat's a good point. I think it does give you an idea of who the bad actors may be. I think it's a little more nuanced than that because the entity itself may owe the money, but there may be other properties that that is attached to it. I—I guess I'm not being entirely clear. A property may have violations listed on it that are issued not just to the owner, but also to contractors who pull permits.

CHAIRPERSON WILLIAMS: Okay. [coughs]

I'm going to come back to this. Does the city work
with the debt collection agency? If so, what is the
-what is the success rate?

peruty commissioner shears: Yes. So I just wanted to step and give some context in terms of how collections work for these violations. So the—
the first issue I want to address is that some of the violations get paid before they are entered into judgment. So before they're referred to the
Department of Finance. So the latest information that we is that—and this is from a couple of years

ago-is that the violations that can be adjudicated by OATH, Environmental Control Board, 60% of them are resolved before they have to go into judgment. little over half are paid, and then another nine or ten percent are dismissed at hearings. So after that process, if people either fail to go to hearings of if they lose at hearings and they do not pay afterwards, that is when the referral comes to us. We get approximately \$200 million a year in referrals from all agencies, and at that point we do a number of things, and-and we have been increasing our level of enforcement. So, we send out letters to all entities who receive these violations that are in judgment. We also send out letters if there are partial payments to remind people that they have to pay the full amount, and we have an in-house unit that responds to calls and questions, and sets up payment plans if necessary to resolve these violations. In some instances, we are now referring a greater number of these violations to enforcement agents. That would be either the city sheriff or the city marshals where they can visit the owner's place of business or house, and demand payment with

24

1

2

3

4

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

2 additional fees, and possibly seize their assets.

3 So, that enforcement is up sharply, and we-

CHAIRPERSON WILLIAMS: Well, I want to pause there. The seizing of assets, what triggers that and tell me more about this-this seizing action. What triggers that? If we have that ability, why are we not doing it more often?

DEPUTY COMMISSIONER SHEARS: [pause] Well, we are making more referrals to-to the enforcement agents. The seizure of assets doesn't occur very often.

CHAIRPERSON WILLIAMS: Let's start with what-what makes the referral? When do you decide to me a referral? [coughs]

DEPUTY COMMISSIONER SHEARS: We make a referral when we have an indication that-when we have-I found the debtor, and I-I should point out that a lot of the inventory we've classified as not collectible because people have retired, they've passed away, companies have gone out of business. So when we identify that there is a-the debtor is around, and we know where they are, and if the amount is significant, then we make a referral to [coughs] the Sheriff's Office or--

22 CHAIRPERSON WILLIAMS: This is all state.
23 There is nothing the city can do.
24 DEPUTY COMMISSIONER FISHER: Not that I'm

aware of. No.

State Legislature.

21

	CHAIRPERSON	WILLIAMS:	Okay.	Okay, s	30
I'll continu	ie. So now	so they eit	her pas	sed awa	ıy,
God forbid,	or they oth	erwise not	collect	ing the	em.
because they	y're-because	there's no	one th	ere. S	so the
ones that as	re collectib	le?			

DEPUTY COMMISSIONER SHEARS: For the ones that are collectible, if—if we identify that companies there with significant debt, we will make a referral to the—either the City Sheriff or the City Marshals. The referral is known as an—

CHAIRPERSON WILLIAMS: [interposing] I'm still not sure what triggers it. Is it a time period? Is it an amount? What—what triggers the referral to seize the assets?

DEPUTY COMMISSIONER SHEARS: It—it's—it's based—it's both. It's basically it's an amount. We don't have a strict cut—off but there are the larger amounts that we see, and our ability to identify that the debtor is—is around.

CHAIRPERSON WILLIAMS: So if we have caught A that's around, and they owe \$26,000, and we're saying you can't get this permit to do work unless you pay it, and we're afraid that they're

2.2

2.3

enforcement. We're facing another \$2 billion from

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

this government and wants to put it in 420-MA (sic) program that doesn't work and it would take away That's just in one are, and so we have to taxes. reorder our priorities. So the-the stuff that hasn't been working, we can't say it doesn't work. We now have to be creative. So I need to understand where the sticking point is, and why we're having problems with this. It's \$900 million. That can plug a lot of holes, and obviously we'll never collect 100%, but I'm not even sure how hard we're trying at these sticking points. I'm glad that some people pay, but when they're not paying, I need to understand what is preventing is them, and if there's something the city can do. Because we hear a lot of times that we really can't do things, and here we have a bill that will make it legal to do something, and we're still getting pushback. So I just need to understand where the sticking point.

DEPUTY COMMISSIONER SHEARS: Right.

[coughing] So I can come back to you. There are a host of federal and state laws that limit the extent to which buildings can be seized. There are also practical considerations that we have buildings with renters in them, and the resources that it would it

COMMITTEE ON HOUSING AND BUILDINGS

2 | take an enforcement agent to operate the building in

3 those instances, and—and the decision as to whether

4 to seize is left up to the enforcement agent. So we-

- || .

2.2

6 CHAIRPERSON WILLIAMS: [interposing] I
7 know that if I—if I don't pay my tickets, they come
8 and take my car.

MALE SPEAKER: Yeah, right.

CHAIRPERSON WILLIAMS: That's what's happening. Well, I don't—I wish I had these protections. I'm not saying this ever happened to me a couple of times, but I wish the protections were there, and it doesn't seem like it is. So, I need to know what protections are there. I wish you had that. It seems to me it is the conversation we were going to have today. So it would have been to have that information today so we could have it on the record of what those problems are so we can through them. So I'm—I'm disappointed that we don't have that information because we need to know the city or state or we're just being lackadaisical, and not really pushing through. It doesn't like you had that conversation.

2.2

2.3

DEPUTY COMMISSIONER SHEARS: I don't have the details to-to go through it. We will provide them forthwith.

DEPUTY COMMISSIONER FISHER: [off mic]

And get them. (sic)

CHAIRPERSON WILLIAMS: [coughs] I'm sorry. I want to go back to this we're afraid that they won't do work. You know, also is there an emergency repair program for D-O- for the Department of Buildings.

DEPUTY COMMISSIONER FISHER: We don't have our own emergency repair program. Where there are issues that require an emergency repair, and the owners do not come forward to do them, then we work with HPD and their contractors.

CHAIRPERSON WILLIAMS: Okay, we may have to look at beefing that up because I agree that this is not an excuse to say someone may do illegal work but they always may do illegal work, and it seems to me if we have a pool of bad actors, we should focus on those bad actors. We have to have a mechanism to collect additional money. We present something and Council Member Vacca has provided a lot of leadership here. If you have something else that you'd like to

- 2 present, I think that's good, but we can't do
- 3 | nothing. That is not acceptable any more
- 4 particularly in the time that we have. Do you have
- 5 any evidence of when and where increased fines have
- 6 pushed people to do illegal work?
- 7 DEPUTY COMMISSIONER FISHER: No. I
- 8 | think, as I testified, it's hard to quantify the what
- 9 is in my mind sort as an unknown.
- 10 CHAIRPERSON WILLIAMS: So it sounds
- 11 something that's plausible, but we don't even where
- 12 an inspection is or where we can plug it. So again
- 13 | we're responding to something that we don't even know
- 14 much about.

- 15 DEPUTY COMMISSIONER FISHER: Agreed. 1
- 16 | would say that the issuance of over 8,000 violations
- 17 | for work without a permit is somewhat telling.
- 18 CHAIRPERSON WILLIAMS: It's also telling
- 19  $\parallel$  that we are not doing enough, and so we need to find
- 20 out where these plugs are, and-and deal with that
- 21 because 8,000 that's—that's a problem people not
- 22 paying it. While you probably would have paid the
- 23 fines, if nobody cares, you probably wouldn't have
- 24 done your homework if you mother wasn't-wasn't home,
- 25 | right? That's probably what would have happened to

all of us, and so if there's 8,000 fines I think that says a lot about us as well, and I think that DOB and the Public Finance in this day and age has to reorder its priorities because we are going to be looking for a lot of money, and there's a lot of money out there. And I haven't heard any real reasons except we don't know or we don't do that as to why this bill doesn't work, and I don't think that's a good enough reason. So I'm going to come back to the other bill in a minute. I know Council Member Vacca had some additional questions, and then we'll go to Council Member Grodenchik for five minutes.

COUNCIL MEMBER VACCA: Thank you, Mr.

Chair. Thank you for your comments. Years ago, DOB focused on a lack of feasibility, and they said then that there was no automated system to check other agencies' databases for fines. Now, since that time, our city has made tremendous strides in technology.

We've improved out data matching system. We have open data. I under—I don't hear from you that this is a concern any more. I don't hear from your agency that there is a concern that you could not get a data system that would tell you who owes money, and who

2.2

2.3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

does not. So that does not appear to be a concern you're voicing today.

DEPUTY COMMISSIONER FISHER: The department itself is undertaking a huge IT update to those systems. So, we're working through our own information shall we say, and it is still somewhat difficult to get this information, but I agree with you. Over time the IT challenges have lessened.

COUNCIL MEMBER VACCA: I wanted to stress because I heard the word seized property, and federal and state preemption. My legislation does not advocate the seize property. Nothing in my legislation would indicate that we are preempted by the state of federal government. We have the right do this. The city through a legislative process has the right to say no more permits until you pay up what you now owe us. We have the right to do that, and lastly, I did want to make this argument. argument is really it's like-it's Swiss cheese, full of holes. The argument that if we do this people will go ahead and build illegally anyway. Well, that speaks to a lot of problems we have in the city. speaks to enforcement. It speaks to being proactive, but I'll tell you the truth, we would lose a lot of

live if the—if the Department of Transportation had that same philosophy. Perhaps if the Department of Transportation said you know, you guys ran a red light here, and think the red light is merited, but if we put a red light here people are going to ignore it anyway. So put the red light? That argument doesn't stand the test the time. It doesn't stand any anal—any level of analysis, and by the same token to tell people because we're going to make you pay your debt we're not going to let—we're not going to make you pay it because you may go ahead and build anyway. So we'll let you get away with all the debt you owe us. It's—it's like one and one doesn't make three, and it's not acceptable to even conjecture that that would be the case.

## ASSISTANCE COMMISSIONER WHALEY:

Respectfully, Council Member, I think you're making a bit of apples and oranges comparison. The Buildings Department will never have the resources to be everywhere at one point in time, nor do we have the ability to predict the intentions of a bad actor. To some degree our enforcement is going to be reactive, and there is—

2.2

2.3

2.2

2.3

Then--

2	ASSISTANCE COMMISSIONER WHALEY:a
3	change that some of these bad actors who might not be
4	able to get a permit because they have outstanding
5	debt may unfortunately choose to do the work anyway.
6	And, of course, we'll do everything we can to get out
7	there and to understand what's happening, and to
8	enforce appropriately. But there is a-is a chance
9	that that work is going to be performed unsafely
10	before the department has the ability to
11	COUNCIL MEMBER VACCA: [interposing]

ASSISTANCE COMMISSIONER WHALEY: -- recognize it and enforce it.

stop work order because if that person is going to do
the work unsafely because he owes fines, he's going
to do the work unsafely if he doesn't pay the fine or
whether he does pay the fine. That person is called
an outlaw, and either way that person is going to do
what he wants, and the Parks Department—it's not
apples and oranges because the Police Department does
not have the resources to ticket everyone who
disobeys that red light either. But what the Police
Department does is that they set a tone, meaning they

2.2

2.3

make some people an example. They go there at night for three or four hours and they will see who passes the red light, and when they—those people pass the red light for those several hours, the Police Department gives everybody a ticket that passes the red light. And you what people in the community do the next day, they stop ignoring the red light because they know that they're going to be ticketed, and that there's going to be a penalty, and if those people have to pay a red light ticket, well, damn it, these people who owe the city hundreds of thousands of dollars in fines because of their illegal activity, they should pay up, too. They're no better me and the people that I represent.

CHAIRPERSON WILLIAMS: [coughs] Thank
you. I do admit that it's obviously hard to be ever
at the same place to everyone at the same time. I
mean it's a case of every agency as, the Council
Member pointed out, but it seems to me that we do
have some mechanisms that could be used, and it seems
that we have (1) a place that we can look at where we
think the bad actors may be performing and focus some
resources there, and (2) if someone applies for a
permit and gets denied because they didn't pay their

fine, and their fine isn't paid, that's another indication that we may want to do some follow-up, to see if they work they applied for is actually being So I think there are some real things that can be done if we reorder not just having a lot of agencies, but this is the one that has over-this committee has oversight over. If we reorder how the agencies are looking at collecting this debt as a serious part and function of the work that's being done, and you, of course, said that it is not part of your mandate. I think it has to be. everybody has to be part of this now, and get particularly of where were we are in working with the Department of Finance. If any of the things that I suggested that we can do as a place they're beginning to look at where people might do this, if there's a problem there I'd like to know it now because those actual real suggestions I think can help us move this bill forward. So I just wanted to give the opportunity to respond to anything I suggested that may be a problem and maybe, you know, you need more time to think about, but I'd like to know of any-any reactions.

1

2

3

4

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

ASSISTANCE COMMISSIONER WHALEY: I think your—your points are very well taken, and I think we need a little bit more time to think through how you sort of, you know, cave out who the bad actor is.

CHAIRPERSON WILLIAMS: Okay. So I am inclined very much to (1) I want to get on this bill. I generally don't do that until I have a hearing, and I want to work with Council Member Vacca to really make it a priority to get it done and I'd love to work with DOB and Finance to make sure it's done in a way that works with what you can do. I do know it has to be a rethinking of a lot of things, but I don't know if we have a choice. One of the things it's curious (sic) and, too, I think a lot of us are saying that we're facing cuts. I'm not sure if we're acting as if we might, and I don't want to wait until it happens, and then everything is getting cut, and we're fighting and battling. So, I really want to focus on that. I have some additional questions for the next bill, but I want to go to Council Member Grodenchik for five minutes. We were joined briefly by Council Member Levine. We're joined also by Council Member Rodriguez who has a beautiful young lady with him. [background comments, laughter]

2 COUNCIL MEMBER GRODENCHIK: I don't have 3 a beautiful young lady with me. You know, I was 4 sitting with a bunch of my constituents yesterday, older women who had been living in Eastern Queens 5 since they opened the Deepdale Development in 1952, 6 654 years in the same apartment, and they were 7 8 complaining about their property taxes. These are women well into their 80s very keen, very smart, and it is hard for me to listen this morning. 10 11 colleague, Jimmy Vacca and the Chair of this 12 committee have expounded eloquently on what's going 13 on here. When you say that there are 10,000 people that owe the city of New York \$25,000, if I don't pay 14 15 a parking ticket--and I do get them from time to 16 time-the TVB comes after me and then they add \$10 and 17 they keep going. Then I turn to my wife and say 18 please pay this because it kills me to pay a parking 19 ticket because most of the time, it's from misreading 20 the sign. We are allowing people to get away with an 21 incredible amount of money. You're talking about 2.2 leaving a quarter of a billion dollars on the table 2.3 here and, you know, somebody I think it was Jimmy brought up the analogy if-if you would stand with a 24 radar gun on the Van Wyck-well not on Van Wyck 25

2 because nobody speeds on that thing, but on the 3 Clearview or the Grand Central Parkway as they both 4 pass my home in Hollis Hills, I would bet that close 5 to 100% of the people are speeding. They may not be doing 100 miles an hour, and the NYPD is very 6 7 efficient on those two highways, and they get a lot 8 of people for speeding, but most of the people get away with it. But they do set the tone, as Councilman Vacca said, and I really think we need to 10 11 be looking here. Just because some people are going 12 to do things, there's always people that do illegal 13 That's why we have about 36,000 members in things. our Police Department because there's always going to 14 15 be people who exhibit criminal behavior, and while 16 this may not be criminal behavior although I guess it 17 could rise to that standard in some cases, we need to 18 crack down. We are leaving an inordinate amount of 19 money on the table, and we are rewarding people who 20 are complying with the laws of this city. So what 21 you're doing is that the people that are doing things 2.2 properly and do pay fines are being made fools. 2.3 While people-\$25,000 is a lot of money. cracked out. If you didn't pay and I don't know if 24 any of you own property in this city, but if you 25

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

didn't pay your property taxes or you didn't pay your water bill, you're going to hear from the city of New York, and if you don't comply, they're going to take your property. But yet, we're worried about people who are violating our laws, and I think you really need to come back to this committee, and let us know how you can make this happen. I understand that the Department of Buildings is not a collection agency. We have the Department of Finance. They're very good at what they do. Believe me, they're very good at what they do, but we need to work with them. We-we all have access to information, and I would hope that you would take the Chair up, and Jimmy, if it doesn't get passed, in four more years, we'll have a bar mitzvah for the bill. But-but [laughter] in the meantime-

COUNCIL MEMBER VACCA: [interposing]
Right.

COUNCIL MEMBER GRODENCHIK: In the meantime, we should be able to make this happen for the taxpayers and for the people that are doing the right thing. Because I have to think that some, you know, we work in my office. I don't have a lot of development in my office. I have mostly single-

18

24

2 family homes, but we meet with architects. We meet

3 with land use attorneys from time to time, and

4 | they're all trying to do the right thing, and what

5 | we're doing here by leaving over, as said, a quarter

6 of a billion, maybe a lot more. By leaving a quarter

7 billion dollars on the table, we're rewarding bad

8 behavior, and just because we won't catch everybody,

9 we never catch everybody. It's just the nature of

10 | human beings, but we shouldn't be rewarding that.

11 So, I hope that that—I don't have questions for you

12 | because they've all been asked but I wanted to add my

13 | voice to the Chair and to Councilman Vacca that I

14 | hope that the DOB, and if we have to, maybe we need

15 to work with Finance, but if they can fine me for not

16 paying a parking ticket or I dare say the Chairman

17 | for doing other things, they can-

CHAIRPERSON WILLIAMS: [interposing] I'm

19 committed working. (sic)

20 COUNCIL MEMBER GRODENCHIK: Ya vol.

21 | [laughter] The Sergeant Schultz defense. They-they

22  $\parallel$  can certainly find people that owe \$25,000, and maybe

23 | it's done by-instead of by the XYZ Corporation, maybe

it's done by-for property, and that would be the way

25 to do it. Thank you very much, Mr. Chair.

2	CHAIRPERSON WILLIAMS: [coughs] Thank you
3	very much, and I-I would dare say it's probably more
4	than quarter billing because the question was how
5	many owed \$25,000 or more. [background comments] I
6	also, and I think, too, someone could lose their
7	home. I believe the threshold is \$2 or \$3,000 for
8	unpaid property or water taxes over two or three
9	years, and their home could be taken. It's a lot
10	smaller. So we should—go ahead.
11	DEPUTY COMMISSIONER SHEARS: Yeah, the-we
12	do not take homes. So I just-I understand the point,
13	but I-I want to be clear. We do sell tax liens for
14	amounts generally over \$1,000 and over that
15	CHAIRPERSON WILLIAMS: [interposing] A
16	thousand is even less.
17	DEPUTY COMMISSIONER SHEARS:and older
18	than three years, but we sell the liens to a third
19	party. We do not take the homes.
20	CHAIRPERSON WILLIAMS: Well, do you sell
21	the liens here for these—the liens that we're talking
22	about?
23	DEPUTY COMMISSIONER SHEARS: We do not

sell these liens, no.

2	CHAIRPERSON WILLIAMS: So we-would have-
3	my point is that we're not treating these things
4	equally.

DEPUTY COMMISSIONER SHEARS: I understand you point, Council Member.

CHAIRPERSON WILLIAMS: Okay, Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Thank you,

Chair. First of all, I would like to put my name on
those bills. How much is the total bill? How much is
the total amount that does seem that be the all.

(sic)

that there is an outstanding amount of \$900 million associated with Department of Buildings violations that are in judgment. About half of that \$450 million is composed of penalties, default penalties, and about a quarter of that is interest on the base fine. The base fine amount is \$225 million.

COUNCIL MEMBER RODRIGUEZ: Okay, and that, sir, I know can relate. Who is responsible to—the Department of Finance is the one who collects—so possibly collecting the money?

2.2

2.3

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

HENRY BERGER: So the Department of Finance is responsible for collecting when those violations go into judgment. So beforehand, people do pay off the initial violation, and then people also can go to OATH to have hearings off of the violations, and they can either-some-some of the violations are dismissed or if they lose at the hearing, or only get a partial reduction, they can pay at that point. So, 60% of the violations are resolved through the hearing process, and then if after that process concludes and people still ignore a couple more letters from OATH reminding them that they have outstanding balances, at that point the city will file a judgment and then it is referred to the Department of Finance, and at that point yes it's our job to collect.

COUNCIL MEMBER RODRIGUEZ: What—what is then are the incentive for those individuals to say we don't to, nothing will happen to us, and leave with, you know, that we that where there's a mile, there are no consequences. What are the incentives?

HENRY BERGER: I'm not sure I can answer that, Council Member. All I can say is that we are ratcheting up our enforcement efforts and our

2 collection efforts. We do collect more now. We

3 | collected \$42 million in Fiscal Year 14, and this

4 year we are on pace to meet or exceed our projection-

5 projection of \$70 million, but I don't know what's in

6 the minds of the people who choose not to pay.

COUNCIL MEMBER RODRIGUEZ: But you are the one who put the policy in place, and-and you are the one that have to be working with your team on understanding why that happened so that you can, you know, bring a new level of enforcement to them. what if-when you look or work with your team and you say what this is happening. You know I used to be a teacher of 13 years so I-I got to look at how my students are performing, and based on that as a teacher and principal he-we work and we maintain or we keep the plan. So what changes do you think should take place besides all sign to the new legislation in order go out and be able, one, to collection and second for those individuals to know, you know, we should know--

HENRY BERGER: Yes.

COUNCIL MEMBER RODRIGUEZ: --and you take

24 it.

7

8

10

11

12

13

14

15

16

17

18

19

20

21

when--

HENRY BERGER: So-so we've taken a number
of steps in—in the last couple of years actually
working with the Council. So there have been other
committees that have held hearings on this issue. We
recently concluded, for example, an amnesty program
this year based on Local Law that passed by the
Council, and the Amnesty Program we think first and
foremost brought a lot of visibility to the issue
that and to the outstanding debt that wasn't there
before, and it brought—we expected it to bring \$20 to
\$30 million. It actually brought in \$45 million, and
we were able to abate over \$100 million penalties and
interest as a result of the Amnesty Program, and we
also have been increasing our referrals to
enforcement agents, and we now if one collection
agency is unable to collect the debt to make sure
that we've done our due diligence. We refer the debt
to a second collection agency. So we've been
increasing visibility and increasing enforcement, and
we have seen increase in collections as a result.
COUNCIL MEMBER RODRIGUEZ: Great, so

HENRY BERGER: [interposing] But we acknowledge that there's more to be done.

2	COUNCIL MEMBER RODRIGUEZ: Great, and how
3	much—you didn't refer to, you know, the amount that
4	is there that the DepartmentDepartment of Finance
5	that you guys are-should be able to collect. When
6	you look at the ratio, the ratio of individuals who
7	owe and pay what percentage pay and what percentage
8	doesn't-does not pay? On a year base, let's say that
9	20-any year that you choose, right, how many of those
10	because [bell] there are also good apples who pay.
11	HENRY BERGER: Yes. So again, our
12	figures only pertain to the judgments. I'm not able
13	to factor in the-the collection rate. Again, I want
14	to emphasize that on the ECB violations, that over
15	half pay even before it's referred to us. For the
16	ones that are referred to us, over the eight-year
17	length of the judgments because that's the Statute of
18	Limitations for the judgments, the-the collection
19	rate is 32%.
20	COUNCIL MEMBER RODRIGUEZ: Great. Thank
21	you.
2.2	CUATODED CON MILITAMO. There's

22 CHAIRPERSON WILLIAMS: Thank you.

COUNCIL MEMBER VACCA: [off mic] One

24 more.

2 CHAIRPERSON WILLIAMS: I've been giving a 3 lot of latitude to Council Member Vacca.

COUNCIL MEMBER VACCA: [interposing]

5 You've been--

2.2

2.3

6 CHAIRPERSON WILLIAMS: One more 7 questions.

you've been great. One more question separate from the bill. So I didn't get an answer to my question before. If you have a building under construction and there are site safety violations for hearings held, the individual defaults and does not pay, does not show up for any of the site safety hearings. ECB assesses fines, \$7,000, \$8,000 each in some cases. Is that person allowed to go and continue building or do you stop construction and say wait a minute, in the midst of this construction pay up these fines?

Make sure you're violations are cleared. What do you do?

DEPUTY COMMISSIONER FISHER: So I don't know the specific—you—you may have a specific situation in mind.

COUNCIL MEMBER VACCA: I do.

2	DEPUTY COMMISSIONER FISHER: I'd like to
3	look into that for you, but as a general matter, if
4	the work that was ongoing was at the time those
5	violations were issued, the work would be stopped,
6	and if they don't come forward and fix the
7	conditions putting aside the penaltyif they don't
8	fix the conditions, their work will not resume.
9	COUNCIL MEMBER VACCA: No, no work was
10	stopped. The violations were \$7 to \$8,000 each at
11	ECB, which indicates to me a seriousness of that
12	level of fine, and I wanted to know-I-I'm know to

DEPUTY COMMISSIONER FISHER: I will take a look into it for you.

give-I've given that case then, but I will give it to

COUNCIL MEMBER VACCA: Thank you.

CHAIRPERSON WILLIAMS: Thank you, Council
Member Vacca, and I just want to say on record I want
to work with you to—to get this—to get this done
before this summer is over (sic) actually. If we
could do that.

DEPUTY COMMISSIONER FISHER: Thank,
Council Member.

you today.

2.2

2.3

about Intro 750. Again, Council Member Kallos
[coughs] has the leadership on this. He apologized
profusely for not coming out being that you're here.
He had an earlier situation that he couldn't-well, he
couldn't change. I wanted to-so basically it seems
like the-the--most of the objections, and if I'm
correct is one that doesn't seem to neatly fit in the
Housing Use Code. It wasn't like legal, and it may
violate some privacy concerns. There are only two
primary-primary pushback (sic) on that one bill.

HENRY BERGER: Oh, I think there are in addition to those, I think there's an issue about the appropriateness of somebody in a dependent financial relationship being involved in the whole voter registration process, the whole electoral process, and it's—it's a policy that's in I think 8306 of the Election Law where specifically employers and union reps cannot assist voters in their voting, but the concept is broader. The people independent financial relationships ought not to be involved in interfering in the voting process. The other issues are that so far as I know when we have done—when we have worked on voter registration, we've always required

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

speak to that, today.

governmental entities to do it, not private entities, and it, you know, it is a significant burden on landlords. You know, I might also note that while the-while the law provides that the tenant can ask for a voter registration form in any of five languages, they're available in 11 other languages, and if you're a landlord in South Brooklyn and your tenancy is entirely primarily Russian and Haitian Creole speaking, having the forms available in Spanish or-or Chinese or Korean doesn't really solve any problem. You know, I, you know, imposing on a landlord's the obligation to keep the forms available in all these languages, and we go back again to the relationship issue. The landlords aren't familiar with this part of the law. Most people aren't and, you know, imposing on them a duty to provide assistance just imposes an obligation they shouldn't have, and I think I'm not the only one who's going to

CHAIRPERSON WILLIAMS: Thank you very much. I appreciate it. I was just—needling Frank a little bit here. [laughter] I was telling him I wasn't going to allow him to testify. So I understand and I want to know a little bit about what

significant—the most significant concern is that a person in this relationship "assisting a voter" in filling out the form including party enrollment, then they exert an influence if it's, you know, not a direct influence, over the tenant, you know. It's just, yeah, look the landlord/tenant relationship in New York is a fraught relationship.

2.2

2.3

 $\label{eq:CHAIRPERSON WILLIAMS: Really? I never heard that.$ 

HENRY BERGER: And I think you're adding another element to it that has the potential for leading to some significant problems, and that's why the Election Law precludes for example employers and—and union reps from participating in the process.

Specifically for that reason, and, you know—

CHAIRPERSON WILLIAMS: I think you raised—I think your raised a good point, and I'm not the sponsor of this bill. So I don't want to try to negotiate on behalf of the sponsor. So I—I don't

automatically registrations--

HENRY BERGER: --their registrations and all of the other elements that I think all of us have advocated for. This isn't-this just is not a good way to do it, impose it on a private party, and once again, you know, particularly as it applies to small landlords, you know, having them maintain the forms in whether it's five languages or 16 languages or whatever.

CHAIRPERSON WILLIAMS: So, I—I wanted to just for the purpose of me again because I'm not negotiating the bill, but I want to take away some of the stuff that you're saying that could—that the—the burden of the five languages. Let's move that aside for a second. The burden of having to mail it, let's move that aside for a second. There seems to be a disagreement for even providing it, and I want to understand the distinction why we couldn't provide it in a—in a packet of things that we do provide that we think is general good information although most while more housing is looking at it. But this is an avenue that we have. So think it's good to explore in this way because as you mentioned the state isn't acting and I think the city does have to act. So I just

2.2

2.3

2.2

2.3

2 want to-I want to stay on that point alone, just
3 providing a tenant a voter registration form.

HENRY BERGER: If it were limited to providing a form as an additional piece of paper, I think the only issue remaining then would be where in the law it belongs. The Housing Maintenance Codes deals with housing standards, housing quality, safety, health. It's not the issue and HPD probably doesn't have the ability under these circumstances to enforce. You know, it's—if it's not provided, it's probably a non-curable violation, and I'm not sure how that gets handled and maybe Frank can speak to that.

if—so if I'm clear it sounds like there is not necessarily pushback on providing a voter registration form except we want to make sure it's not overly onerous on the owner in terms of languages I guess or other onerous things, and that the owner is not overly involved in helping figure out possibly delivering it. So in concept it seems like there may be some agreement. How we move from the concept to law is—is something else, and maybe it doesn't belong in the Housing Maintenance Code, but it sounds like

confusing someone while they have to provide

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

2 information on window gates and lead and Lord knows 3 what else. If this comes for a vote, I will voting

4 against this bill. Just wanted you to know.

CHAIRPERSON WILLIAMS: Thank you. still want to add my name to it. I think my priority is Council Member Vacca's bill, and I appreciate your concerns. For me it's more I want to actually pursue this conversation and see where it goes. We do put a lot of things in that packet, but I think it was a good vehicle, and I don't know if we use it fully, and there is a lot there that has to be provided. So I know I'm going to hear from Mr. Frank Richie in a little bit. I-I don't know how effective it will be, but I think it's an issue to have this conversation about how we can use that vehicle a little bit better, and I agree it's a lot of pieces of paper, and I wouldn't want to make it overly onerous for a property owner and particularly the language and things of that nature, but I do want to be supportive of having this conversation. So, but thank you for that. Thank you for your testimony. I greatly appreciate. We only have one person signed up for public testimony who is going to provide his enthusiastic support I am sure. That is Frank Richie

beforehand, we have never had a discussion about

right now in the course of providing a lease to a

this, the-the gist of it is there are so many things

2.3

24

## COMMITTEE ON HOUSING AND BUILDINGS

1

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

2.2

2.3

24

25

tenant, some of them very duplicative. To add another piece of paper there, which-which would just be confusing to the tenant. The owner has no way of knowing if that tenant is a-a-has the validity to actually register to vote. I think this causes all kinds of problems. I want to elaborate on one thing that Mr. Berger said also in terms of-and that was discussed by you, if-if this is in the Housing Maintenance Code and an owner doesn't provide the voter registration form, at the time of the signing of the lease, which is what the bill says, then the only remedy is it's a violation, but it's a violation you can never cure because you're only signing thatyou're only going through that procedure one time and one time only to sign the lease. So it's a violation that would stay there theoretically with no-no ability to cure it, which I think really would invalidate the bill altogether. So we support the whole idea of increasing voter registration. encourage our members all the time to make sure they vote that their family members register to vote, but this is the wrong way to go about doing it.

CHAIRPERSON WILLIAMS: You raised an interesting point. It was actually the one about

just saying what that means for--

2.2

2.3

whether or not they're eligible to vote—to vote which would cause some confusion. I—I mean I need to figure out—I mean anybody can just fill out a form and drop it in. So what happens when you're not eligible to vote and you get a registration to vote from the library and drop it in? I don't know—I'm

FRANK RITCHIE: Well, I think the difference might be that—that if you're doing that and you're not eligible, you're the one who's singing it saying, you know—so you're creating—you the invalid voter is actually, you know, lying on a—on a government form. In this situation, you would have an owner helping them do that, which we don't want to be in that position.

CHAIRPERSON WILLIAMS: I mean I think
there's a lot of good points that were made. I don't
know if that was one because the owner was just
providing basically a piece of paper. You're not
telling them to register or not to register, but
there are a little—a lot of good issues that have
arisen here. I—I just want to have the conversation.
I think—I think in the packet that there has to—but
it is very big, there—there might be things that are

record, we received testimony from Architects Council

1	COMMITTEE ON HOUSING AND BUILDINGS 75
2	of NYC, REBNY and Bomer (sp?). We are also joined by
3	Council Member Cornegy. With that, the hearing is
4	now closed. [gavel]
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	

## ${\tt C} \ {\tt E} \ {\tt R} \ {\tt T} \ {\tt I} \ {\tt F} \ {\tt I} \ {\tt C} \ {\tt A} \ {\tt T} \ {\tt E}$

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 28, 2017