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CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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B E F O R E:  
JUMAANE D. WILLIAMS  
Chairperson

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CHAIRPERSON WILLIAMS: Good morning.

Thank you all for coming to the Fiscal 2018 Preliminary Budget Hearing for the Department of Housing, Preservation Development and the Department of Buildings. I am Council Member Jumaane Williams and I am the Chair of the Council's Committee on Housing and Buildings. I'm joined here today by Council Members Grodenchik, Espinal and Lander. [background comment] Appreciate that -- and Council Member Mendez.

We are here to conduct an oversight hearing on the Fiscal 2018 Preliminary Opening and Capital Budgets for HPD and the Fiscal 2018 Preliminary Opening Budget for DOB and welcome Maria Torres Springer to her inaugural budget hearing as the Commissioner of HPD. Welcome and congratulations, thank you for your patience today; I apologize again. I guess we have to go easy on you; one, we started late, and this is your inaugural, so we've gotta go easy.

We'll first hear from HPD where we'll examine all components of HPD's \$903 million expense budget and \$3 billion capital budget, along with the

details and progress related to Mayor de Blasio's Housing Plan.

Given the recent report that the federal government has proposed budget cuts to vital housing programs, including Community Development Block Grants, also known as CDBG, and the Section 8 program, the Committee hopes to gain a clearer sense of how HPD would absorb these potential cuts and how this will impact at operations and service levels.

After HPD, we will hear from the DOB Commissioner, Rick Chandler; the Committee would like to get updates on the progress related to the agency's One City: Built to Last initiative, improvements to its permit filing system and how DOB will address the increase in construction-related accidents and injuries and deaths.

After DOB, we will hear from members of the public. I would like to remind everyone that would like to testify today to please fill out a witness slip with the Sergeant-of-Arms so we can put you in the queue.

We have already thanked the staff, so lastly, we'd like to thank again both chairs for their respective staff for joining us today and will

now turn it over to them for testimony. For everyone who's 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 the committee and to respond honestly to council member questions? You can begin whenever you're ready.

COMMISSIONER TORRES-SPRINGER: Thank you. Good morning. My name is Maria Torres-Springer, the Commissioner of the Department of Housing Preservation and Development. I am joined here today by Francesc Marti, our Assistant Commissioner for Government Relations and Eva Trimble, our Deputy Commissioner for Financial Management and Tenant Resources. Many other members of our senior team are here with me as well. First I'd like to thank Chair Williams for the opportunity to talk with the Committee today about HPD's Fiscal Year 2018 Preliminary Budget. I'd also like to thank the Chair for his continued leadership on this Committee and certainly look forward to building upon the good working relationship that you and the Committee had with my predecessor, and I'm sure that we will be able to continue to partner together to ensure that

all New Yorkers have a safe, quality and affordable place to live.

This is my sixth week as HPD Commissioner. While I have worked with HPD in various capacities over the years, it has been really impressive in these first several weeks to see the full sweep of the agency's work in action. It is also a particularly humbling opportunity for me to be at the helm of HPD. Having grown up in Section 8 housing, I know first-hand that the work that we do is certainly a lifeline for thousands of families across the city. Of course, we all know that housing is the top expense for New Yorkers; for far too many, rising rents threaten their ability to stay in the city that we love. I've spent my career helping people secure better jobs with better wages, developing neighborhood projects to provide affordable homes and economic opportunity, and so it's an honor to join the tremendous HPD team to keep up the record-breaking progress achieved to date under the Mayor's Housing New York plan.

So I wanted to start by sharing some of those milestones, some of those accomplishments that we have made, working with all of you, over the past



year in working towards the goal of 200,000 affordable units established by the Mayor's Housing New York plan. As you'll see in the slide, since the launch of Housing New York, we've financed 62,506 affordable apartments, housing for more than 170,000.

In 2016 alone, we financed 21,963 homes, which is the highest production in a quarter century, mirroring the peak of Mayor Koch's Housing Plan. This was also the highest three-year stretch for new construction production on record.

The agency is also working hard to really use every tool at our disposal -- including Mandatory Inclusionary Housing and ZQA -- to preserve the affordability of existing rent-restricted housing and to spur the construction of new homes across the five boroughs. We achieved those numbers while also exceeding our goals for reaching deeper affordability. This next chart really talks more about the issue of deeper affordability; it shows the full breakdown of our affordability in the first three years of production in more detail.

The production goal set in Housing New York for the two lowest income categories was 20% over the life of the ten-year plan. We heard and

took to heart the calls from the communities on the ground, and have worked hard to do even more. By ramping up our efforts and introducing new programs, including our Extremely Low- and Low-Income Affordability (ELLA) program, a full 27% of our total current production is serving households making less than \$40,800 for a family of three. Fourteen percent of those units are serving New Yorkers making less than \$24,500 for a family of three.

At the same time, we are looking to serve families at a broader range of incomes, in order to ensure the economic diversity that makes New York City so dynamic and remains certainly an underlying principle of the plan. We are of course very focused on the 200,000 unit goal, and the critical need to increase the housing supply, which is really at the heart of the affordability crisis that we face. But from the outset, this administration has taken a much more holistic approach, recognizing that we need all the tools working together to address the needs of residents and of neighborhoods. So I wanted to briefly highlight some of the progresses we've made through the lens of the four key elements of Housing New York.

First: Neighborhoods and increasing new affordable housing opportunities.

Of course neighborhoods are very much the forefront of the plan and provide the framework for all of the efforts in different communities. That is why early on we launched the Neighborhood Planning Playbook to engage communities and craft neighborhood-specific housing plans. These plans are supported by the \$1 billion Neighborhood Development Fund to finance needed local improvements and to make sure that as the plans move forward that we're really thinking about what it means to strengthen the bones of different communities.

Next, the Resilient Edgemere Community Plan, which we'll be releasing this weekend, reflects this new innovative approach to community engagement. Our team spent 18 months engaging local residents in developing strategies to address the neighborhood's unique vulnerabilities to physical and financial threats and plan for a more resilient future. I want to thank Council Member Donovan Richards for his tremendous leadership and support of this initiative.

We've also been hard at work to deliver on the goals of our comprehensive neighborhood plan

for East New York. My first week at HPD, together with Council Member Rafael Espinal, we launched the Homeowner Helpdesk, together with the Center for New York City Neighborhoods, to connect homeowners to the resources they need to stay in their homes and to also make sure that we make good on all of the commitments that we make through each and every neighborhood plan or rezoning.

We've also made significant strides on our Building Opportunity program, which was created to expand the capacity of MWBE developers and contractors. In January, we designated six development teams, for instance, in an RFP exclusively for MWBEs on sites across the city, and we launched our new MWBE Build Up program, to increase opportunities for MWBEs in HPD-subsidized developments. And in the coming weeks, we'll be announcing the appointment of a new MWBE Director who will be charged with advancing these initiatives moving forward.

We also introduced new marketing guidelines and educational materials to improve access to affordable housing opportunities through Housing Connect, our housing lottery system. We

appreciate the Council's generous support for these initiatives, including most recently, the expansion of our Housing Ambassadors program and our partnership with the Department of Consumer Affairs' Office of Financial Empowerment to provide financial counseling for affordable housing applicants.

Next I'd like to talk about our work to preserve housing affordability and quality and serving our most vulnerable New Yorkers.

Protecting tenants, preventing displacement -- these are both at the heart of our work to preserve the affordability and quality of the city's housing stock. On my very first day at HPD, I joined our Enforcement and Neighborhood Services team, Council Member Ydanis Rodriguez, Legal Aid, UHAB, and the tenants of the building in Inwood to announce the tenth round of HPD's Alternative Enforcement Program (AEP) list, which each year identifies more than 200 multifamily residential buildings with egregious building code violations for comprehensive enforcement action. Over the last decade, this program, AEP, has targeted more than 2,000 buildings, helping to improve conditions in more than 26,000 homes across the city. Through the

strategic use of data from AEP, from our 7A program, the tax lien sale list, and partner referrals, we're working every day to intervene proactively to preserve our affordable housing stock.

We are also introducing new programs and helping our strategic partners to innovate. We are especially proud of our work with a group of Community Development Corporation to launch the new Joint Ownership Entity, otherwise known as JOE NYC. This not-for-profit entity was founded to strengthen the asset and property management capacity of participating CDCs, and achieve the scale needed to secure financing for new affordable housing projects.

Last summer, HPD worked with community partners to facilitate the acquisition of 24 distressed FHA notes through the Community Restoration Fund, and important initiative to support struggling neighborhoods hit by the foreclosure crisis by working with homeowners to keep them in their homes, and I want to thank Council Members Dan Garodnick, Daneek Miller, and Donovan Richards for their support and an essential \$1 million in City Council funding for this initiative.

And last but not least, we're very focused on providing pathways to permanent housing for our city's homeless and creating more affordable housing for our growing senior population. Through our new Senior Affordable Rental Apartments (SARA) program and other initiatives, we financed the new construction or preservation of more than 4,000 senior apartments. And by expanding enrollment in SCRIE and DRIE, the City is freezing the rent for seniors and people with disabilities living in rent-regulated apartments.

These are just some of the accomplishments from the past year, and we recognize that so much more needs to be done, certainly in the face of very strong headwinds coming from DC. There are very real threats out there, but I believe that we have built, working with all of you, a very strong foundation and working together, I believe our progress positions us well for the task ahead.

I would now like to turn to the Mayor's Preliminary Budget for HPD for 2018. Much of the discussion will be focused on the fiscal and policy challenges we face on the horizon, and how they may impact the agency's operations and programs. Then

I'll transition after that to the five-year capital plan, and finish with an update on the Mayor's commitment to ensure deeper affordability for the lowest income New Yorkers.

So to start, HPD's Fiscal Year 2018 expense budget is \$903 million. This includes over \$160 million of city tax levy and federal funding that is flowing through our budget on behalf of NYCHA. HPD facilitates the processing of these funds through our budget, but we are not otherwise involved in the substance of these initiatives. So putting aside -- the next slide -- the funding for NYCHA, HPD's true preliminary budget is approximately \$742 million for FY16.

I'd like to take this moment to remind the Council that HPD only receives 14% -- or about \$104 million -- of our total funding from city dollars; that includes tax levy and Inter-Fund Agreement. The agency is primarily funded through federal grants. This is important, of course, because when we seek to save city tax levy dollars, as we're constantly trying to do, the amount that we save is limited, because so many of our programs are restricted by federal requirements and our ability to



make programmatic decisions is constrained and future funding levels are also highly uncertain.

We use city tax levy to fill gaps in programs primarily funded through federal grants, as a required match to federal grants and to fund programs that are not eligible for federal grant funding. As a result, city tax levy dollars are critical to meeting our mission; they allow us the flexibility and nimbleness to innovate to address new problems and to tailor our programs to address the city's many housing challenges. I therefore want to thank all of you for the continued support in this funding. Next slide, please.

Nevertheless, HPD has a disproportionate reliance on federal funds. No other city agency -- with the exception of DDC, the Department of Design and Construction -- receives more than 50% of its expense budget from federal sources.

I wanted to point out that the budget may seem smaller than usual. This is because unlike the current year's budget, DR funding, Federal Disaster Recovery funding, is not planned for the agency's FY18 budget. For context, FY17 current modified budget includes over \$360 million in funding for

disaster recovery efforts; we expect to continue to receive these funds on an as-needed basis from OMB, but they're not in the FY18 budget right now.

Nearly \$490 million, or 66%, of our FY18 Preliminary Budget is associated with federal rental subsidies -- Section 8 vouchers and Shelter Care Plus. As you know, rental assistance funds are highly constrained federal sources and therefore provide no direct operational support for the agency besides their specific programmatic purpose. Our primary funding source for agency operations is the federal Community Development Block Grant (CDBG) program, which supports critical functions such as code enforcement, anti-harassment; shelter programs.

Although the current administration has not formally announced specific cuts to federal grants that help fund HPD's mission, the President and senior Congressional leadership have publicly articulated an agenda of economic and social policies that would undermine the agency's ability to deliver on our commitment to affordable housing. We are six months into the current federal fiscal year and do not yet have a budget. Current federal appropriations, including CDBG, Section 8 and HOME

funding, are funded through a continuing resolution through April 28th.

Details of the President's first budget for FY 2018 are still unknown at this time -- unless something has been announced since I started my testimony. However, as the White House and the Congress focus on deficit reduction, additional cuts are almost certain and could lead to major programmatic changes. Any cuts to CDBG funding would have profound impacts on the low- and moderate-income households that HPD programs serve. And of course, we are extremely concerned about a loss of Section 8 funding, which is so critical to helping our most vulnerable families remain stable in their homes.

I know we'll have the opportunity to talk more about the federal funding sources, but the good news, I think, is that we are continuing to focus on using the City resources that we have as effectively as possible. Just to provide you with one example; as an update to the agency's previous testimony in November of last year on 421-a compliance, working with the Mayor and OMB, HPD received in this budget \$1.8 million in additional funding over the next five years for our 421-a enforcement efforts.

This additional city tax levy will support eight new positions, grow HPD's monitoring and enforcement capacity, and ensure that property owners receiving 421-a benefits continue to comply with the program's requirements. The new team -- which consists of expert attorneys, investigators and other support staff -- will focus on prevailing wage and rent regulation requirements, audits; tenant complaints, in addition to revocations resulting from DOF suspension of final certificates of eligibility. Additionally, the unit will coordinate policy and enforcement action with other city and state agencies. While the initial focus will be on the oversight for 421-a buildings, we expect that the portfolio will continue to accommodate buildings coming in under the new Mandatory Inclusionary Housing program.

Despite the current dynamics in Washington, the Mayor is firmly committed to achieving the Housing New York goal of building or preserving 200,000 affordable homes for New Yorkers. The cart on this slide shows HPD's capital funding over the next five years. The five-year plan totals over \$4 billion: \$3.7 billion from the Mayor and the

rest a combination of Federal HOME and Reso-A funding.

Additionally, in the Mayor's recent State of the City address, he committed to another \$1.9 billion in new city capital funding to ensure deeper affordability in Housing New York, and we expect that to be reflected in the Executive Plan. Within the 200,000 unit Housing New York plan, an additional 10,000 affordable homes will be created or preserved for the lowest income New Yorkers. Half of these 10,000 homes will be dedicated to seniors whose fixed incomes have left them struggling to keep up with rising rents. The new goal increases the target for those earning \$40,000 or less from 40,000 to 50,000 units, or 25% of the plan.

At the same time, we will be doing more to ensure those New Yorkers who served our country have an affordable place to live, with at least 500 more apartments dedicated to our veterans. HPD and HDC will be using all available tools to meet this ambitious goal, including the aforementioned ELLA and SARA programs and our various mixed-income programs. With these programs now firmly in place and exceeding their targets -- as you saw in a previous slide --

the additional \$1.9 billion will help us achieve deepened affordability through the duration of the plan, especially as we navigate the challenges ahead.

We certainly live in incredibly uncertain times, but our agency; this administration stand firm in our commitment to do all that we can to address the affordability crisis that threatens our great city. We will continue to push forward with our goals, regardless of what happens in DC, but we will need all of your help to chart a course forward.

Thank you for your patience; for your time this morning and I certainly am happy to take any questions that you may have.

CHAIRPERSON WILLIAMS: Thank you very much Commissioner for your testimony, and as I said before, I appreciate your patience; I'm going to actually have to ask for some additional patience -- I have to pause right here; there is an issue with the vote that took place in the previous hearing, so if you can give me about 10 minutes, I'd greatly appreciate it. [background comments]

[pause]

[gavel]

CHAIRPERSON WILLIAMS: Alright. Thank you very much again; there will likely be another pause in about 20 minutes for members to be able to vote. Thank you again for your patience.

[background comments]

Alright. Thanks again for your testimony. I am one of those who is actually very concerned as we continue to make America great again; we are preparing for the worst when it comes to cuts and as was mentioned, you have an inordinate amount of funding that comes from the federal government; we calculated it to be about 84%; you threw out a bunch of percentages, but I just want to be clear. What percentage of your budget is from the federal government?

COMMISSIONER TORRES-SPRINGER: Eighty-six percent.

CHAIRPERSON WILLIAMS: Eighty-six?

COMMISSIONER TORRES-SPRINGER: Yes.

CHAIRPERSON WILLIAMS: Lord of mercy, **[inaudible]**. So as it stands right now, we are a sanctuary city, but there's up to 86% that could be threatened by the federal government; is that correct?

COMMISSIONER TORRES-SPRINGER: Yes;  
that's correct.

CHAIRPERSON WILLIAMS: That sucks.  
[laughter] That is a very technical term; it is a  
very technical, encapsulating term. I'm not even  
sure how you brace for that, but has there been any  
discussion with the Administration of how one would  
brace for that? I mean, my assumption is that we  
wouldn't lose 86% but we could, you never know; this  
is a crazy time we're in. But even a subset of that  
would be huge, and so is any discussion about how we  
are going to make up for that?

COMMISSIONER TORRES-SPRINGER: So I share  
the sentiment that it sucks, and we are certainly  
concerned, given our reliance on federal funding.  
What I'll say is that because we do not yet know the  
full extent, the depth; the breadth of any potential  
cuts, we have to in the meantime, while planning,  
continue to make sure that we resist those cuts; that  
we educate as many people as possible -- certainly  
partners in Washington -- about the importance of  
this funding to our various programs, and once there  
is more clarity on the extent of the cuts and the  
depth of the cuts, certainly continuing to work with



OMB, our partners, and with the City Council to make sure that we are minimizing the impact of those cuts on our services. But let there be no doubt that this is something that we are certainly very concerned about, taking very seriously, and that there will likely be tough choices ahead to make as we get a better understanding of the full scope of the cuts. But our first strategy of course -- and hopefully we will solicit your support and continue to get your support on this issue -- is to resist those cuts; we cannot let Washington, DC walk away from their obligations in terms of neighborhood stabilization, the creation of affordable housing, and ensuring that the City has the resources that it needs to protect its residents across our various boroughs.

CHAIRPERSON WILLIAMS: Well if you ever look at my social media, it's all about resist and resistance, so I share that with you, and I'm down for shutting some stuff down if we need to -- well, I speak for myself; not for my colleagues, but I do believe some of that is going to be necessary. I'm not even sure if that will prevent them, if they're going to come, but we're going to try.

I did want to know how -- and didn't know that you just started -- but how was the communication with Washington, based on what you know and based on what your staff... [interpose]

COMMISSIONER TORRES-SPRINGER: Yeah.

CHAIRPERSON WILLIAMS: has told you; is it the same; is there at least communication going on; do you think you'll get the information timely? How is that happening?

COMMISSIONER TORRES-SPRINGER: Yeah. So what I will say is that we have made many efforts to make sure that it is very clear to different parties in Washington that this funding is critical to our work. Let me just name a few things that we've done that I think exemplify how we have tried very hard to communicate as effectively as we can.

At the start of the new administration, we sent a joint letter, for instance, with other city agencies to the HUD transition team -- this was in January -- we specified our priorities and offered to further discuss with them how HUD programs operate in New York City. Just last week there was a team from HPD, together with HDC that visited DC and met with key policymakers on the Hill; I will next week be

also joining the team at HPD and HDC to make another visit to continue those advocacy efforts. We're working closely with different coalitions across the country who are as concerned as we are -- and examples include the National Council of State Housing Agencies, the High Cost Cities Housing Forum -- to continue to press our case on the date. And of course, on the program level, we continue to work as closely as we can with counterparts at HUD to make sure that to the extent that there is any clarity or any information that is relevant to our work, we are staying on top of that. Of course, how the federal budget process unfolds is something that we are following very, very closely; we don't want to negotiate ourselves against ourselves and say that we can absorb these cuts, because they will have very real impacts. But in the meantime, our strategies have been to make clear that the cuts will have impacts, to resist those cuts, to educate as many people as possible, and to continue to be vigilant as more information comes.

CHAIRPERSON WILLIAMS: Are you aware of any hearings on the Hill that might be good for some of the Council Members to go and try to testify?

COMMISSIONER TORRES-SPRINGER: We'd be happy to provide a list of either hearings or other opportunities and certainly would welcome the Council's support in any and all of them, because I think that for different stakeholders in Washington to have a very clear sense of the impact of these potential cuts in communities and people and families would be I think extraordinarily helpful, so we'd be happy to provide that following this hearing.

CHAIRPERSON WILLIAMS: Sure; I think we should do this in partnership and jointly, so I would -- based on my social media, I'm not sure how much help I'll be, but I would love to volunteer myself to the extent that it would be helpful and I'm sure other members will as well in any lobbying efforts that are happening down there as pertains [sic] to cuts.

COMMISSIONER TORRES-SPRINGER: Thank you.

CHAIRPERSON WILLIAMS: Before Mr. Carson had even taken hold I know there were some cuts put forth, for Section 8 in particular, most of those cuts would be in NYCHA, which Council Member Torres has done a great job leading the pushback on that, but I do know that there are some Section 8 funds in

HPD as well; can you speak about how those cuts have affected you?

COMMISSIONER TORRES-SPRINGER: So our Section 8 program -- similar to NYCHA's -- works on a calendar year basis and the information that we have received from HUD thus far -- which is similar to what NYCHA has experienced, and them letting us know in a recent letter what the proration will be for this year -- and so the proration in the letter that we received from HUD for our Section 8 program sets the funding at a 95% level, and what that essentially means is that we are receiving, for the relevant months, 95% of what we need for the Section 8 program to be fully funded. In a typical year, the letters and that proration amount can change, it's volatile, but if this proration amount holds for the rest of the fiscal year, then we essentially have less than what we need in terms of Section 8 funding. And so again, we received some information; as we get more through the continuing resolution and hearing more about the federal budget, we will have a better sense of the full scope and impact on our Section 8 program.

CHAIRPERSON WILLIAMS: In 2013, there was a sequestration and where it was felt most was -- HPD Section 8 had to downsize -- downsizing for tenants who were in Section 8 -- I'm trying to figure out what the impact of 6,600 existing voucher holders are right now; this Council put a funding to assist with the downsizing; wanted to know how that has gone with those funds.

COMMISSIONER TORRES-SPRINGER: Right. So you're right, Chair, that we in 2013 experienced a \$37 million funding shortfall due to sequestration. In response to that, we spend down \$24 million in program reserves and implemented subsidy standard changes, or downsizing, which impacted about 6,500 existing voucher holders. Today we actually have, in terms of reserves in our Section 8 program, approximately \$36 million, but I think it's fair to say that we had to make some very tough choices during sequestration, using a lot of the tools that we have to be as cost-effective as possible, and to the extent that these are cuts that become larger for the rest of the program, our toolkit is more limited than when we underwent sequestration in 2013, but similar to the 2013 experience we will do everything

that we can to avoid termination of assistance. And so any other levers that we have we will use to try to avoid that, but as I mentioned earlier, it's what gives us a deep concern as we wait to hear more information about the level of cuts for Section 8.

CHAIRPERSON WILLIAMS: So if the cuts hold, that represents about a \$45 million loss; is that correct?

COMMISSIONER TORRES-SPRINGER: Can you say that again?

CHAIRPERSON WILLIAMS: If it holds, it represents about a \$45 million loss; is that correct?

COMMISSIONER TORRES-SPRINGER: If the proration level holds for the rest of the year, our estimate is that it's about \$20 million less for the Section 8 program for the calendar year.

CHAIRPERSON WILLIAMS: Thank you. What about the funds that we put in for downsizing; have those been used up; is there any left; is there more needed?

COMMISSIONER TORRES-SPRINGER: Yes, we have -- I believe that was called the MAP program, and so if you just bear with me for one second.

CHAIRPERSON WILLIAMS: I think I owe you  
at least that.

COMMISSIONER TORRES-SPRINGER: So through  
the Moving Allowance Program we were able to assist a  
total of 583 households, for a total of \$278,000,  
thanks of course to the City Council's funding of  
that program.

CHAIRPERSON WILLIAMS: Is there more  
deeded; are there funds left?

[background comments]

COMMISSIONER TORRES-SPRINGER: I don't  
believe that there are funds that are left for the  
program, and we'd be more than happy to follow up if  
there is an additional need however for that. I mean  
it was certainly very helpful during the  
sequestration process, and I think what is likely to  
happen is that as we have, again, a better sense of  
the full magnitude of these cuts, we will certainly  
be in close communication about how we cannot just  
partner, in terms of advocacy, but how we can work  
together to -- like what we did with the Moving  
Allowance Program -- minimize impact on residents.



CHAIRPERSON WILLIAMS: Is HPD currently still downsizing those tenants; are they still being moved to -- or correct sizing; however you want to..

COMMISSIONER TORRES-SPRINGER: Let me turn to our Deputy Commissioner, Eva Trimble, who also runs our Section 8 program.. [crosstalk]

CHAIRPERSON WILLIAMS: Sure.

EVA TRIMBLE: Good morning. Unfortunately those.. [interpose]

CHAIRPERSON WILLIAMS: Morning; if you can just say your name also. [background comment]

EVA TRIMBLE: Yes. Is this working now? [background comment] Yes. Eva Trimble, Deputy Commissioner. Thank you. Those tenants are still over-housed; most people were not able to move, which is why there were only 583 people assisted through the Moving Allowance Program. Every year during the recertification process we talk to the tenants and they have an opportunity to request a moving voucher at any time. Right now, unfortunately, they are still existing with an additional rent burden due to not being able to find a smaller apartment.

CHAIRPERSON WILLIAMS: They were unable to move because they can't find another apartment; is that correct?

EVA TRIMBLE: Correct.

CHAIRPERSON WILLIAMS: Thank you. A few more questions and then I'm going to move to my colleagues. There's a critical state law that supports HPD's mission to build and preserve affordable housing that expired in 2016 of January, called the 421-a Tax Break; the State's 2018 Executive Budget proposed a new version of 421-a called Affordable New York -- it sounds like a misnomer, actually, but -- which likely will impact housing production in New York City if passed by the State Legislature in the coming weeks; the **[inaudible]** program is critical to the success of the Housing New York plan. Can you provide the Committee with an update on the Administration's position on the new proposal?

COMMISSIONER TORRES-SPRINGER: I'd be more than happy to. So let me start by reiterating our core principle in terms of the 421-a program. We believe that a fair and balanced 421-a program is critical to a healthy rental pipeline in New York

City, and when we proposed our reforms in 2015, those were really based on three core principles that hold true to this day; they include -- more affordability per city tax dollar spent, resulting in a more efficient program; providing affordable housing in return for the exemption anywhere in the city; and stopping subsidies for luxury housing. Those have been our core principles throughout this entire process. Today, while we believe that the 421-a program is critical, as I mentioned, to the health of the rental pipeline in New York City, what gives us concern are the added costs in the Governor's plan. Achieving the right balance of additional benefit to developers, given any added affordability, that is what we need to continue to strike and we continue to speak with partners in Albany about achieving that balance. We are particularly concerned about the State Senate's proposal, which essentially expands the eligibility of condos to qualify for 421-a, without any requirement to produce affordable housing; it increases the AV cap, the assessed value cap, but it also expands, in terms of unit size, the number of properties would be eligible for this exemption. We recently did an estimate together with

OMB that shows that just with this expansion that is part of the Senate's proposal, the expansion of the condo piece, that there is an additional \$1 billion cost over the course of the next ten years, and so that's the type of thing that gives us a lot of concern; one, because there is no affordability associated with that incremental cost, and as I mentioned, while we believe that the 421-a program is important for the rental pipeline, what we have been concerned with from day one is to make sure that we have a fair and balanced 421-a. And so we will continue to work with legislators in Albany to achieve that balance, but the expansion of the condo option is one that carries with it, we believe, exorbitant cost, especially since there is no affordability requirement associated with it.

CHAIRPERSON WILLIAMS: Has the expiration of the... oh by the way, just to go back to a technical term -- I also believe the new proposal sucks and I think it is even worse than the original one that was put out, and so we're really concerned about what's being forward and hoping that the State Legislature will think twice before they pass it; it will be

disastrous and multiplied, based on what could happen in the federal government.

Has the expiration of the 421-a program impacted or hindered HPD's goal of creating or preserving 20,000 units of affordable housing his fiscal year?

COMMISSIONER TORRES-SPRINGER: Well the absence of 421-a certainly limits our toolbox for developing affordable housing. As you saw in our numbers, the numbers continue to be strong, we're exceeding our target; many of the programs that had 421-a came through last year's pipeline, so even in the absence, since those were already in the pipeline, we have made our numbers, but moving forward, not having a 421-a program will certainly limit our toolbox, and in particular, it limits our ability to ensure that new construction happens in high opportunity areas, like the core of Manhattan; it's much harder to accomplish that without this exemption. And so we need this for our toolbox; we just want to make sure that we are achieving the right balance for the program, and that is something that we will continue to push hard for as the final bill gets negotiated in Albany.

2 CHAIRPERSON WILLIAMS: So I just want to  
3 be clear, because advocates are saying that since we  
4 lost 421-a there hasn't been a decrease in people  
5 building; do you know if that's true or not; has  
6 there been a continuation of people building units  
7 and affordable units since 421-a?

8 COMMISSIONER TORRES-SPRINGER: So  
9 production has been strong, and you saw in our  
10 numbers there are projects that were closing that had  
11 the benefits that were grandfathered before the  
12 expiration happened, but I also want to be very clear  
13 that we need every tool that we can, moving forward,  
14 especially -- you know as you saw in my testimony,  
15 there are many challenges ahead and so a fair and  
16 balanced one is critical moving forward, but we have  
17 to make sure that those two things actually turn out  
18 to be true -- that it is fair, that it is balanced  
19 and that we are getting value and of course for us  
20 that means as much affordable, as deep affordable in  
21 the right ways, through the program.

22 CHAIRPERSON WILLIAMS: Thank you. But I  
23 do want to point out; I also believe that we need  
24 tools; I actually don't know if 421-a is a tool that  
25 we need, based on the production levels before and

after; I think it can be retooled and repurposed to actually perform better -- maybe direct subsidies is something that we can look at. So I agree that we do need a program; I'm not sure 421-a as existed before was it, and I'm pretty sure the one that they're trying to push forward is not it. I have a couple more questions, but we have to pause right now to do the vote that we spoke about beforehand. So...

[crosstalk]

COMMISSIONER TORRES-SPRINGER:

Understood.

CHAIRPERSON WILLIAMS: if we can pause for one second; gotta switch the tapes.

[pause]

CHAIRPERSON WILLIAMS: Thank you Commissioner again for your indulgence; I believe that will be the last pause.

HPD's Fiscal 2018 Preliminary Budget includes \$1.1 million in new needs for the hiring of eight employees and temporary staffing in order to create a 421-a enforcement unit at HPD. When will these positions come online and are these adequate resources to ensure compliance with 421-a enforcement?

COMMISSIONER TORRES-SPRINGER: Thank you.

So for the eight staff who will be hired, we're really creating, as you mentioned, a new 421-a enforcement unit; we are very, very close; it should be finalize in the next few weeks, the hiring an Executive Director for this group; once the Executive Director is onboard we'll begin the hiring process for the other seven staff members. In terms of the adequacy of the resources, what we do know is that we will utilize these funds in the most efficient way possible; we always welcome additional funding, but we believe that this is sufficient funding to ensure that we get this unit off the ground and they can really deepen our work in terms of enforcement.

CHAIRPERSON WILLIAMS: Thank you. Just about two or three more questions; then I'm going to my colleagues for five minutes in the first round for questions -- Lander, Crowley, Espinal, Grodenchik, Levine, and I definitely appreciate their patience on this hearing.

When it comes to homelessness, I always feel like there is conversation from the Administration about homelessness and then another conversation about housing, and my hope is to try to



make those things happen kind of more glued together.  
So I just wanted to know how you're engaged in those conversations around homelessness, whether it's the homeless plan, everything around homelessness -- is HPD engaged in those conversations; are they happening separately?

COMMISSIONER TORRES-SPRINGER: We are certainly extraordinarily engaged with different sister agencies across the Administration to make sure that we are bringing all of the tools that we have in this joint effort to not just curb homelessness, but to ensure that formerly homeless households have a real pathway to permanent affordable housing. And so just to highlight a few of those ways where we ensure coordination and ensure, you know real synergies in our work and HPD's commitment to providing pathways to stability for these households. So for one, under the Housing New York plan, we have financed already about 5,160 units that were set aside for formerly homeless households. We are requiring deep homeless set aside in the majority of our financing programs. We launched, last year, a new program called Our Space, which provides additional capital subsidy to create a

1 reserve fund to extremely low-income units; they're  
2 affordable to homeless households making less than  
3 \$24,500. We are requiring owners of new buildings  
4 benefiting from 421-a tax exemption to make available  
5 apartments to formerly homeless households. We're  
6 working closely with DHS and HDC on a program called  
7 Homestretch, which leverages shelter financing to  
8 provide cost-effective, purpose-built shelter, along  
9 with affordable housing. And of course, we continue  
10 to work with DOB and DHS on our Shelter Repair Squad;  
11 our Office of Enforcement has done a really  
12 tremendous job there, and since those semiannual  
13 inspections have occurred, the violation count has  
14 gone down I believe by about 84%. And so the extent  
15 of our efforts with our colleagues at DHS and HRA are  
16 extensive and we know that we have to bring the tools  
17 that we have to make sure that we're thinking about  
18 the needs of homeless households in a more  
19 comprehensive way and we look forward to continuing  
20 to do that.

22 CHAIRPERSON WILLIAMS: It seems to me,  
23 when the discussion around the homelessness plan,  
24 which I think it was great in setting some realism to  
25 folks on how hard this issue is and how long it's

going to take; I think it started to address an acute problem, but I don't think it really addressed the chronic problem, so my hope is; when we move forward on homelessness plans and discussions there will be both a discussion about the acute and the chronic, and the chronic is the need for deeply affordable, extremely low-income units. My hope is that this agency will be much more engaged in putting together a comprehensive homelessness plan, 'cause it can't just be about shelters; it has to be about the permanent affordable housing, and I don't really hear those conversations happening together, so that's just my plug for it to happen a little bit better moving forward and HPD needs to be a big part of that.

Lastly, on that same note, I do believe we were at this point before Donald Trump, which means we've had democratic and republican mayors, governors and presidents that I think have had a lot of missed opportunities that could have prevents us from getting to this point; of course, this current federal administration is going to make it worse, but we have to think creatively and I think review some of those missed opportunities. I'm not going to ask

you direct questions about them, but I am going to mention a few of them. I do believe we missed an opportunity under MIH where we could have mandated that there was extremely low-income housing in every one of those projects; not only would it have helped with the homelessness; it would've helped with the segregation that happens in this city, and so hopefully that might be something the Administration wants to review for that missed opportunity. We have to be creative, looking at basement apartments and things of that nature that we can maybe incentivize to remain affordable. But we have to be very creative and we have to review all of our housing policies and tools under that lens. I was happy that the Administration came out with -- thanks to Council Members Levine and Gibson for their leadership on getting legal services for all tenants evicted; that is important, because we have to preserve what we already have. And I'm thankful that the Administration reviewed the housing plan and added 10,000 extremely low-income; that is something that this Council has been pushing for from the inception of the housing plan; we still need to even go a

1                   little bit further, but we can't waste anymore  
2  
3                   opportunities because it is a bad situation.

4                   With that, I do have additional  
5                   questions, but I'm going to pause and allow my  
6                   colleagues, who have patiently waited -- thank you  
7                   very much again. We'll set five minutes on the clock  
8                   for the first round for all who want to ask  
9                   questions; we have Lander, Crowley, Espinal,  
10                  Grodenchik, Levine, and Rodriguez.

11                  COUNCIL MEMBER LANDER: Thank you,  
12                  Mr. Chair. Commissioner, welcome; so nice to have  
13                  you here with us in the Housing Committee and you  
14                  know, appreciate all your work at EDC and SBS before  
15                  and look so we forward to working with you; this is  
16                  a, as you know, a community of people I have had the  
17                  good fortune of working with a long time and it's a  
18                  great agency and you are lucky to have them and  
19                  they're lucky to have you, so tough times for sure,  
20                  but we really look forward to working with you and I  
21                  look forward in particular to working with you and  
22                  your team, both on the Gowanus planning work that  
23                  we're doing and on the Certificate of No Harassment,  
24                  where we've made good progress and where I hope we  
25                  will be able to finalize the work that we're doing in

I want to push a little more on just -- and I know it's hard without the federal budget being out, but obviously it's such the elephant in the room and the whole agency is funded by federal dollars; we are anticipating very significant cuts. And you know I appreciate the -- like the Chair, I've been out in the streets a lot in resistance; I appreciate your inclination to look for savings, but realistically, I'm not optimistic that our organizing is going to prevent massive cuts to the Federal CDBG and HOME programs and there's no way that savings -- not only in your agency, but honestly, across the city could protect the resources we need here. So I mean for me it's time to start asking -- what are the essential programs and what are we going to do to protect them and where are we going to find those resources as New Yorkers if we care about those programs and if Trump devastates them. So are you guys thinking about --

how are you thinking about contingency planning and budgeting and what's essential and where those resources would come from and how we protect the most vulnerable New Yorkers and our essential housing programs in the face of just devastating and unconscionable federal housing cuts?

COMMISSIONER TORRES-SPRINGER: To be very clear, we are not being naïve about the potential cuts. Our work thus far has been, of course first and foremost, to make sure that we fully understand how the federal funding affects our programs; to make sure that everyone else has that same understanding; to learn whether it was sequestration or other; how we have done that in the past. But when the time -- and it will come very shortly, but when the full scope of those cuts are known, that will be a series of more detailed then conversations with OMB, with others about how we're going to address the problems and the funding cuts more holistically.

As an example, CDBG, as I mentioned, we get about 55% of CDBG funding; other agencies get the rest. To the extent that there are CDBG cuts, it's not just about how HPD will address those cuts, but what the City in total will do with all of the

1 programs that are CDBG funded. And so those  
2 conversations and those discussions about tough  
3 choices will have to happen, but right now our goal  
4 and our focus is to make sure that we are being as  
5 vocal as possible, resisting as much as we can and  
6 making known that the cuts are unacceptable to us. I  
7 understand that we have to plan and we have been, but  
8 it would, in my opinion, not be wise to broadcast  
9 that we have 12 contingency plans, because it makes  
10 that appear that we can absorb these cuts easily,  
11 which we cannot.

13 COUNCIL MEMBER LANDER: So I'll just say  
14 a couple of things. I sadly, don't think that Trump  
15 or Carson care anything about what our contingency  
16 plans are or aren't. But I guess I want to say this,  
17 because the way -- and this may be more directed to  
18 my colleagues and to the Mayor than necessarily to  
19 you -- I sure don't mean, when I say contingency  
20 cuts; like what other things are we going to cut in  
21 order to accommodate Trump? I think it is time to  
22 start having a conversation about where the revenue  
23 will come to cover costs that we have to have; we  
24 haven't started having that dialogue in this budget  
25 cycle, and sadly, the only revenue that the Council



has the power to look at is the property tax, which is not the best tax to increase, but it's the one we have and it is a collective active resistance, in my opinion, for New Yorkers to consider what we will do together to prevent massive cuts to our most vulnerable and our affordable housing programs and our public housing, and not only should we not preemptively [bell] start cutting those programs; we shouldn't start preemptively setting ourselves up with bad choices between which vulnerable New Yorkers are we going to harm. And then I just do want to connect the dots back to 421-a and the Chair's comments. What an unconscionable time to be talking about adding \$1 billion -- let's just be clear; like, New York State is making this program, but what share of the increased cost is the State planning to bear of what they're proposing?

COMMISSIONER TORRES-SPRINGER: Zero.

COUNCIL MEMBER LANDER: Zero. Zero, right? The answer is every penny of increase on cost will come to the City, even though every bit of decision-making, apparently, is going to be done at the state level -- \$1 billion over ten years for no affordability while Trump and Carson are going to

devastate our housing programs -- let's start connecting the dots. We can't afford that increase in 421-a. You know I have supported that program a long time, but if we are going to have to start looking at how to make up for federal funding, it may be that we should end that program at this point; at least those are the kinds of things that have to be on the table; this is not a time to be giving new tax breaks to the wealthiest developers and New Yorkers..

[crosstalk]

CHAIRPERSON WILLIAMS: Councilman..

COUNCIL MEMBER LANDER: while we're facing devastating cuts to our housing program. So I'm sorry that's the conversation we have to start having, Mr. Chairman, but I think it's time to start having it. So thank you Commissioner for your testimony. Thank you, Mr. Chair.

CHAIRPERSON WILLIAMS: Thank you.

Council Member Crowley, Espinal, Grodenchik, Levin, Rodriguez, Mendez, and Rosenthal.

COUNCIL MEMBER CROWLEY: Thank you, Chair. Good morning Commissioner, congratulations on your new post. I'm going to go through my questions

quickly in an effort to get them all out, but I'm going to go one by one and pause so you can answer.

COMMISSIONER TORRES-SPRINGER: Okay.

COUNCIL MEMBER CROWLEY: First, there are over 60,000 people who are homeless, it's an unsettling number; those who are homeless feel it the most. Do you think that having only 5% of the total capital budget is enough for HPD, when we're facing such a crisis?

COMMISSIONER TORRES-SPRINGER: So we have, with the resources that we have, been able to -- as the presentation showed -- make really record-breaking progress in terms of the creation and preservation of affordable housing... [crosstalk]

COUNCIL MEMBER CROWLEY: I... I don't want to interrupt, but our number of homeless families, and many of them children, that's increasing every year, so while your efforts are, you know, stronger than years in the past, they're just not going far enough, so I don't believe 5% of the total capital budget is enough and so often that number gets unspent and rolled over to the next capital year. So it's just really a yes or a no answer. Is that

enough money? Is only 5% of the total capital budget enough for HPD?

COMMISSIONER TORRES-SPRINGER: We are making good use of the funding that we have; additional funding will certainly help us do more... [crosstalk]

COUNCIL MEMBER CROWLEY: We need you to go back to the Mayor and ask him for more money. I'm going to move into my next question. It says in your testimony that you've created or maintained or sustained 62,000 housing units; how many of the 62,000 are new?

COMMISSIONER TORRES-SPRINGER: So the total breakdown, in terms of -- give me one second here -- of the 62,000 units, we have 40,000 that is preservation and about 20,000 that's new construction.

COUNCIL MEMBER CROWLEY: So that's since the Mayor's become the Mayor, 20,000 new affordable units?

COMMISSIONER TORRES-SPRINGER: That's correct.

COUNCIL MEMBER CROWLEY: Now are you able to break them down by community board?

COMMISSIONER TORRES-SPRINGER: Yes. Yes.

COUNCIL MEMBER CROWLEY: How easy is that for you to give us that information...

COMMISSIONER TORRES-SPRINGER: I'm sure we can do that pretty quickly, so as a follow-up to this... [crosstalk]

COUNCIL MEMBER CROWLEY: so that one community board can see if they have their fair share of affordable new development?

COMMISSIONER TORRES-SPRINGER: We'd be happy to provide... [interpose]

COUNCIL MEMBER CROWLEY: Great.

COMMISSIONER TORRES-SPRINGER: that information, Councilwoman.

COUNCIL MEMBER CROWLEY: Could you also provide the vouchers, the number? You don't have to say who it is, but just each community board, how many Section 8 vouchers and other type of vouchers you provide from one community board to the next.

COMMISSIONER TORRES-SPRINGER: Yes, we can provide that.

COUNCIL MEMBER CROWLEY: Good. When it comes to your emergency repair, you know when it comes to homes that are used or shelters that are

used for housing the homeless, HPD is often called to those different sites; how come those buildings are going unrepaired? I mean it's clear that landlords that are using their spaces to rent out, such as, let's say cluster sites, and now the Mayor's working towards closing down these cluster sites because they're in such a bad state of repair. Why can't HPD go into these -- because the situation is where Department of Homeless Services is moving people from clusters into hotels because of bad repairs, now how frequently does HPD go into these units and do the repairs and then just bill the landlord?

COMMISSIONER TORRES-SPRINGER: So I'll mention a couple of things and I'll ask our Deputy Commissioner, Vito Mustaciuolo to elaborate as well.

You're right; obviously a big part of the Mayor's new plan in terms of the homeless crisis is to get out of the cluster sites. We have, over the course of the last couple of years, been working very, very closely with DOB; with DHS on a full array of... a new inspection regime that allows us to better understand those issues... [crosstalk]

COUNCIL MEMBER CROWLEY: Sure.

COMMISSIONER TORRES-SPRINGER: and also  
drive violations down... [crosstalk]

COUNCIL MEMBER CROWLEY: In... In answering  
the question about the emergency repairs, it's  
important for me to know if your agency has the  
capacity to make these units safe and that if you  
have the capacity, to then go to the property owner  
and get the money that is due to your agency for  
making these repairs.

COMMISSIONER TORRES-SPRINGER: Okay. And  
so we do have an emergency repair unit that does this  
type of work; I'll let Vito talk about [bell] what we  
have done specifically as it relates to the  
inspections of the shelter sites and our cluster  
sites that we have worked with in the past.

VITO MUSTACIUOLO: Sure, good morning.  
My name is Vito Mustaciuolo, Deputy Commissioner for  
Enforcement at HPD. So we treat the cluster sites no  
differently than any other privately owned building,  
and in fact, in AEP round ten, five cluster buildings  
were added to the Alternative Enforcement Program  
because of the increased efforts that we've embarked  
on with cluster units. And we also have active  
litigation in about a dozen of the cluster buildings,

where we have brought comprehensive litigation cases and are seeking both civil penalties as well as orders to correct. I don't have the exact breakdown of how much money we have spent, but we are aggressively working in the cluster buildings.

COUNCIL MEMBER CROWLEY: If you could just let me know -- you can provide it at a different time to the Committee and I would like to see a copy of it -- how many outstanding violations are on your punch list, to get to; how long does a unit have to stay in a dangerous situation before you're able to do your emergency repairs; and what are your options, without having to go to court, taking from the owner, who is not paying you for those repairs; and can you take the property if the repairs cost so much that they don't pay it? Can you... [interpose]

CHAIRPERSON WILLIAMS: Thank you, Council Member.

COUNCIL MEMBER CROWLEY: like the City does when it comes to our taxes liens or our water bill... [interpose]

CHAIRPERSON WILLIAMS: Thank you, Council Member.



COUNCIL MEMBER CROWLEY: That question just needs to be answer. [crosstalk]

CHAIRPERSON WILLIAMS: Sure. Do you have a response?

VITO MUSTACIUOLO: Sure. So we can take property; we can consider 7A for some of the buildings, so really a comprehensive... [crosstalk]

COUNCIL MEMBER CROWLEY: Do you know what limits you [inaudible] taking property...? [crosstalk]

CHAIRPERSON WILLIAMS: So we're going to have to go to Council Member Espinal, so if you just want to do a blanket response, we can do that and then we could follow up later.

VITO MUSTACIUOLO: The Constitution doesn't allow us to just take property, so there is a process; a Conference of Litigation is the first step in that process, and then a 7A administrator would be the second step of the process. If there are significant tax liens, then the liens can be sold and we can consider it through that process, but we just can't take property.

CHAIRPERSON WILLIAMS: Thank you.  
Council Member Espinal.

COUNCIL MEMBER ESPINAL: Thank you, Chair Williams and good morning... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Morning.

COUNCIL MEMBER ESPINAL: Commissioner, it's great to have you as the Commissioner of HPD; we've done a lot of great work together around the rezoning when you were the President of EDC and I think that you have a holistic knowledge or view of how we should approach rezonings in communities, so it's great to have you onboard as the Commissioner of HPD.

COMMISSIONER TORRES-SPRINGER: Thank you.

COUNCIL MEMBER ESPINAL: I want to focus on the issue of homeownership in this city. I wrote a letter to you a few weeks ago; you responded, but you know the reality is that homeownership nationwide is at about 65%; in the City of New York, homeownership is way below 40%, it's way below the national average, half the national average, and the situation is only getting worse and worse, right? It's really impossible for working class and middle class families to buy a home; the average home in Brooklyn right now costs about \$700,000; meaning, that if you're putting a 10% down payment, you're

going to need \$70,000 in your savings, you know.

Speaking for myself, a young man who makes a good

salary, it will take me years to save that money to

actually buy a home. You know, my parents came into

this country and in the 80s they were able to put

\$10,000 down, down payment, able to buy a home; you

really can't do that in this day and age. I know HPD

has a program called a HomeFirst Down Payment

Assistance Program; it currently caps out at \$15,000

for someone looking to buy a home for the first time.

I have this great idea; why not increase the cap to

reflect the current market, you know maybe \$100,000

to someone who can afford buying a home and afford

paying their mortgage and someone who's looking to

buy a multiunit home where they can rent the second

or third floor of their house to help pay their

mortgage, but I think that there needs to be some

sort of a door that they can come in and say listen,

I'm capable of sustaining a home, but I just need the

help putting the down payment for this home. Is HPD

exploring on increasing that cap of \$15,000 maybe to

\$100,000?

COMMISSIONER TORRES-SPRINGER: So first

let me say that we agree with you that homeownership

is an important and critical piece to what we're trying to do across the city in terms of stabilizing neighborhoods, building equity; helping control overall costs, and about 10% of the production in terms of the housing plan, they've been homeownership units. The program that you mentioned, the HomeFirst Down Payment Assistance Program, the cap had been up to \$15,000, although with the additional private contribution and financing that we have, we've been able to enhance this to increase the maximum forgivable loan to \$25,000, and this compliments other products that are out there in the market, including -- I know this is not a City-funded program, but we work very, very closely with these partners -- Neighborhood Housing Services also offers low-interest loans up to \$65,000. I understand the point that given the need and the question of whether we can and should be doing more, and that is certainly an issue that I'd be more than happy to continue to work with you on to see what else we can do. You know again, keeping in mind, given the previous conversation, the limits that we have and the resource issue that we will face as more information comes from Washington, but that doesn't

mean that we won't keep thinking more broadly and creatively about how to help with this particular issue, so I look forward to doing that.

COUNCIL MEMBER ESPINAL: Yeah, I look forward to it as well, but I want the agency to just keep in mind that these are loans, right; they're going to be paid back, so there's really no loss to the City to increase that cap, because the people accessing this program will pay the money back at a certain point; right? I know that there is a nonprofit that currently provides up to \$65,000, so I think we as a city should push that and if not only match it, but go beyond that. Again, you know, you raised the cap to \$25,000, so if you're looking to put a down payment in Brooklyn, you need \$70,000 so that means that the homeowner will need \$45,000 in their savings account in order to buy a home here in that borough of Brooklyn. So you know I think there's more that we need to do; again, I believe that we need more homeowners in our city; it'll help sustain our working class and middle class families be able to climb the economic ladder and also provide affordable units to their neighbors, you know. Another thing that I was thinking about the program

is, if -- I know currently you provide funding to building owners who... you provide a program to building owners that if they green their homes... [interpose]

COMMISSIONER TORRES-SPRINGER: Right.

COUNCIL MEMBER ESPINAL: and upgrade [bell] the systems in their homes, they would agree to keeping the units in their building affordable, and I think the average amount that HPD is looking to spend on each unit is about \$50,000. Now what if we gave these first-time homeowners this \$100,000 grant and say you can keep the \$50,000 but as long as you agree to keep the units in your apartment or building affordable for a certain amount of years? You know I think that's something else we can look at; I think there's a way we could be creative in keeping the path to homeownership available to working class and middle class families and also creating more affordable units in the city.

COMMISSIONER TORRES-SPRINGER:

Understood.

CHAIRPERSON WILLIAMS: Thank you.

Council Members Grodenchik, Levine, Rodriguez, Mendez, and Rosenthal.

COUNCIL MEMBER GRODENCHIK: Thank you,  
Mr. Chair. Good morning Commissioner...

COMMISSIONER TORRES-SPRINGER: Morning.

COUNCIL MEMBER GRODENCHIK: nice to meet  
you.

COMMISSIONER TORRES-SPRINGER: Nice to  
meet you.

COUNCIL MEMBER GRODENCHIK: I don't have  
much to do with EDC and HPD; I represent the far east  
of Queens, where we're thawing out this morning not  
too well. But I did want to ask you about the new  
unit that you formed or will be formed in the coming  
months to monitor the 421-a program. Do we have an  
estimate of how much -- I won't call it cheating,  
'cause that's not a nice word -- what the lack of  
compliance is with these programs?

COMMISSIONER TORRES-SPRINGER: Let me see  
if our -- I do not have that figure at my disposal  
right now; I'm going to look to see if our Deputy  
Commissioner for... [crosstalk]

COUNCIL MEMBER GRODENCHIK: Do you have a  
ballpark figure...

COMMISSIONER TORRES-SPRINGER:  
Development has it; if not, then we will... [crosstalk]

COUNCIL MEMBER GRODENCHIK: We'll come back to that; let me... Okay.

COMMISSIONER TORRES-SPRINGER: we will get that for you, sir.

COUNCIL MEMBER GRODENCHIK: I want to... Okay, while you're looking, I do want to make a statement. One of my colleagues mentioned the possibility of raising property taxes and I know this is not a Finance Committee hearing, but property taxes are projected -- for all of you who are listening -- to go up 23.7% over the next four years -- those are the Administration's projection -- so well ahead of the rate of inflation and I think that's more than enough. I just wanted to put that on the record. Any luck? [background comments] This is coming out of my time, Mr. Chairman. I know. Oh okay.

CHAIRPERSON WILLIAMS: That's actually a fact [sic].

COUNCIL MEMBER GRODENCHIK: Let me ask another question while you're looking. Do you antici... [crosstalk]

COMMISSIONER TORRES-SPRINGER: I don't believe we have that with the information that we



have; we will get it for you following the meeting..

[crosstalk]

COUNCIL MEMBER GRODENCHIK: I would appreciate getting that. Going forward we're going to be spending \$1.8 million of tax levy money on this; do you anticipate that by bringing into compliance we will be raising additional tax revenue; is that part of the basis for this new unit?

COMMISSIONER TORRES-SPRINGER:

[background comment]. We do believe that with the enhanced enforcement that the fees associated with the revocations should go up...

COUNCIL MEMBER GRODENCHIK: Okay. Do you have an estimate... [crosstalk]

COMMISSIONER TORRES-SPRINGER: and we'd be happy to provide more info on that as well.

COUNCIL MEMBER GRODENCHIK: At least \$1.8 million so that we at least break even?

COMMISSIONER TORRES-SPRINGER: That is the hope.

COUNCIL MEMBER GRODENCHIK: Okay. I would appreciate if you could forward to my office the number of 421-a programs that are in compliance based upon your most recent figures.

And lastly, I appreciate that you grew up in Section 8; myself; I believe Councilwoman Mendez, who's sitting my left, we both grew up in NYCHA developments; can you tell me the number of Section 8 vouchers that the City is currently dispensing every year?

COMMISSIONER TORRES-SPRINGER: We have, at HPD, since we have our own Section 8 program, the number of vouchers is approximately 39,000.

COUNCIL MEMBER GRODENCHIK: Okay. Wow, that's a lot. And do you know what it is at NYCHA or?

COMMISSIONER TORRES-SPRINGER: About 90,000.

COUNCIL MEMBER GRODENCHIK: Ninety?

COMMISSIONER TORRES-SPRINGER: That's correct.

COUNCIL MEMBER GRODENCHIK: So that's 129,000, if my math is correct. Alright. Alright. Thank you and I look forward to getting those figures from you. Thank you, Mr. Chair.

CHAIRPERSON WILLIAMS: Thank you and you gave me back some time; appreciate it [sic].

[background comment][laughter]

CHAIRPERSON WILLIAMS: Thank you.

[laugh]

[background comment]

CHAIRPERSON WILLIAMS: Council Member  
Levine, Rodriguez, Mendez; Rosenthal.

COUNCIL MEMBER LEVINE: Thank you Chair  
Williams and great to see you, Commissioner; it was  
really a pleasure working with you at SBS and EDC and  
I'm excited to continue to work with you in your new  
capacity.

Your predecessor launched an effort to  
reform the HDFC sector, which, as everyone knows, is...  
low-income co-ops is about 12 or 1,300 [sic]  
buildings and there have been challenges with HDFCs,  
about a quarter or maybe even a third are struggling  
financially or are having challenges with governance  
or other issues; in physical distress in some cases.  
There are also some HDFCs which are skirting the  
rules on resale and that has led to inflated sale  
prices, which defeats the purpose of the program --  
which is to provide affordable homeownership -- and  
not acceptable for anyone to skirt the rules. I'm  
talking about existing... [interpose]

COMMISSIONER TORRES-SPRINGER: Right.

COUNCIL MEMBER LEVINE: regulator

agreements which are in place. But for the broad majority of these co-ops, really they have been quite successful and these were residents in low-income areas who took control of these buildings in very, very challenging times -- many in the 80s and 90s -- and they didn't just invest in turning around their buildings; in many cases -- and certainly in my district, which is home to I think 200 or more HDFCs -- they turned around whole blocks and were -- I think part of the story of the turnaround of the neighborhood was these homeowners who were invested in their buildings and did so much good for the neighborhood -- a lot of sweat equity -- many of them have really put their heart and soul into these buildings and these apartments are their only assets in many cases, and that equity is their nest egg, because again, these are mostly working class or low-income people. And my fear about the proposal that was announced under the predecessor is that it was really a blanket solution that would do some important things to help shore up those HDFCs which are failing, but would also have a negative impact on some of the successful HDFCs which in effect would

1                   reduce the equity of those shareholders. And I'm  
2                   talking about those shareholders who have played by  
3                   the rules, who have worked within the agreements that  
4                   they were offered -- it was a great variety of  
5                   agreement or even some that don't have [sic]  
6                   agreements, so I know you're looking to make more  
7                   uniform rules, but to me, to tell one of these  
8                   hardworking shareholders who's done everything they  
9                   should have that their equity is now going to be  
10                  reduced is unfair and through some tactical reasons  
11                  actually could send health HDFCs failing as well,  
12                  which is something I know you don't want. Can you  
13                  tell me your thoughts about this plan and your  
14                  philosophy, particularly about how you would see  
15                  those successful shareholders fairing under any new  
16                  rules?  
17

18                   COMMISSIONER TORRES-SPRINGER: Uhm-hm.

19                  So I appreciate all of your comments. Over the  
20                  course of the last year, as you know, the team at HPD  
21                  has been working with a task force and different  
22                  stakeholders, certainly taking into serious  
23                  consideration; also, all of the feedback and comments  
24                  from members of the Council over the course of the  
25                  last several years about our need to act with urgency

on this issue. I understand that no two HDFC co-ops are alike; there are, as you mentioned, however, some sobering statistics and facts that we have to confront as we try to craft the best possible proposal that ensures that all HDFCs are on solid financial footing and that we preserve what is in my opinion a really critical stock of affordable homeownership housing for the city; we're talking about 30,000 units, right, across 1,000 co-ops and another 1,000 rentals. And so over the course of that engagement we've tried to craft a proposal that ensures that we are able to have the tools that we typically have if entities are under a regulatory agreement with us -- and that fact is, only 20% of HDFC co-ops are under a regulatory agreement -- so that some of the actions that you talked about earlier that fell into [background comment] individuals who are over income... [interpose]

COUNCIL MEMBER LEVINE: Right.

COMMISSIONER TORRES-SPRINGER: that that doesn't happen; at the same time to... [crosstalk]

COUNCIL MEMBER LEVINE: And I just want to get a question -- sorry, before my time is up... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Yes.

COUNCIL MEMBER LEVINE: and maybe you can wrap it into your response, [bell] which is; HPD has an ambitious goal of 20,000 units over a ten-year period -- preserved and created -- and this is potentially a cache of 30,000 apartments and I'm wondering whether, if you get a new regulatory agreement, that would allow you to count those 30,000 towards your goal and whether that in some way is... is the ultimate motivation...? [crosstalk]

COMMISSIONER TORRES-SPRINGER: That is certainly not the impetus for making these reforms. The reform proposal is based on, frankly, many years, even decades of feedback from different people about our need to better protect this source. Having said all of that, as you know, we have done many forums, gone to different community boards; spoken with a lot of people on the draft proposal; we are now back in the office, really taking all of that feedback into consideration to see what modifications can be made; how to better strengthen it; how to incorporate all of the feedback that we've heard -- and it's been across the board -- so that we will work and we would need to work, of course, with City Council to make

sure that it is as effective as possible, and so welcome any additional particular feedback as we do that work in considering other input that we have heard through the process.

COUNCIL MEMBER LEVINE: I appreciate that and I know my time is up; just very quickly, look forward to meeting with you; I think our staffs are working to schedule something to talk to you about this. But there's no free lunch in affordable housing; someone's gotta pay, either the taxpayer subsidizes it or a developer is putting in resources, and in this case it seems that it would out of the equity of low-income and middle class people. I think we need to be conscious of... [crosstalk]

CHAIRPERSON WILLIAMS: Council Member...

COUNCIL MEMBER LEVINE: of a plan which does that and one that I couldn't support. But thank you and thank you for the time, Chair. Thank you.

COMMISSIONER TORRES-SPRINGER: Sure.

CHAIRPERSON WILLIAMS: No problem. I also just want to piggyback on what the Council Member was talking about with HDFCs; I also have cause for concern for what seems like a blanket reform which may affect HDFCs that have no need for



1 reform. At the same time, I do notice the need to  
2 make sure that these units that were put there to be  
3 affordable for generations are not sold at exorbitant  
4 process and exorbitant amounts, so we want to make  
5 sure there's some checks in there as well, while  
6 making sure that people who put in sweat equity and  
7 their own funds are able to recoup that as well.

8  
9 And just something that Council Member  
10 Lander said as well, to piggyback, I just want to put  
11 on the record; I believe if Governor Cuomo allows  
12 this 421-a reform to go in, he in effect is putting a  
13 billion dollar of cuts on top of what Trump is maybe  
14 putting forth in New York City, so he in effect is  
15 adding his own cuts and maybe even worse than what  
16 Trump is projecting, so I wanted to put that on the  
17 record and hopefully he gets it and hears the  
18 message. Council Member Rodriguez.

19 COUNCIL MEMBER RODRIGUEZ: Thank you,  
20 Chair. Commissioner, first of all, you know it's  
21 always nice to be working with you; I know that in  
22 your first day we worked together in our district on  
23 an issue that is very important I know that [sic]  
24 Deputy Commissioner Vito is also following in that  
25 building **[inaudible]** Avenue, where, unfortunately,

that particular building owner is one of those bad apples that doesn't represent well the rest of the developers who provide a service and for which the tenants pay their rent, and I know that your team is following up on that case.

But I had a question related to the phone complaint of New Yorkers for lack of heat; how are we doing this year and what is the ratio of New Yorkers complaining for reporting lack of heat in their apartments and the number of inspectors that HPD has the resources for, and the expectation was growing that number? Of course, it's not lack of trust on the person who is in charge with enforcement, but it's more to be sure that his division has all the resources to follow all those complaints.

COMMISSIONER TORRES-SPRINGER: Yes, so I'd be happy to talk about that work, it's certainly incredibly critical to the work at HPD and its responses to so much of what we hear.

So let me start by saying that we have in, at code enforcement the total funding that we have is approximately \$27 million that allows us to have at this point approximately 315, 319 inspectors; they respond to a number of different issues and

1 complaints, certainly including the ones that come  
2 from 311 and just in terms of an update and average  
3 response times, you mentioned heat; our response  
4 times currently are about three days, and more than  
5 happy to provide what they look like for other issues  
6 like lead and dire issues as well. But the funding  
7 that we have right now, the more than \$20 million,  
8 has allowed us to have 316 inspectors; there are a  
9 few dozen vacancies that we should be filling  
10 actually in the next few weeks. And so those are the  
11 resources to continue the great work and I have to at  
12 this point give a shout-out to our Deputy  
13 Commissioner Vito Mustaciuolo, who leads all of them.

14 COUNCIL MEMBER RODRIGUEZ: Okay. My  
15 second question is about preservation, and again,  
16 many districts such as mine; I have a higher  
17 preservation units in New York City and the second  
18 one in the state after Buffalo, but I also know that  
19 many of those buildings, what I have **[inaudible]**  
20 those number of preservation apartments, they were  
21 built close to 100 years ago and especially when  
22 there's a lot of pressure in the market for those  
23 building owners not to continue on any agreement on  
24 preservation, we also have to -- you know and I know  
25

that by far that you've been proactive, trying to contact as many building owners as possible for them to take advantage, but how hard it is today to compete you know with a program that we are able to offer to those developers compared to the market price that they expect that they will be able to charge the new tenant.

COMMISSIONER TORRES-SPRINGER: Uhm-hm.

COUNCIL MEMBER RODRIGUEZ: So what programs do we have today for those developers; how are we looking for 2018 or expanding the numbers of programs for all these developers, again who have those buildings -- old -- and they need a lot of money to renovate those apartments for the City to be able to say, we can work with you on renovating some of those apartments or those buildings if you continue working with us, keeping those units affordable?

COMMISSIONER TORRES-SPRINGER: Right.

No, it's certainly a critical issue and given our work together over the years, certainly something that requires I think the type of vigilance and creativity that the team at HPD has shown over and over again that they can bring to the table. And so

as you saw with our numbers, you know preservation continues to be and has to be a huge part of our efforts in terms of addressing the affordable housing crisis. We have a number of programs that I'm more than happy to talk through and we can certainly provide [bell] a full list. But you are correct though that there is a lot that we need to do that is proactive and we have certainly done a lot of that already in working with different types of groups, different individuals; using our own data through our enforcement programs to identify those building owners, those property owners who can take better advantage of our preservation programs and as we are working with them on these programs, knowing there are other options that might be out there in the market, I think our work is always to continue to find more ways to get to the building owners proactively and to make sure that our programs are as responsive as possible so we get to the preservation outcomes that we all desire.

COUNCIL MEMBER RODRIGUEZ: **[inaudible]**

CHAIRPERSON WILLIAMS: Thank you Council Member. Council Member Mendez; Council Member Rosenthal.

COUNCIL MEMBER MENDEZ: Thank you.

Commissioner, welcome and I look forward to working with you in this capacity. I just want to, before I go to my questions, have to say Vito, anytime anyone starts answering questions by quoting the United States Constitution, it really gets me excited, so thank you for that.

And on your first page of your testimony you state that we -- I guess the City; HPD -- has financed 62,506 affordable apartments, just wanted to know; how was that financed?

COMMISSIONER TORRES-SPRINGER: So we have a number of programs, both on the new construction side and on the preservation side; there are dozens on each -- and we'd be happy to provide info -- and what that has allowed us to do over the course of the plan is really provide the funding that is necessary to build new; preserve what is existing to ensure affordability over time and to do so in a way where we're reaching a range of incomes and reaching communities across the five boroughs, but we would be more than happy to provide descriptions of each of the programs.

COUNCIL MEMBER MENDEZ: Yes, if I can get that and if the Chair can get that; that would be great... [interpose]

COMMISSIONER TORRES-SPRINGER: Be more than happy to do [sic].

COUNCIL MEMBER MENDEZ: In terms of that, was that funded with CDBG money, City tax levy dollars?

COMMISSIONER TORRES-SPRINGER: City capital.

COUNCIL MEMBER MENDEZ: City capital. Okay. So on the second page you reference the strategic use of data, the 7A program is something that's least utilized these days -- now I'm going to start to date myself -- I think it was more utilized twenty-odd years ago when I was doing tenant organizing. I was just wondering what unit in HPD is using this data and any enforcement; what's the head count for people working in the AEP and in the 7A program or if it's part of a bigger unit and what unit would that be?

COMMISSIONER TORRES-SPRINGER: Let me... [background comment]. So first -- and we'll get you the specific head count for each of the units -- in

1 terms of the use of the data, what we've done is  
2 ensure that -- actually many different departments  
3 are looking at the same data so we can connect the  
4 dots -- and so to the extent that through our  
5 enforcement work, for instance, we have data on  
6 buildings or seeing buildings that are in bad  
7 condition. We have made a really concerted effort to  
8 ensure that then the preservation team on the  
9 development side is in good contact with the  
10 enforcement team so that we can speak then with those  
11 buildings owners, if appropriate, to put them in a  
12 preservation program so that the preservation outcome  
13 happens, which is, of course, of critical importance.  
14 In terms of exact head count, for Special  
15 Enforcement, which AEP and 7A, where that is run, the  
16 total head count is about 81 and it's part of a  
17 larger group that they also, of course, work very,  
18 very closely with, but as it relates specifically to  
19 AEP and 7A, it's part of the Division of Special  
20 Enforcement and that's 80 people.

21 COUNCIL MEMBER MENDEZ: Okay. Page four  
22 you mention there is \$490 million going to Section 8  
23 and Shelter Plus Care; I did not hear -- you may have  
24  
25



said it -- how that \$40 million [sic] gets divided between those two programs.

[background comments]

COMMISSIONER TORRES-SPRINGER: I'll ask Deputy Commissioner Trimble to answer that.

EVA TRIMBLE: Out of the \$490 million, all of it is towards Section 8; \$413 is for the Section 8 program, the Housing Choice Voucher Program, and \$53 million is for Shelter Plus Care, and then the rest is for administration.

COUNCIL MEMBER MENDEZ: Thank you. HPD has been proposing [bell] -- I'll just get my question out -- has been proposing a regulatory agreement for HDFCs and we're still in discussions about that and how it would look if it gets implemented; my question is; if we move forward with this HDFC regulatory agreement, what unit would that flow under; what would the head count be; how enforcement would be done, and I know there are some regulatory agreements now with former TIL buildings, so how big is that unit now and how do you propose to grow it to the unit to appropriately take care of all the regulatory agreements that would happen with all the HDFCs in this city?

COMMISSIONER TORRES-SPRINGER: So while we get the specific head count for the Office of Asset and Property Management that would be in charge of this portfolio, so that is led by Deputy Commissioner Anne-Marie Hendrickson, and we have... unless she knows it off the top of her head -- how... [interpose][background comments] Okay. So we have running TIL 30 individuals, another 44 in Asset and Property Management, but we'd be happy to follow up with specific... [crosstalk]

COUNCIL MEMBER MENDEZ: I'm sorry; can you please repeat that?

COMMISSIONER TORRES-SPRINGER: There are 30 individuals -- 'cause you asked specifically for the Tenant Interim Lease Program, what the head count is -- that's 29 [background comment] and 44 for Asset Management, and so we would... and these are some of the individuals who would be tasked with ensuring appropriate implementation of the new proposal.

COUNCIL MEMBER MENDEZ: So just to clarify for me, the former TILs that are now HDFCs are now falling under Asset Management; is that correct...? [crosstalk]

CHAIRPERSON WILLIAMS: Council Member.

COMMISSIONER TORRES-SPRINGER: That's right.

COUNCIL MEMBER MENDEZ: Okay.

CHAIRPERSON WILLIAMS: Council Member, you have to wrap it up.

COUNCIL MEMBER MENDEZ: But I was just getting clarification. I've got a lot more questions, but I'm...

CHAIRPERSON WILLIAMS: Okay. Thank you.

COUNCIL MEMBER MENDEZ: done; I heard the little bing, bing before.

CHAIRPERSON WILLIAMS: Thank you very much... [crosstalk]

COUNCIL MEMBER MENDEZ: Thank you very much.

CHAIRPERSON WILLIAMS: Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Thanks so much, Chair. Welcome to HPD; I'm so glad you're here, Commissioner, it's a great agency, it does great work and I'm sure you'll do a great job.

I have three quick questions. First, if you look at the preliminary Mayor's Management Report Performance Measures, I mean I think you're going to

know the answer off the top of your head, but it says emergency violations corrected by the owner 57%, emergency violations corrected by HPD 11%, so that's 68%; how do the other 32% get correct or does that mean they're not correct? Good morning, Vito.

VITO MUSTACIUOLO: Good morning; how are you? So the balance of those would fall into multiple categories; some are in litigation, where we've brought a comprehensive litigation case against the owner; some we just have not been able to gain access to verify that the condition has been corrected and the owner has not certified the violation has corrected.

COUNCIL MEMBER ROSENTHAL: It would be great to add those as part of the performance indicators, actually... [interpose]

VITO MUSTACIUOLO: Sure; we could further break it down.

COUNCIL MEMBER ROSENTHAL: Yeah, I would appreciate that information, if the City Council staff could get -- for the Housing and Buildings Committee could get that.

My second question has to do also with reporting. Actually, my second question has to do

with your contracts. I see that you have community consultant contracts and you have legal services contracts. What do community consultants do?

COMMISSIONER TORRES-SPRINGER: If you just bear with me for one moment, Councilwoman. Yeah, what do they do?

COUNCIL MEMBER MENDEZ: Community consultant contracts are funding that goes to not-for-profits doing... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Thank you.

COUNCIL MEMBER MENDEZ: eviction prevention and assistance.

COMMISSIONER TORRES-SPRINGER: That's [inaudible]... [crosstalk]

VITO MUSTACIUOLO: Council Member... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Thank you... Thank you for answering that question. The reason I ask is because... [interpose]

CHAIRPERSON WILLIAMS: It's also our funding.

COMMISSIONER TORRES-SPRINGER: That's right.

COUNCIL MEMBER ROSENTHAL: the Human Services Council has come together and now with organizations like the ones that Council Member Mendez referred to; what we're trying to do is right-size these contracts and you know last week we had Legal Aid in here testifying that they have been systemically underfunded over the last twenty years. So in addition to staff not being paid well, there's been no increases in the contracts for overhead, say rent going up, maintenance, supplies; technology, just no increases at all for those parts of the budget, and we are asking the Administration for the Executive Budget to increase these contracts by 12% in order to cover those costs until the time comes when you renegotiate those contracts, and hopefully at that time right-size them so that the City and the State, frankly, and federal government -- I mean the State has not paid its share, for sure, so the State -- you know this is government contracts... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Right.

No, I **[inaudible]**...

COUNCIL MEMBER ROSENTHAL: so certainly not just the City. But you know it's my understanding that some of these organizations are

1 saying no to City contracts now because the funding  
2 is not adequate for them to do their work, so what  
3 I'm asking for, I guess, is a commitment from you  
4 that you will open the door to right-sizing these  
5 contracts as they get renegotiated.  
6

7 COMMISSIONER TORRES-SPRINGER: So...

8 [interpose]

9 COUNCIL MEMBER ROSENTHAL: New topic,  
10 huh?

11 COMMISSIONER TORRES-SPRINGER: the door  
12 is open to finding as many ways as possible to  
13 maximize our partnership with the types of  
14 organizations that hold these contracts, and my  
15 understanding is that every year -- in FY17, for  
16 instance, there were about 175 City Council awards  
17 that actually have funded the community consultant  
18 contracts and that's \$10 million... [crosstalk]

19 COUNCIL MEMBER ROSENTHAL: Yeah, I just  
20 wanted to make -- that's fine.

21 COMMISSIONER TORRES-SPRINGER: so it's  
22 City Council funded.

23 COUNCIL MEMBER ROSENTHAL: Right, I just...  
24 Okay. We all need to be cognizant of the fact that  
25 we underfund these programs and they can't do all the

work that we're asking them to do, and certainly that's the case in my district... [crosstalk]

COMMISSIONER TORRES-SPRINGER:

Understood.

COUNCIL MEMBER ROSENTHAL: which leads to my last question, which is about keeping good data. One of the things that's frustrated me, [bell] despite the good efforts of all your staff, is that I don't have a very clean list of where all the rent-regulated apartments are in my district, even starting from 2014, right? And so this information is captured in the leases that you guys get copies of and what would help me in order to help our rent-regulated tenants would be either a copy of those leases, and I'll get an intern to drag through them and find the apartment numbers and what the deals are that are made for each one of those apartments, or better, what should happen is, HPD and Department of Finance I think together should be sending a letter to those rent-regulated tenants, letting them know what their rights are as those apartments either come out of regulation or not, and depending on each apartment it's a different deal, but my constituents regularly come to me confused about that and I don't



have the data and I can't get it really from HPD and we need to fix that.

COMMISSIONER TORRES-SPRINGER: Okay, understood.

COUNCIL MEMBER ROSENTHAL: Any hope, do you think or... I understand that it's complicated... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Well I think that the easiest way to get that, that list is through the State, through Housing Community Renewal... [crosstalk]

COUNCIL MEMBER ROSENTHAL: But you guys have the lease... [crosstalk]

COMMISSIONER TORRES-SPRINGER: But we...

COUNCIL MEMBER ROSENTHAL: you have copies of the leases.

COMMISSIONER TORRES-SPRINGER: So we would be more than happy to provide the right type of info that we have that we believe is accurate to help with this issue, and certainly then communicating... [crosstalk]

COUNCIL MEMBER ROSENTHAL: **[inaudible]**. Are there legal issues with providing the lease for me or?

COMMISSIONER TORRES-SPRINGER: I just...  
I'm not sure we... if we have those leases.

[background comments]

COUNCIL MEMBER ROSENTHAL: Can I have the  
ones that you have?

[background comments]

COMMISSIONER TORRES-SPRINGER: So...

COUNCIL MEMBER ROSENTHAL: Who's the  
expert I should sit down and work this through with?

COMMISSIONER TORRES-SPRINGER: So what  
we'll do is, I will make sure that... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Thank you.

COMMISSIONER TORRES-SPRINGER: we have  
the expert who we can go through what we have and to  
the extent that we have it and can share it; we will  
do that.

COUNCIL MEMBER ROSENTHAL: Thank you so  
much, Commissioner. Thank you, Chair for holding  
this hearing.

CHAIRPERSON WILLIAMS: Thank you, Council  
Member. Just to follow up on the contract question;  
I know CCC is the Council's initiative, but if I'm  
understanding correctly, you set the caps on what can  
be spent OTPS; is that correct?

1 COMMITTEE ON HOUSING AND BUILDINGS 91

2 COUNCIL MEMBER ROSENTHAL: So for the  
3 community consultant contracts, we fund those...

4 CHAIRPERSON WILLIAMS: Yeah.

5 COUNCIL MEMBER ROSENTHAL: but they have  
6 legal service contracts as well; it's not all the  
7 community consultant contracts... [crosstalk]

8 COMMISSIONER TORRES-SPRINGER: Yeah, but  
9 our legal services... [crosstalk]

10 COUNCIL MEMBER ROSENTHAL: or do you...  
11 [crosstalk]

12 [background comment]

13 COMMISSIONER TORRES-SPRINGER: contracts  
14 are also City Council.

15 COUNCIL MEMBER ROSENTHAL: They're also...  
16 so you guys don't provide any... have contracts for any  
17 legal services?

18 COMMISSIONER TORRES-SPRINGER: Not that  
19 we hold... [crosstalk]

20 CHAIRPERSON WILLIAMS: NPC?

21 [background comment]

22 COUNCIL MEMBER ROSENTHAL: Wow. Okay.  
23 Thank you.

24 CHAIRPERSON WILLIAMS: What about... Would  
25 it apply to the NPC?

COUNCIL MEMBER ROSENTHAL: To...

CHAIRPERSON WILLIAMS: The NPC contracts?

COMMISSIONER TORRES-SPRINGER: Right,  
okay. The NPC... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Great  
question. Thank you.

COMMISSIONER TORRES-SPRINGER: contracts,  
so those are the Neighborhood Preservation  
Consultants; those are federally funded.

CHAIRPERSON WILLIAMS: But I mean that's...  
[crosstalk]

COMMISSIONER TORRES-SPRINGER: That's  
right...

CHAIRPERSON WILLIAMS: Yeah.

COMMISSIONER TORRES-SPRINGER: we  
administer; it's federally funded.

CHAIRPERSON WILLIAMS: So would the caps  
that she's talking about be something [background  
comment] that you can look into or are they federal  
guidelines?

COMMISSIONER TORRES-SPRINGER: Yeah. I  
don't believe we have legal services as part of that,  
but to the extent that as we hear from not-for-  
profits across the city that these are some of the

common challenges, I wouldn't be surprised if it's an also an issue there.

CHAIRPERSON WILLIAMS: Okay. Thank you. We've been joined also by Council Member Ulrich. Nobody signed up for a second round, so I have you all to myself; we'll try to get through the rest of the questions as quickly as possible.

Just back to the Section 8; you said that if the cuts hold it is up to \$20 million -- just one second. How many voucher holders would it impact?

COMMISSIONER TORRES-SPRINGER: Well it's not the way we are looking at that funding, because our -- once the full extent of those cuts are known, then we will, first and foremost, find ways to make sure that there are no termination of vouchers. Right now the number of vouchers that we have is about 39,000 and so to the extent that there are cuts that are deeper than what we've already heard, then the impact would be to that portfolio, but the known cuts right now we have not yet, because we don't know what the full extent is associated with a certain number of vouchers.

CHAIRPERSON WILLIAMS: Do you expect any changes in the Section 8 administration funding?

COMMISSIONER TORRES-SPRINGER: The proration for the administrative revenue was also lowered and for the months that they've already given us information, that's about \$700,000, and if that continues, then that represents another \$2 million in terms of a decrease, so the \$2 million on the administrative revenue, that's the counterpart to the \$21 million in terms of the actual funding for the program.

CHAIRPERSON WILLIAMS: Since the start of Housing New York, as of December 31, 2016, HPD has financed the creation and preservation of more than 62,500 affordable units, including about 20,900 newly constructed units and the preservation of 41,600 units. How many affordable housing projects did this encompass; how many of these affordable housing projects used some form of property tax benefit?

COMMISSIONER TORRES-SPRINGER: Uhm-hm.

CHAIRPERSON WILLIAMS: And we've been joined by Council Member Salamanca.

COMMISSIONER TORRES-SPRINGER: So for the 62,500 units that you mentioned as part of Housing New York, this is comprised of approximately 1,022 projects -- please keep in mind that 568 of those are

smaller projects, smaller Homeowner Down Payment Assistance Programs, like HomeFirst that we talked about earlier. But the full scope of that 62,000 is represented by 1,000 different projects.

To your second question, 64% of all Housing New York units were underwritten with some form of property tax benefit and there are a number that are relevant here -- 420-a, 420-c, Article V -- and we'd be happy to provide detail following this hearing as to those numbers.

CHAIRPERSON WILLIAMS: Do you know how many were 421-a?

COMMISSIONER TORRES-SPRINGER: About 9%.

CHAIRPERSON WILLIAMS: How many projects are led by an MWBE development team?

COMMISSIONER TORRES-SPRINGER: We're actually right now in the process of developing a tool to better track the MWBE participation in our program, in terms of development, on the development side of our work. As I mentioned in the testimony, our commitment to this issue, and given my previous roles as well, is very deep. Just so it's understood, in terms of HPD's own spending, 53% of

our spending has gone to MWBEs and so that's a percentage that we're quite proud of... [crosstalk]

CHAIRPERSON WILLIAMS: Do you know how many were minority-specific?

COMMISSIONER TORRES-SPRINGER: So 53% of all of our spending, which roughly totals...

CHAIRPERSON WILLIAMS: Well that was, I know, MWBE; I was talking about... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Right.

CHAIRPERSON WILLIAMS: minority-specific, so black, Latino; Asian.

COMMISSIONER TORRES-SPRINGER: I don't have that information with me, but we'd be happy to provide that as a follow-up. But then... [crosstalk]

CHAIRPERSON WILLIAMS: Yeah. But I found that even the agencies that do great on MWBEs, if you take out one category, the rest of them don't look so good and so I really want to focus also on black, Latino; Asian men and women, actually... [crosstalk]

COMMISSIONER TORRES-SPRINGER:  
Understood.

CHAIRPERSON WILLIAMS: Thank you.

COMMISSIONER TORRES-SPRINGER: And then on the development side, I mentioned the new program



that we have where we have, by generating both a prequalified list and then running a specific RFP for MWBE developers we were able to just recently aware six sites specifically to MWBE developers, and then we also just launched a new program which is called Build Up, where for HPD-supported development projects above a certain threshold we are requiring that at least 25% of HPD-supported costs be towards MWBE contractors. And so there are many different ways that we are attacking this issue and fundamental to all of it is making sure that we're opening doors for MWBEs through every aspect of our work.

CHAIRPERSON WILLIAMS: Do you track whether the projects are union or non-union?

COMMISSIONER TORRES-SPRINGER: No, we do not.

CHAIRPERSON WILLIAMS: One of my colleagues did bring up the TIL Program. As of 2017, how many buildings are in the TIL Program citywide; how many units?

COMMISSIONER TORRES-SPRINGER: There are 130 tenants associations and that encompasses 150 buildings as part of the TIL Program.

CHAIRPERSON WILLIAMS: As I understand it, these buildings are slated to transition into HPD's Affordable Neighborhood Cooperative Program. When does HPD anticipate this transition to begin; how much funding is dedicated to ANCP in Fiscal Year 2017?

COMMISSIONER TORRES-SPRINGER: So the ANCP program, it's already been launched, we've had since inception of the program I believe seven projects -- we'll confirm specifically what it is following this hearing -- and more in the pipeline. And you are correct that the TIL Program has had a long and challenging history and the ANCP program is intended to be a pathway for the appropriate building to be able to get the support and **[inaudible]** that they need in order to transition. The ANCP program funding for FY18 is approximately \$28 million.

CHAIRPERSON WILLIAMS: As you mentioned, it has been challenging since I was just an organizer -- well I still am an organizer; a little different -- but when I was solely an organizer and tenants' TIL has been problematic and we're getting more and more concerns to the point that this Committee is contemplating doing hearings just on TIL; we've heard

1 complaints of people getting apartments that  
2 shouldn't be getting them, we've also heard concerns  
3 that ANCP will raise rents and maintenance costs to  
4 unaffordable levels. I wanted to know if you wanted  
5 to comment on any of those.

7 COMMISSIONER TORRES-SPRINGER: Yeah. So  
8 we would be more than happy to provide as much  
9 information about where everything stands with TIL  
10 and with ANCP, but let me just say that for the TIL  
11 buildings, and as you know, significant  
12 rehabilitation is needed for many of them and so  
13 given the scarcity of City capital dollars, you know  
14 we've really needed a model that allows us to  
15 leverage private financing, and so the ANCP program  
16 gives us a pathway for that. We have -- to your last  
17 question -- really worked hard to make sure that  
18 we're working with tenants to make sure that the  
19 maintenance costs are reasonable, starting with doing  
20 surveys right in the beginning, trying to, you know  
21 peg the maintenance cost to affordable levels and  
22 certainly happy to hear any additional feedback or  
23 ideas that the Council has on ways to ensure better  
24 help for the buildings that are in either of those  
25 pipelines.

CHAIRPERSON WILLIAMS: Just for clarity.  
So the ANC program will raise rents and maintenance costs?

COMMISSIONER TORRES-SPRINGER: In some instances the maintenance will need to be increased in order to ensure long-term sustainability of those programs, but we have put in place -- we've tried to put in place caps on what those levels are, in addition to providing where possible Section 8 vouchers in order to keep the costs down. And the focus of the program is to ensure that we have a real pipeline for buildings that are in TIL and will also be hiring very soon an Assistant Commissioner focused specifically on this portfolio to make sure that it gets the attention that it needs, given the many challenges.

CHAIRPERSON WILLIAMS: There's also been feedback on lag times between the repairs it takes for residents to move into their apartment and begin the process; I know that ANCP, you have said \$28 million; is that going to help speed that process up; what's the estimated period of time residents would be temporarily displaced?

COMMISSIONER TORRES-SPRINGER: Maybe Deputy Commissioner Hendrickson can elaborate here. All of the programs that go through ANCP -- or Deputy Commissioner Park -- it's a long and involved process, but maybe you can elaborate on what we do to ensure that that is as short as possible.

MOLLY PARK: Sure. Hi, Molly Park, Deputy Commissioner for Development. The buildings that are going through ANCP for the most part need really gut rehab, they're just very substantial scope of work, so households are going to be relocated for 18-24 months while the work is going on and because we try and find people relocation units in the communities that they live in, and if there are 10, 15 households that need to be relocated, from the point in time that the first household moves out until we get to the point of closing could be several months as well, so that 24-month time period actually could be a little bit longer.

COMMISSIONER TORRES-SPRINGER: Thank you.

CHAIRPERSON WILLIAMS: Is it the same relocation services that are given to tenants with vacate orders? Is it the same relocation services that are provi... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Molly; can you talk about the relocation service... [crosstalk]

CHAIRPERSON WILLIAMS: is the same ones that are given to tenants with vacate orders?

COMMISSIONER TORRES-SPRINGER: for ANCP?

MOLLY PARK: No. So the way that the relocation is handled is that the developer, usually a nonprofit, that is handling the renovation will work on finding the relocation units, so every tenant signs a relocation agreement, it's documented exactly how long that they'll be out of the unit, the expectations, what the rents are going to be in the replacement unit, and that nonprofit is responsible for finding a place for that household to go to. Generally we're trying to work with a nonprofit that has experience in the neighborhood and so they'll have a portfolio of buildings and they'll use a vacancy elsewhere in their portfolio.

CHAIRPERSON WILLIAMS: Thank you. We do have some additional questions on that, but obviously, hopefully, if we have hearing in the near future we'll get of those and when we meet, hopefully we'll address some of those as well.

I have one more set of questions, but I want to pause for my colleagues, Council Member Salamanca and Ulrich to have five minutes to ask their questions each.

COUNCIL MEMBER SALAMANCA: Thank you, Mr. Chair.

First, I want to congratulate you, Commissioner, we worked really well together on addressing the EDC issues and I look forward to working with you on HPD, congrats.

In my time at the Council for the last I've been working closely with your office on various HPD projects and they've been very helpful, Jordan Press, and even addressing issues at 750 Bryant Concourse with Vito, so I want to commend your staff for the open dialogue that we've been able to have, even though we don't agree on everything at times, but we've been able to move forward on these issues and move forward on these projects.

COMMISSIONER TORRES-SPRINGER: Thank you.

COUNCIL MEMBER SALAMANCA: One of the first things that I -- when I came to the Council, one of my first hearings here with the previous Commissioner, I asked, in terms of district service

1 cabinet meetings -- my prior life I was a district  
2 manager and district service cabinet meetings are  
3 held once a month, it's a mandate in the City Charter  
4 that every community board has district service  
5 cabinet meetings. I was district manager for five  
6 years and a half in the Bronx and not one time did a  
7 member from HPD attend a district service cabinet  
8 meeting as mandated by the City Charter. I brought  
9 it up to the Commissioner; she said she was going to  
10 look into it; a year passed by, never followed up and  
11 HPD never attended a district service cabinet  
12 meeting. So I'm asking you if you can please look  
13 into this and have a representative there as mandated  
14 by the City Charter.  
15

16 COMMISSIONER TORRES-SPRINGER: I'd be  
17 more than happy to look into it. We try very hard in  
18 many different ways to be as responsive as possible,  
19 be at the places where we can get the right type of  
20 feedback, and so I'd love to follow up on that and  
21 see how we can have more of a presence.

22 COUNCIL MEMBER SALAMANCA: Thank you.  
23 Thank you. My next question has to do with condos.  
24 So in my district I know that HPD worked with certain  
25 developers, such as Blue Sea Construction contractors



1 to build condos for residents in the community so  
2 that they can purchase their own apartments. Blue  
3 Sea, there was two condos that they built, one that  
4 was in my community board district when I was there  
5 at the time, on 715 Fox Street, and then they built  
6 another one at 853 Macy Place. Now the 853 Macy  
7 Place is in my council district; the issue that 715  
8 Fox Street had -- and that's the Cole and Powell  
9 [sic] building -- was that after a few years after  
10 the building was built and the shareholders, the  
11 tenants moved in that purchased the apartments, they  
12 noticed that the walls started to crack, noticed that  
13 they were getting flooding inside the building --  
14 there were some structural issues in the building --  
15 and so when they reached out to Blue Sea Contractors,  
16 there was some resistance from them in terms of  
17 addressing these issues. Eventually they got an  
18 engineering study done and there was a compromise  
19 done in which Blue Sea helped address some of these  
20 issues on the Fox Street building. Recently, about  
21 three weeks ago, I was called and approached by 853  
22 Macy Place and they're having similar issues -- a  
23 Blue Sea Construction building -- the walls are  
24 beginning to crack, they're having flooding and  
25

they're getting resistance from Blue Sea. And so my concern here is that -- I know that HPD does a lot of work with Blue Sea, because we're also working on another development called Villa Maria Homes that was about twenty years ago and basically, the homes are sinking in and Blue Sea has been awarded the contract and they have a subcontractor. So my concern here is that the City of New York is doing a lot of work with Blue Sea, yet some work, it's questionable in terms of work that's being done and we're getting resistance from them. How can HPD help us with this?

COMMISSIONER TORRES-SPRINGER: So we certainly want to make sure that the quality of our projects is high and so I understand that recently we indicated to your office that Blue Sea is happy to work with the homeowners on any concerns; to the extent that there is resistance on that, we would be more than happy to follow up to make sure that that conversation happens.

COUNCIL MEMBER SALAMANCA: Alright. So I look forward to that conversation, Commissioner, because Blue Sea, they have a few contracts in my council district, you know and getting resistance is not a good sign, you know when work is not being done

1 appropriately and it seems at times that they're  
2 trying to cut corners and we're seeing the  
3 repercussions from cutting corners.  
4

5 The other question that I have; I also  
6 have the Niamaya [sp?] condos; they were built about  
7 twenty years ago; [bell] it was a City project, and -  
8 - Mr. Chair; I'm good? Alright -- they were built  
9 about twenty years ago and they too are having  
10 structural issues. I know that they got their  
11 tenants together, they're fixing their parking lot,  
12 but their condos itself; they were made... when they  
13 were built, they were built in not really good  
14 condition and their walls are literally falling  
15 apart. Would love to have a conversation with HPD  
16 because this was an HPD project twenty years ago, and  
17 my concern is that there's projects that were built  
18 15, twenty years ago, and 15, twenty years later --  
19 they were HPD projects -- you can see that either the  
20 contractor cut corners, work wasn't done the way it  
21 should have been done and the units are just falling  
22 apart. And these are investments that, you know,  
23 middle- and low-income families made so that they can  
24 stay in their communities and now the value of their  
25

units is just disappearing because the work was not done the right way.

COMMISSIONER TORRES-SPRINGER: I'd love to follow up on that, sir, and we can make sure, to the extent that we have tools or ways to ensure that the corrections are made, and keep this in mind; as new projects come online, more than happy to discuss.

COUNCIL MEMBER SALAMANCA: And...  
[interpose]

CHAIRPERSON WILLIAMS: Uh Council Member...

COUNCIL MEMBER SALAMANCA: Well I have one more question if I can; I'll be quick.

CHAIRPERSON WILLIAMS: 'Kay.

COUNCIL MEMBER SALAMANCA: Alright. And one last thing; we have quite a few affordable housing units that are coming up throughout the City of New York, especially in my district. This past year we approved about 2,300 units of affordable housing, which I'm really excited about, but I'm concerned about the community preference -- only 50%. Is there a way that we can increase the community preference so 60%, higher than 50%? For example, Spofford is coming in; this was a jail that was there for fifty years, residents in the Hunts Point

community suffered, had to live with a jail in their back yard. Moving fast forward, we're going to bring in close to 800 units of affordable housing and to turn around and tell them well only half of those units are available for residents of the community, I feel that it's a little unfair for what they have just struggled in the last fifty years with this jail being present there.

CHAIRPERSON WILLIAMS: Thank you, Council Member. You can respond [sic].

COMMISSIONER TORRES-SPRINGER: Given ongoing litigation, actually, on the community preference matter, I really can't talk specifically about that, but and more than... and happy to, specific to that project, which so many of us worked hard on and want to make sure it's a success, ensure that HPD and EDC are doing everything that they need to do and we all need to do so that it continues to be responsive to the community, I just can't comment specifically on community preference because of the ongoing litigation.

CHAIRPERSON WILLIAMS: Thank you, Commissioner. Council Member Ulrich.

COUNCIL MEMBER ULRICH: Thank you, Mr. Chairman. Thank you, Commissioner for your testimony and congratulations... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Thank you.

COUNCIL MEMBER ULRICH: on the new job; I'm sure you're going to do a terrific job and we worked well together after Hurricane Sandy on helping some of the small businesses in my district that were affected by the storm and I sincerely appreciate all of your help with those issues.

COMMISSIONER TORRES-SPRINGER: Thank you.

COUNCIL MEMBER ULRICH: Commissioner, speaking of one of the communities that was affected by Hurricane Sandy, I'd like to ask you about a HPD project in my district located at 147-150 Beach 116th Street. This property was originally supposed to be part of that Game-Changer Grant Competition that the Bloomberg Administration attempted to roll out, but that the de Blasio Administration decided to cancel at some point. Now, notwithstanding that, one of the developers met with me last year, Mark Caller; he had a meeting with Alicia Glen regarding getting HPD financing to build senior affordable housing on Beach 116th and 115th Street in Rockaway. He met with me,

gave me all of the information that he was able to get regarding AMI and zoning and the package of information that the City was providing him, but he was concerned, and I'm very concerned, about a new rule that HPD recently came out with that basically says that certain affordable housing units that get financing from the City have to have 30% of their residents come from the shelter system; is that correct; can you elaborate on that?

COMMISSIONER TORRES-SPRINGER: Yes. So I'm not familiar with the specific address and project that you mentioned, but we do have specific set-asides for formerly homeless households across our different programs, and if it's the Senior Affordable Rental Program, that figure is in fact 30%.

COUNCIL MEMBER ULRICH: So it's 30%. And was that a change to the administrative rules or code or was that a directive that came out from the previous commissioner? When did that happen and what type of public notice was given regarding that rules change? Because I think there are a lot of communities that would be concerned if that... communities would be thrilled that they're getting

affordable housing, but people are not totally aware of and developers are not totally transparent and letting those communities know that 30% of those units are going to be having people that come out of the homeless shelter system.

COMMISSIONER TORRES-SPRINGER: So this particular requirement is in the termsheet for this program as it is, and there are different percentages across different programs, and while I understand your concerns, we take very seriously -- related to a question earlier in the hearing -- our responsibility and our contributions given our tools and our programs to make sure that we are supporting homeless households, formerly homeless households, across the city. And so what we have done throughout the program is to make sure that the communication with the development that the implementation of this is as smooth as possible; if there are specific concerns or questions about this rolls out -- and we now have significant experience as the units are included in a number of programs -- we'd be more than happy to address them. But we think it is critical that we use our programs in our plan to help address the citywide issue.



COUNCIL MEMBER ULRICH: So I'm all for helping people who've fallen on hard times and I don't want my comments to be misconstrued as being uncompassionate in any way, but what I am concerned about is the lack of transparency, especially given the Mayor's announcement last week -- his new plan to address the homelessness crisis that the City is currently facing -- regarding his comments with transparency. This is not something that the Administration, I believe, or HPD in the past -- with all due respect -- has been totally forthcoming with; they come out and roll out these big beautiful pictures of 100 units of affordable housing; they neglect to tell the community board, they neglect to tell the local council member that 30% of those units are being set aside for people who are coming out of the shelter system. So that is not in keeping with the Mayor's new commitment to transparency with regard to affordable housing and helping homeless individuals, so.

COMMISSIONER TORRES-SPRINGER: We take very seriously the need to be transparent in all of our work. I will say that as it relates to these requirements, our termsheets are publicly available,

they've been on our website since the launch of the programs; it is crystal clear [bell] what those requirements are, and to the extent that different special needs projects are implemented, our team works very closely with relevant community boards. And so always welcome other opportunities to make that communication clear, but already... [crosstalk]

COUNCIL MEMBER ULRICH: So who do we speak to? Who does my office talk to when we have HPD projects and we have concerns like this; who should we call with respect to these [inaudible]...? [crosstalk]

COMMISSIONER TORRES-SPRINGER: Jordan Press and Francesc, who are in our Government Relations... [interpose]

COUNCIL MEMBER ULRICH: Have the same outfit on today. I'm just noticing, the same coordination... [crosstalk]

COMMISSIONER TORRES-SPRINGER: are always... are always a good frontline, first point of contact, and depending on the question, we will make sure that you're speaking to the right people on the program team.

COUNCIL MEMBER ULRICH: Thank you,  
Commissioner. Thank you, Mr. Chairman.

COMMISSIONER TORRES-SPRINGER: Thank you  
very much.

CHAIRPERSON WILLIAMS: Thank you, Council  
Member. You mentioned the Mayor a few times; is  
there any news you want to... [background comment] No  
news? Okay. Thank you. Thank you, Commissioner;  
we're almost finished.

The Mitchell-Lama Housing Program  
provides affordable and rental and cooperative  
housing to moderate- and middle-income families; it  
is a vital housing resource in New York City; as of  
2017, how many Mitchell-Lama developments does HPD  
supervise and is comprised of how many units?

COMMISSIONER TORRES-SPRINGER: As of 2017  
we supervise 95 Mitchell-Lama developments and that's  
approximately 47,000 units.

CHAIRPERSON WILLIAMS: What part of the  
budget is that; how much funds go into supervising  
Mitchell-Lama?

COMMISSIONER TORRES-SPRINGER: We'll  
access that in one second.

CHAIRPERSON WILLIAMS: How many Mitchell-Lama developments had the option to deregulate or exit their affordability agreement in 2016?

COMMISSIONER TORRES-SPRINGER: So in 2016 there were 17 developments that were eligible to deregulate and drop out of the program; that's about 9,000 Mitchell-Lama units. And to your earlier question, there are approximately 30 individuals on our Mitchell-Lama **[inaudible]** and the resource associated with that is about \$2 million.

CHAIRPERSON WILLIAMS: \$2 million. Of those that had the option to deregulate, how many Mitchell-Lama developments and/or units preserved affordability through HPD financing?

COMMISSIONER TORRES-SPRINGER: So over the course of the last ten years, there were 74 Mitchell-Lamas and that consists of about 37,000 units that have been preserved through HPD and HDC financing; that's over the course of the last ten years.

CHAIRPERSON WILLIAMS: Ten years. Do you have any for the last year?

COMMISSIONER TORRES-SPRINGER: I don't have that, but we'd be happy to follow up with that specific number.

CHAIRPERSON WILLIAMS: Do you know how many transitioned to market rate? I guess that's the rest of them.

COMMISSIONER TORRES-SPRINGER: So since the first buyout in the program, and this is back in the late 80s, approximately 57 Mitchell-Lamas, and that's about 18,000 units have bought out of the program and transitioned to market.

CHAIRPERSON WILLIAMS: I did want to give a shout-out to Council Member Laurie Cumbo, who helped push back a Mitchell-Lama that was trying to leave, and they were actual condos, which is the hardest one too, because you can't use many of the tools and so it was just sheer will and leadership that she was able to prevent that from happening; I want to make sure we give her a shout-out here.

Around this time last year, HPD, we had a, shall I say interesting hearing on HPD around Mitchell-Lama and HPD testified that they were working to digitize waiting lists to provide more transparency around the application process. Can you

provide the Committee with any updates on those efforts?

COMMISSIONER TORRES-SPRINGER: Happy to report that the public can now access Mitchell-Lama lotteries online via Mitchell-Lama Connect, so that is an online system, it's separate at this point from our Housing Connect system, but now we can automatically generate a waiting list based on information the public enters online. We anticipate, as part of the Housing Connect 2.0, or further upgrades to that system, that we will have the Mitchell-Lama waiting list automated as well.

Another further automation that we think has provided a great deal of transparency is that for each development we now indicate on our website the last waiting list number that's been approved and the date of that approval, and so applicants on the list can check to see if their number's coming up or if they were skipped. And so we are making good progress on the issues that were discussed last time, and with the upgrades to our Housing Connect system we hope to make even further improvements to make sure that we are automating as much as is needed to make this process as seamless as possible.

CHAIRPERSON WILLIAMS: So as you probably know, a lot of the complaints came with belief that people were being jumped in line and so are you saying now there are some parts on; some parts aren't [sic] so people can check where they are on the list and they can see now online who's being placed...? [crosstalk]

COMMISSIONER TORRES-SPRINGER: If their number's coming up, that's right.

CHAIRPERSON WILLIAMS: And they can see who is being placed and who isn't?

COMMISSIONER TORRES-SPRINGER: They can see the last waiting number approved in order to check to see if they have been skipped or not so that if there's a problem, we can address it.

CHAIRPERSON WILLIAMS: Thank you very much. I look forward to speaking with the Mitchell-Lama folks; see if it's user-friendly and able to get the information that they need.

So those are the last of my questions; I appreciate your time; this was an abnormally broken up hearing; it wasn't any kind of hazing because you're new; it just happened that way, so I apologize again and thank you for your patience.

Again, housing is so critically important to -- it's the key and the glue for any community, it's hard to get well if you're sick if you don't have permanent housing, it's hard to learn if you don't have permanent housing, and indeed it is deeply connected to homelessness; also, it is deeply connected to the segregated city that we have where we put the affordable units that we do have and we've kept them concentrated, which then connects us to the segregated schools that we have and the access to quality education. So this is a very critical and vital resource that communities need and it's very important; I look forward to working with you on that. My hope is that the Trump cuts don't come as bad as we think they will, but in addition, we hope that Cuomo doesn't add on to the Trump cuts; I believe he is putting himself out there as in opposition to Trump and so I think it would behoove him particularly if he has high aspirations, not to add on to those types of draconian cuts. So look forward to working with you. Thank you so much for your patience... [crosstalk]

COMMISSIONER TORRES-SPRINGER: Thank you very much.



CHAIRPERSON WILLIAMS: We're going to recess and be back in about five... we'll be back about 1:00 to start with DOB.

[pause]

[gavel]

CHAIRPERSON WILLIAMS: Thank you, Commissioner Chandler, Commissioner Fariello and Commissioner Neill; if you can all raise your right hand, please. If you can all raise your right hand, please.

COMMITTEE COUNSEL: We have to swear you in. Do you affirm to tell the truth, the whole truth and answer honestly to council members' questions?

[collective affirmation]

CHAIRPERSON WILLIAMS: Thank you and you can begin.

COMMISSIONER 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 am joined by First Deputy Commissioner Thomas Fariello, Deputy Commissioner of Finance and Administration Sharon Neill, and other members of my senior staff.

The Department's role in supporting the City's economy cannot be overstated. By enforcing construction laws, we facilitate job creation, spur the development of affordable housing and uphold high standards in energy efficiency -- while adhering to our principal mandate to promote the safety of everyone who lives, works and builds in our city.

I am please to be here to discuss with you the Department's Fiscal Year 2018 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 to transform the Department. As you know, our Building One City plan is fundamentally reforming the Department to enhance public and worksite safety, 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.

The Fiscal Year 2018 Preliminary Budget allocates approximately \$158 million in expense funds to the Department. Of this, approximately \$128.3 million are for personnel services, funding 1,587

budgeted employees and \$29.3 million are for other than personnel services.

The Preliminary Budget provides \$1.7 million in additional funding for twenty-one new staff positions. This includes \$1.3 million to fund 15 positions to enhance Energy Code enforcement as committed to in the Administration's Built to Last initiative, and \$400,000 to fund six positions to enhance plumbing gas inspections.

The Department is a revenue producing agency. Offsetting the \$158 million in expense funding in the Preliminary Budget, the revenue forecast for the Department is approximately \$248 million, which does not include more than \$45 million in fines collected each year resulting from Department-issued violations adjudicated before the Environmental Control Board.

Some highlights of Fiscal Year 2016 construction activity follows:

2,931 new building applications were filed with the Department, a less than 2% decrease from the prior fiscal year.

90,192 alteration applications were filed with the Department, a nearly 2% increase from the prior fiscal year.

The Department issued 109,277 initial construction permits, a 5% increase from the prior fiscal year.

The Department issued 52,244 permit renewals, a 17% increase from the prior fiscal year.

Finally, an important sign of future new building activity is initial demolition permits. In Fiscal Year 2016 the Department issued 1,922 demolition permits, a 2% increase from the prior fiscal year, which shows construction activity throughout the city has shown little sign of abating.

The Department's work is evident in the safe and lawful construction that can be seen on every corner of this city. Whether it be the construction of skyscrapers in the Hudson Yards, the Western Hemisphere's largest Ferris wheel in Staten Island, or homes that keep New York City affordable, my colleagues and I take enormous pride in facilitating much of the built environment around us.

Our Building One City plan commits to using data analytics to measure performance and drive

1 progress. With that in mind, the Department has  
2 created an Analytics and Data Science Division led by  
3 a Chief Analytics Officer. With the launch of DOB  
4 NOW Inspections, we focused on building a performance  
5 management approach to our operations, including  
6 routine reporting and coaching on performance issues.  
7 The success of this effort led to a similar effort to  
8 review and provide feedback on performance in our  
9 borough offices. We are deeply focused on improving  
10 service levels while improving the quality of  
11 services we provide.  
12

13 As part of this process, I meet monthly  
14 with borough commissioners and other staff to discuss  
15 the levels of service we are providing to our  
16 customers. Where we see successes we seek to  
17 replicate them in other areas of our operations, and  
18 where our targets are not being met, we understand  
19 why and take appropriate action.

20 I am quite pleased to share that through  
21 this process the Department has made significant  
22 progress in improving services to our customers, all  
23 while facing a scale of construction perhaps  
24 unparalleled in the City's history.  
25

Wait times for first plan reviews have show tremendous improvement.

The average number of days to complete first plan reviews for new building and major alteration applications are down to under five days in February, a 60% improvement when compared to the same month of the prior year.

First reviews for minor alteration applications during the same period also decreased by 60%, to just over one day.

There is also significant improvement in the number of appointments with a plan examiner it takes to gain approval.

The average number of appointments to approval for new building applications are down to five appointments in February, a 32% improvement when compared with the same month of the prior year.

Number of appointments to approval for major alteration applications during the same period also decreased 32%, to fewer than four appointments.

Additionally, there has been significant improvement in wait times for development inspections.

Wait times for inspections of general construction work are down to under three days in February, a 37% improvement when compared to the same month of the prior year.

Wait times for elevator and boiler inspections have been reduced by more than half during the same period to fewer than four days, a service level not reached in the Department's history.

Our response to complaints has show significant improvement from last year and continues to show monthly improvement in Fiscal Year 2017.

Our response to priority "A" complaints improved by 22% in February when compared to the same month of the prior year. "A" complaints capture violating conditions that if occurred, present an immediate threat to the public and include unsafe demolition, building instability and improper egress. These complaints are responded to well within our 24-hour target.

Our response to priority "B" complaints improved by 65% in February when compared to the same month of the prior year, down to 23 days, which is also a 21% improvement from January, and well within

our 40-day target. "B" complaints capture violating conditions that if occurring, while serious, do not present an immediate threat to the public. These include excessive debris, cracked retaining walls and tampering with posted notices.

These gains can be attributed to the hard work of more inspectors using new technology that allows them to work more efficiently. It is also due in part to the work of our Analytics and Data Science Division. Their work refining our data and displaying it spatially has allowed resources to be more efficiently allocated in addressing priority "B" complaints and conducting enforcement sweeps. This Division has also been engaged in expanding the Department's emergency response capabilities, by developing ways to incorporate geo-spatial technologies to support our emergency operations, including post-disaster assessment.

With the support of the Mayor and City Council, the Department continues to make significant investments in staffing and technology to quicken the pace of our reviews and provide the filing community with the guidance they seek in a consistent and transparent manner. The Department has hired 83



inspectors and 122 technical staff, representing 85% of our Building One City target.

I am pleased to inform you that our plan to expand our space at 280 Broadway to create a new modern customer service area is on track for completion this fall. As you may recall, the Department was assigned approximately 15,000 square feet last year, at 55 Chambers Street, in order to address space deficiencies and create a new customer service center. Six central citywide service units -- licensing, elevators, boilers, administrative enforcement, customer service, and limited alteration applications -- will be located in the new space which will be accessed from the 280 Broadway entrance. By co-locating these customers service units into one location, it will lessen the vertical traffic to the upper floors, provide better customer service, and create opportunities to reconfigure vacated space.

The Department continues making headway on the long-term process of redesigning its online presence, with a new public-facing web interface called DOB NOW that will replace the antiquated Building Information System (BIS) and seamlessly

interface with our other technological initiatives.

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. Last summer we launched DOB NOW for plumbing and sprinkler applications. Since then we've added standpipe applications and façade compliance filings.

Mandating that all compliance filings for façades be filed through DOB NOW represents a huge step forward for the industry and our staff. Having far greater clarity and access to data points about façades across the city, both individually and in the aggregate, provides a tremendous convenience for the filing community, and most importantly, contributes greatly to public safety.

The Department also launched the Public Portal for DOB NOW. The Public Portal allows the public online access to information on filings submitted through DOB NOW and as it is expanded, will provide information a far more integrated and user-friendly fashion than can currently be found in BIS.

While DOB NOW will certainly reduce in-person visits to the Department, there will always be

customers visiting us to conduct their business. In an effort to improve the experience of customers who visit any one of our offices, we recently launched a queuing tool at our customer service windows. This tool will ensure that all customers are treated fairly, and provide transparency into wait times, transaction times, no-shows, and unprepared customers. Simply put, you cannot improve what you cannot measure. This tool allows us to hold ourselves accountable with regard to wait times and transaction times, and also allows us to hold customers accountable for pulling tickets only for themselves, for showing up when their number is called and to ensure that they are prepared when they come to the customer service window.

Additionally, we recently launched an interactive voice recognition tool to serve those who call the Department. This tool will allow us to quantify the number of calls we receive, the amount of time call takers need to resolve issues and the amount of time callers have to wait before they are connected with call takers. Customers call the Department with a number of highly specialized

questions and our responsiveness is vital to their customer service experience.

Concerning our Construction Codes, the Department is not only set to embark on its periodic revision of the City's Construction Code, we are also moving forward with creating two entirely new codes.

The Department is beginning the next revision cycle of the City's Construction Codes with the opening of the application process for Committee members. The Construction Codes in their current form, which included the Building, Plumbing, Mechanical, and Fuel Gas Codes, were adopted in 2008 and were comprehensively updated in 2014, with the intent that they be periodically updated to ensure our codes incorporate the latest technologies and national standards along with local modifications to fit the City's dense urban environment. With this revision cycle the Department intends to update code requirements to those of the 2015 International Codes, and we have been working to prepare documents for review by consensus-based committees. The Department is requesting applications from members of the construction, real estate, labor, architectural, and engineering community, and other interested

1 stakeholders, to serve on technical and advisory  
2 committees that will help develop and review  
3 amendments to the 2014 New York City Construction  
4 Codes. As always, we welcome the Council's  
5 participation in this effort. Those interested in  
6 participating can apply through the end of March.  
7 The Department has already begun preparing proposed  
8 changes to the Construction Codes and is scheduled to  
9 commence committee review in September. For the  
10 chapter in the code that deals with construction site  
11 safety, we anticipate the committee work will begin  
12 in May.

14 Following the Mayor's direction to simply  
15 the codes to make compliance easier, the Department  
16 has also kicked off a research effort with the goal  
17 of developing recommendations for a code to  
18 specifically address work on existing buildings. The  
19 Construction Codes primarily deal with new  
20 construction, and in the vast majority of buildings,  
21 it's often not possible to upgrade an existing  
22 building to comply with today's more modern  
23 standards. Currently when performing construction in  
24 an existing building, one or all of the myriad of  
25 local and state codes need to be adhered to. The

purpose of an Existing Building Code is two-fold.

First, to promote repair, maintenance and reuse of buildings by streamlining requirements and triggers for upgrades, including compliance with the latest safety requirements. Second, to improve ease of use by consolidating all the requirements in one place. Once the research is complete, the Department plans to develop a first draft of the Existing Building Code and present it to the Construction Codes Committees for their review.

Finally, to address the need for regulation on waterfront properties, the Department is undertaking an effort to develop code requirements for waterfront structures. While current Construction Code and national code requirements address building construction generally, current regulations do not specifically address design and construction requirements for waterfront structures such as piers, wharves and sea walls, which serve as the foundation for new building construction. In order to effectively address this gap in current requirements, the Department will be working with industry experts to identify the various types of structures and their associated requirements to

ensure the safety and resiliency of these structures. Once developed, these requirements will then be sent to the Construction Code Committees for review, and ultimately adopted into the Construction Codes.

In addition to developing the code requirements, the Department will also be investigating the operational needs and business processes necessary to adequately enforce construction requirements on the waterfront with the goal of consolidating the waterfront filing and permitting requirements within the Department. Currently those filing for construction permits on waterfront properties are required to file with either DOB or the Department of Small Business Services, depending on whether the property is City-owned, being used in the furtherance of waterfront commerce, or based on the type of structure. Consolidating these filings within DOB would streamline compliance and enforcement.

Six weeks ago I testified before this Committee on a package of legislation that seeks to improve safety on construction sites. The Department supports many of the proposals outlined in those bills and looks forward to further discussion with

the Council while we continue to explore new solutions, including enhanced required training for construction workers.

In recent months, the Department has implemented a number of initiatives to help reduce construction accidents through the city. The Department has hired 140 new inspectors. The Department has more than quadrupled penalties for the most common safety lapses at construction sites. These penalties are now \$10,000 for each violation, with a maximum of \$25,000 when certain aggravating factors are present.

Given the preponderance of accidents that occur on sites of fewer than ten stories, last August the Department increased supervision on construction sites by requiring construction superintendents to be present at more sites under ten stories. Construction superintendents are required to inspect all work daily and keep a detailed log of the conditions they observe. They are required to promptly correct any unsafe conditions and notify the Department of any accidents. Due to this action, approximately 2,300 additional construction sites



citywide are required to have this enhanced supervision.

The Department is more aggressive in its discipline of bad actors. We have significantly enhanced our information technology and data analytics capabilities, improving our ability to target resources where the greatest risk exists and to identify bad actors. Additionally, we work regularly with each of the District Attorney offices, and routinely make referrals of construction professionals who warrant criminal investigation.

In 2016 we issued 56,289 violations, a 23% increase from 2013, and over \$128 million in penalties. We are also issuing stop-work orders at a higher rate. In 2016 we issued 8,840 stop-work orders, a 37% increase since 2013. Stopping work for a period of time can result in a bigger monetary loss to a contractor than even the most significant penalties.

We are also regularly seeking to suspend or revoke the licenses and registrations of professionals who work unsafely and put their lives and the lives of others at risk. In 2016 the

1 Department revoked or suspended the licenses of  
2 eleven individuals or corporations and has numerous  
3 cases in progress. Some notable cases include  
4 Kenneth Hart, the general contractor of record for  
5 Harco Construction. Following a fatality in April of  
6 2015 at 9-19 Ninth Avenue in Manhattan and resulting  
7 from our investigation that revealed a significant  
8 number of violations, Mr. Hart agreed to a suspension  
9 of his general contractor registration. Upon Harco's  
10 conviction last June of manslaughter, criminally  
11 negligent homicide and reckless endangerment, the  
12 Department has filed a case at OATH to have his  
13 registration revoked, which is scheduled for trial  
14 later this month.

16 Andrew Trombettas, the licensed master  
17 plumber involved in the 2nd Avenue gas explosion, had  
18 his license revoked last year. Following the March  
19 2015 incident, we conducted an audit of Mr.  
20 Trombettas' work resulting in the issuance of  
21 numerous violations which formed the basis for our  
22 petition filed at OATH. Following trial, the judge  
23 issued a report and recommendation, finding that  
24 Mr. Trombettas was negligent, incompetent, lacked  
25 knowledge of or disregard of applicable laws and

rules, made materially false or misleading statements on documents filed with the Department, and endangered public safety. Mr. Trombettas is also facing criminal charges.

Maqsood Faruqi, a license engineer, falsified a façade report at 305 West End Avenue that had a façade collapse that caused the death of a 2-year-old child. Our investigation revealed false statements on numerous other filings. Mr. Faruqi is now banned from filing with the Department and has separately pleaded guilty to criminal charges. Additionally, the Department has written to the State Department of Education requesting that they revoke his license.

Concerning crane operations, the Department has pending cases seeking to revoke the licenses of two individuals. This includes Brad Allecia, the master rigger responsible for rigging operations at 261 Madison Avenue. On May 31, 2015, a chiller weighing approximately 24,000 pounds plummeted to the street as it was being inserted into the 30th floor of the building. There is also a case pending against Kevin Reilly, the hoist machine operator who operated the crane that collapsed at 60

Hudson Street on February 5, 2016 that resulted in the death of one individual.

The Department conducts proactive enforcement sweeps in areas where significant construction is occurring or where there has been a spike in accidents. An example is in Williamsburg, where we inspected 348 locations including every active construction site under ten stories, new buildings and major alterations. Our actions resulted in the issuance of 482 violations and 107 stop-work orders. This includes the issuance of violations to 67 construction superintendents for failure to perform their duties.

The Department participates in the Tenant Harassment Prevention Task Force, a partnership between multiple City and State agencies in which cellar-to-roof inspections are performed, investigations identify bad actors and enforcement is executed. Separately, the Department partners with HPD in performing inspections. In determining where to focus our attention, we work with the Mayor's Office of Data Analytics to review a number of data points to determine where tenant harassment is likely to occur. Given that the data alone will not

identify all instances of harassment, equally important is our work with numerous organizations and elected officials who provide us with locations to inspect. Over the past fifteen months, the task force has inspected 2,383 locations, resulting in the issuance of 1,981 violations, 288 stop-work orders, 36 partial vacate orders, and 3 full vacate orders. Resulting from our investigations, several owners have been referred to the State Attorney General's Office and are in various stages of prosecution and settlement negotiations. Additionally, the Department disciplines licenses who participate in the use of construction to harass tenants. This includes MD Ashraf Ali, a licensed engineer whose filing privileges were revoked for routinely providing false statements on filing submitted to the Department, including that work was exempt from having to obtain a certificate of no harassment.

As recently committed to this Committee, the Department now provides on its website accident data collected by OSHA. This additional transparency will provide a more complete picture of construction fatalities and will include an explanation as to why the Department's accident data differs from OSHA's.

During Construction Safety Week in May, the Department will be hosing its annual Build Safe/Live Safe Conference. Hundreds of construction professionals attend Department-led seminars where they learn about the latest accident trends and best practices for improving safety. Department staff will also be distributing thousands of multi-lingual educational fliers at construction sites throughout the city as part of its Experience is Not Enough campaign.

The Department is also targeting its outreach to the most vulnerable populations within the construction industry, namely workers on small buildings and day laborers. In partnership with day laborer organizations, the Department will be providing safety awareness seminars throughout the five boroughs on safe construction practices during scaffold and excavation work, two of the areas with the greatest risk. We welcome the Council's participation in this outreach and will be following up with more information.

The Department is also seeking greater flexibility in hiring inspectors to meet the demands

of construction surges like the one we are experiencing right now.

For example, archaic provisions in the City Charter impede the Department's ability to hire the inspectors it needs to maximize our enforcement efforts. The Charter essentially requires all of our inspectors to have a minimum of five years of construction experience. This requirement significantly hampers the Department's ability to pull from the widest pool of otherwise available and qualified talent. Legislation has been introduced at the Council to give the Department the ability to consider licenses, education and experience that are beyond what the Charter requires and I would appreciate the City Council's swift consideration of this legislation.

While we are pleased with our progress thus far, there is 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.

[pause]

CHAIRPERSON WILLIAMS: Thank you

Commissioner for your testimony. I was very pleased to hear of all the good things that are going on and average days are going down in certain places and fines and things going up, which is a good thing for us. I really appreciate the work that's been put in. I did want to follow up with some of the cases, the most egregious ones that you talked about.

Well first, you said Mr. Hart agreed to a suspension of his general contractor registration; did he have to agree for that to happen; what would've happened if he didn't agree?

[pause]

[background comments]

COMMISSIONER CHANDLER: She need to be sworn in?

FEMALE VOICE: Uhm, I think I need to be sworn in.

CHAIRPERSON WILLIAMS: Yeah. [background comment] Okay, go ahead, being.

COMMITTEE COUNSEL: Do you affirm to tell the truth and respond honestly to council members' questions?



FEMALE VOICE: So as part of our efforts against bad actors, we go to the Office of Administrative Trials and Hearings and at the time we were able to extract a large penalty from Harco, along with a suspension for a period of time and when they came back to work they were going to be allowed to come back to work with some additional oversight. Subsequent to that, when they pleaded guilty in criminal court, we are now taking the case against them to seek full revocation of their license.

CHAIRPERSON WILLIAMS: So when you say he agreed to a suspension; that was like a settlement type thing?

FEMALE VOICE: Yes.

CHAIRPERSON WILLIAMS: I see. Has he been sentenced?

FEMALE VOICE: Yes, they have been sentenced.

CHAIRPERSON WILLIAMS: What was the result?

FEMALE VOICE: I don't have it with me; I can certainly get it for you.

CHAIRPERSON WILLIAMS: I have the same question for Mr. Faruqi, if I pronounced the name

correctly, Maqsood Faruqi, says he pleaded guilty to criminal charges; do we have final disposition on what his sentence was?

FEMALE VOICE: He had no jail time; I believe it was community service.

CHAIRPERSON WILLIAMS: So he had no jail time and it was... what was it?

FEMALE VOICE: No jail time; I believe it was community service that he was sentenced to. I can also tell you that in the case of Mr. Faruqi, who was involved with 305 West End Avenue, we've separately filed a criminal case against the ownership of that building.

CHAIRPERSON WILLIAMS: Okay. I'd love to know what happened with that. But just so I'm clear, Mr. Faruqi falsified a report, caused the death of a 2-year-old child; he was found guilty and there was no jail time?

FEMALE VOICE: No jail time.

CHAIRPERSON WILLIAMS: You said it was community service?

FEMALE VOICE: I believe so; we'd have to double-check with the District Attorney for you, but there was definitely no jail time.

CHAIRPERSON WILLIAMS: The laws governing that, was that state, municipal; federal?

FEMALE VOICE: So there are several; there's the piece that's in our codes, which allow us to revoke his filing privileges, which is what we've done; then there are the State education requirements where they look at his actual licensing as a PE and finally, there is the penal law which the District Attorneys enforce and so they used that to bring their criminal charges against him in criminal court.

CHAIRPERSON WILLIAMS: Were the existing penal codes strong enough to provide jail time or they just chose not to or do we need strengthening of the law?

FEMALE VOICE: So I'm not in a position to answer on behalf of the District Attorney's Office.

CHAIRPERSON WILLIAMS: I mean I'd like to know if there's anything the City Council can do, it just seems... it seems very slap-on-the-wrist for the death of a 2-year-old child, so I'm very concerned about that, so... [interpose]

COMMISSIONER CHANDLER: Thank you; we feel similarly and of course, we partner with the

District Attorney's Offices; we're very proud of that, and we try to provide any support that we can give them and you know the licenses for these engineers were issued by the State and we strongly encouraged the State to act, because Mr. Faruqi still has his license and he can still practice as an engineer, just not with my agency... [crosstalk]

CHAIRPERSON WILLIAMS: He still has a license? Because the license is state, you're saying?

COMMISSIONER CHANDLER: Correct.

CHAIRPERSON WILLIAMS: So he has a license, he served no jail time and a child is dead...

COMMISSIONER CHANDLER: That's correct...

CHAIRPERSON WILLIAMS: **[inaudible]**...  
[crosstalk]

COMMISSIONER CHANDLER: frustratingly so.

CHAIRPERSON WILLIAMS: If I was an engineer, I guess that risk might make sense, if nothing's going to happen to you. That's frustrating. So if there's anything we can do, just on the law side, if we can do anything in the City, I'd love to know that and perhaps we can reach out as a committee to our state reps to find out what's

going on or why Mr. Faruqi in particular still has his license, and why the laws weren't strong enough to give a stronger penalty.

The case against Kevin Reilly is still pending?

FEMALE VOICE: Correct.

CHAIRPERSON WILLIAMS: And with Mr. Ali, there were no criminal charges that were put against him?

FEMALE VOICE: No, I'm not aware of any.

CHAIRPERSON WILLIAMS: Why is that?

FEMALE VOICE: Again, I can't really answer that question; we'd have to talk to the District Attorney's Office.

CHAIRPERSON WILLIAMS: He also was revoked for providing false statements on **[inaudible]**; right?

FEMALE VOICE: Correct.

CHAIRPERSON WILLIAMS: Doesn't seem that there's much penalty for filing false documents.

FEMALE VOICE: He can't file with us any longer. That's a big deal; he can't do business here in the City of New York.

CHAIRPERSON WILLIAMS: Sure, just to the Committee, when we talk about Mr. Faruqi, I'd also like to talk about Mr. Ali. Thank you for that.

On the One City Built to Last, how much of this funding has been spent down since the launch of the initiative?

SHARON NEILL: So so far we've spent \$37.2 million through the end of February against the combined FY16 and 17 allocation of \$70.6 million.

CHAIRPERSON WILLIAMS: Does the initiative include any positions or funding dedicated to ensuring construction safety at development sites?

SHARON NEILL: Yeah. So overall, through the Building One City, the Department has been budgeted 48 inspector positions related to enforcement, including 17 construction inspector positions, 22 plumbing inspectors, 2 electrical inspectors and 7 positions allocated to the best squad. So in addition, we've also been provided with additional staff for data analytics and administrative enforcement, which has improved our ability to target resources where the greatest risks exist and more effectively hold bad actors accountable.

CHAIRPERSON WILLIAMS: Also -- switching to construction safety -- obviously you've mentioned a lot of things that have been going on, which are appreciative; I know we have a package of bills that we're trying to move forward with; despite that and some other safety regulations, construction accidents causing serious or fatal injuries have increased. During Fiscal 2017, DOB reported 246 construction-related injuries and 244 construction-related accidents, an increase of 21% and 35% respectively over the same reporting period Fiscal 2016. Do you know what accounts for the increases in injuries and accidents on construction sites?

COMMISSIONER CHANDLER: Well as I have testified before, and you and I have talked over numerous occasions, you know, the construction activity in the city really is occurring at an unprecedented rate; in 2015 we saw 92 million square feet of new construction. By contrast, at the peak of the last boom in 2008 we saw 65 million square feet of new construction. The increase in injuries is due in part to a significant increase in construction activity, but it's also due to increased reporting, resulting from greater supervision by

safety professionals now required by the Department on thousands of construction sites. More safety monitors equals more safety-related reports, and many of these accidents are preventable, as well all know, and our investigators often find that construction injuries are caused by basic failures to follow existing safety rules.

CHAIRPERSON WILLIAMS: So you believe the accident rate is not increasing that much but the reporting is?

COMMISSIONER CHANDLER: Well we don't have any hard data to prove that, but we absolutely know that our monitoring is much improved from the 2008 period; in fact, there was much fewer safety professionals on the job sites back then and now, with construction site safety managers, site safety coordinators, and now construction superintendents, we know that the reporting is significant.

CHAIRPERSON WILLIAMS: So I know that there's been increased construction and I know with that we'll have some accidents, I still believe that there's more we can do; I'm not going to accept that that rate has to continue. Do you have a plan to



COMMISSIONER CHANDLER: I agree, Mr. Chair; it's not acceptable, you're right. In January, as I testified, I'm committed to working with this Council and others to do even more to support a culture of safety, which we believe completely it's a culture of safety that we have to foster within the development community. In recent months the Department has implemented a number of initiatives to help reduce construction accidents throughout the city, we've hired 140 new inspectors, the Department has more than quadrupled penalties, as noted earlier, the Department's increased supervision by requiring construction superintendents, we have been more aggressive in disciplining the bad actors, as we discussed; we're also issuing stop-work orders at a higher rate and also, that has a very significant impact. We're now targeting our outreach to the most vulnerable populations within the industry -- namely the workers on the small buildings and the day laborers -- and as noted also, we're seeking greater flexibility in our hiring of inspectors, as we've talked about before. We'll have

1 more to announce in the coming weeks, but we're  
2 looking at ways to significantly increase the level  
3 of safety training that's required before a worker  
4 ever steps foot on a construction site and we're  
5 looking at the safety training required in the  
6 apprenticeship programs to serve as a guide for this  
7 effort. So we're looking very deeply into that right  
8 now.  
9

10 CHAIRPERSON WILLIAMS: Thank you; I think  
11 those are all great things and based on what you  
12 testified, I think it's the right direction,  
13 obviously more stop orders; more violations; not, you  
14 know, creating anything that isn't there but actually  
15 observing what is there and taking appropriate  
16 action. If we assume that extra reporting has to do  
17 with some of it; at some point we can assume that it  
18 would then level off and go the other direction, so  
19 we're assuming that because you're doing all these  
20 things; hopefully this time next year we'll start to  
21 see a decrease, because it would've leveled off in  
22 the reporting at some point.

23 COMMISSIONER CHANDLER: I agree. You're  
24 right, this time next year we're going to have a lot  
25 more data under our belt and we should be able to

make a more apples to apples comparison, so I'm not sure we're really doing apples to apples right now when we look a couple years back.

CHAIRPERSON WILLIAMS: Well I can't guarantee I'll be chair next year, but I will certainly make my way here to ask at least this question **[inaudible]**... [crosstalk]

COMMISSIONER CHANDLER: We always welcome your insight and I've really appreciated these past few years, so thank you for that; hope it continues... [crosstalk]

CHAIRPERSON WILLIAMS: Appreciate it. What's the total number of current of current sites under construction citywide?

COMMISSIONER CHANDLER: I'm sorry; the number of what?

CHAIRPERSON WILLIAMS: The number of current sites under construction citywide.

[pause]

COMMISSIONER CHANDLER: It's approximately 40,000 active sites right now.

[pause]

CHAIRPERSON WILLIAMS: Thank you. Now going to the permitting process, you've spoken about

DOB NOW, which seems to be going well; what percentage of the total permits can be e-filed; what percentage of permits must be paper filed?

COMMISSIONER CHANDLER: Most jobs can be filed through e-filing; exceptions to that include full demolition applications, elevators and limited alteration applications that require a sketch, among others. While applications filed through e-filing are filed electronically, the work that the Department performs with the filing is not. DOB NOW will allow every step of the process to be performed online, including the back office functions and communications with applicants. So that's the very significant difference between the two.

CHAIRPERSON WILLIAMS: They can now or they will be shortly?

COMMISSIONER CHANDLER: Will be with DOB NOW that will allow every step of the process online, and including our communication with the applicant. Right now e-filing is not there [sic].

CHAIRPERSON WILLIAMS: Okay. So when do you think that will happen? Oh and when do you think DOB NOW will be fully rolled out?

COMMISSIONER CHANDLER: So DOB NOW will eventually move 100% of our transactions online over multiple releases. To date, as you know, we've released the plumbing, sprinkler, standpipe, and the façade safety filings; it's required an incredible amount of planning, programming, training, and outreach. We're very proud of the progress we've made so far and we're seeking significant improvements in staff and industry interactions. Each of these releases has underscored the immense complexity of the technical review and the needed communication between applicants and staff reviewing the filings; simultaneously we are working to replace our 27-year-old mainframe system. We're finalizing our procurement plans for the later phases and we'll be able to provide more information about timelines releases in the future.

CHAIRPERSON WILLIAMS: Do you have a timeframe of when it'll be fully rolled out?

COMMISSIONER CHANDLER: Not yet, it's years.

CHAIRPERSON WILLIAMS: Okay. Like two years or five years?

COMMISSIONER CHANDLER: We're going to say between the two.

CHAIRPERSON WILLIAMS: Between...

COMMISSIONER CHANDLER: Closer to two years **[inaudible]**, but... [crosstalk]

CHAIRPERSON WILLIAMS: Closer to two years?

COMMISSIONER CHANDLER: but that's pushing it. It is proving to be extremely complex to replace a mainframe system and I think you've probably heard that before, but...

CHAIRPERSON WILLIAMS: Sure.

COMMISSIONER CHANDLER: but we're making progress.

CHAIRPERSON WILLIAMS: Is the official answer between two and five or is the answer two...? [crosstalk]

COMMISSIONER CHANDLER: Yes. Yes. No, it's between two and five.

CHAIRPERSON WILLIAMS: Okay. Will complaint and violation information also be on DOB NOW or will that remain on BIS?

COMMISSIONER CHANDLER: No, the entire BIS system will be replaced and so eventually that

information will be... the information will always be there, it's just a matter of how it's presented. So that information will migrate to a different platform so that it will be viewable through the DOB NOW portal.

CHAIRPERSON WILLIAMS: In April 2016, the Mayor signed into law Intro No. 831, which adjusted the cost for new developments and alterations for the first time since 1991 to reflect a more equitable fee structure; what impacts has this had on the permit filing process and revenue in the past year?

COMMISSIONER CHANDLER: Well I want to say thanks again for your support of the legislation that created a more equitable fee structure, but changing the fee structure has no impact on the permit filing process. The legislation is expected to have a net annual impact of \$6 million. This includes \$10 million in increased revenues from major development applications and \$4 million of revenue lost from applications filed for one- to three-family homes.

CHAIRPERSON WILLIAMS: Now to talk about inspections completed in 2016. In 2016, how many

inspections were completed for electrical systems, construction work, plumbing, and gas work?

SHARON NEILL: So currently, for FY16, there were 148,162 [sic] for construction, 14,850 for plumbing and 58,075 for electrical.

CHAIRPERSON WILLIAMS: And did you say gas?

SHARON NEILL: Gas is not broken out separate from plumbing, so gas would be included in the 14,850 number.

CHAIRPERSON WILLIAMS: Okay. Is there any plan to segregate it, the gas?

COMMISSIONER CHANDLER: We can do that, we just don't have that handy.

CHAIRPERSON WILLIAMS: Okay, thank you. As of the Fiscal 2018 Preliminary Plan, what is the associated head count for inspectors for these categories?

SHARON NEILL: So currently for FY17 there are 63 positions allocated for electrical inspections, 274 for construction and there are 70 for plumbing.

CHAIRPERSON WILLIAMS: And do you think the resources are sufficient to carry out



inspections, particularly given the high rate of construction?

SHARON NEILL: So currently fortunately we've been given sufficient resources to hire the staff to carry out the inspections; what's holding us back is the provisions in the Charter to allow us to hire a larger pool of people to perform this work. So the Department is seeking greater flexibility to hire inspectors to meet the demands if the construction surges, like the one we're experiencing right now, through the legislation to change the City Charter requirements. We think that this will provide us with greater flexibility to update the job specifications and allow us to consider other license types, education and experience that the Charter simply doesn't allow us to right now.

COMMISSIONER CHANDLER: I know we're sounding a little broken record, Mr. Chair, but we're competing with a very, very robust construction industry and it's hard to find -- we really need to expand our talent pool.

CHAIRPERSON WILLIAMS: Sure and I've been supportive of it; my understanding is we're still

negotiating what the actual final language of the bill will be so, so... [crosstalk]

COMMISSIONER CHANDLER: Yes, and... and gladly doing so. So we'll make sure that we wrap that up as soon as we can to your satisfaction.

CHAIRPERSON WILLIAMS: Sure. Just a couple more questions. How did DOB decide which sites under ten stories would have construction superintendents?

[pause]

COMMISSIONER CHANDLER: Thank you for your patience. I think your question, if I'm getting it right, is; the ten stories is when the site safety coordinator and manager triggers... [interpose]

CHAIRPERSON WILLIAMS: Yes.

COMMISSIONER CHANDLER: so that's why we went under ten. And frankly, our experience in seeing these accidents were typically on the sites of those buildings that did not have a coordinator or a manger.

[pause]

CHAIRPERSON WILLIAMS: So the testimony -- in your testimony it says the Department increased supervision on construction sites by requiring

1 construction superintendents to be present on more  
2 sites under ten, so it led to believe that there  
3 either are or were some sites that don't have them,  
4 so how are we deciding -- is that right or help me  
5 understand that sentence?  
6

7 COMMISSIONER CHANDLER: Well the  
8 construction superintendents can be on more than one  
9 site. If you're a manager or coordinator, you have  
10 to be on that site full-time. What we allow in our  
11 rule is multiple sites, but you must visit each site  
12 daily, you must keep a log and record the actions  
13 that you observed and that work is being done  
14 according to approved plans, and you must verify that  
15 there is a competent person on-site. And again,  
16 those are very important experiences that we've  
17 learned from these accident sites is that frequently  
18 the job is left to a group of people where someone is  
19 not in charge or no one's taking a lead act, no one's  
20 acting as a lead, so that's what we think we were  
21 accomplishing with the construction superintendent.  
22 I'm not sure if that answered your question.

23 CHAIRPERSON WILLIAMS: [03:06:57]

24 [inaudible]  
25

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2 COMMISSIONER CHANDLER: Yeah, one-, two-  
3 and three-family homes do not have them.

4 CHAIRPERSON WILLIAMS: [03:07:19

5 [inaudible]

6 THOMAS FARIELLO: Okay, so one- to three-  
7 family is a GC 1 through 3 license that's monitored  
8 by Consumer Affairs, so they already have their own  
9 monitors; ten and up, we have a super, we have a site  
10 safety manager, so we have a lot of oversight on  
11 those; we're trying to fill the gap between the  
12 three-story really and ten stories, and that's where  
13 we were seeing all the incidents that were happening.

14 CHAIRPERSON WILLIAMS: [03:07:58

15 [inaudible]

16 THOMAS FARIELLO: Yeah, I think that's a  
17 fair way to say it.

18 CHAIRPERSON WILLIAMS: [03:08:09]

19 [inaudible]

20 [background comment]

21 THOMAS FARIELLO: Yeah. So on a very  
22 minor alteration that's on a larger building, we  
23 don't require the site super. So for example, if you  
24 were doing an office renovation on a ten-story  
25 building, you know it's not going to require the

super on those. So if it's a major enlargement on the building or it's a new building within that site; yes, you'll have a construction super on it.

CHAIRPERSON WILLIAMS: [03:08:41]

[inaudible]

THOMAS FARIELLO: Yes, that's correct.

CHAIRPERSON WILLIAMS: [03:08:44]

[inaudible]

COMMISSIONER CHANDLER: So it's a defined term in our code and I do not have it memorized, but it's actually definition from OSHA that we've put into our code... [crosstalk]

CHAIRPERSON WILLIAMS: Okay, thanks.

COMMISSIONER CHANDLER: so it is in our code. I'm sorry I can't recite it for you.

CHAIRPERSON WILLIAMS: Okay. On proactive enforcement sweeps, how does DOB define significant construction or a spike in accidents, as you mentioned in your testimony?

COMMISSIONER CHANDLER: I think in the testimony, when we said significant construction, I believe that we were referring to the alt ones [sic] and the new buildings or a full demolition and then with our data, then we took the geographical area and

found those alt ones and new buildings and demos and defined those number of sites and assigned our staff accordingly, if you were under ten stories.

CHAIRPERSON WILLIAMS: Is there any ratio that you use to define significant construction?

COMMISSIONER CHANDLER: No, it's not a defined term; I think that was just a general term that we used... [crosstalk]

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER CHANDLER: and I think... I answered it before, I think.

CHAIRPERSON WILLIAMS: And spike in accidents; how do you define where the spikes are?

COMMISSIONER CHANDLER: Again, just using our data... [pause] so -- sorry -- there is no number to significant, it's not defined. But that's one of the things that we're doing with our more robust analytics capabilities; we're able to see any upticks in violations that we've already issued or any reports of incidents or accidents that we're receiving from the area, and then define a general geographic location. And in this case, this latest sweep that I had mentioned in our testimony, happened to follow a very significant accident, it wasn't a

1 fatality, but we noticed from that job site that we  
2 had been out to that job site before, we'd issued  
3 violations to that contractor before, and so we  
4 wanted to send a message. What we will frequently do  
5 is if we see that something unsafe occurred, we'll  
6 check our system to see where this contractor has  
7 other permits around the city and we will go  
8 everywhere around the city and visit every one of  
9 their sites; that's one way for us to send the  
10 message that we're watching. And so that's something  
11 that happens on a regular basis.

13 CHAIRPERSON WILLIAMS: Thank you and I  
14 appreciate that there's flexibility needed in some of  
15 those things, so I won't drill further now, but it  
16 would be good to get a better understanding if the  
17 spike is two more than usual or three or kind of what  
18 is the impetus to initiate some of the sweeps. You  
19 did mention some, which I think are good, but if  
20 there's any other, it'd be great to understand that  
21 further.

22 COMMISSIONER CHANDLER: Thank you. I  
23 think it's an iterative process and experience. I  
24 mean the experts that I have surrounding me here have  
25

seen this and they have excellent instincts about where we should go.

CHAIRPERSON WILLIAMS: Thank you. I have five questions from Council Member Mendez, who had to leave, and I assured her I would ask her questions, so I'm going to get through them now.

What is the cost associated with replacing BIS with DOB NOW?

COMMISSIONER CHANDLER: Will you say it again; what is what?

CHAIRPERSON WILLIAMS: What are the costs associated with replacing BIS?

SHARON NEILL: So currently the budget provided \$30 million; again, as the Commissioner mentioned, we're currently evaluating what the level of effort will be in the future and are trying to formulate what that scope of work would be, so I can't give you a definitive answer at this time.

CHAIRPERSON WILLIAMS: What, if any, changes would DOB now have in regards to landmark buildings and historic districts?

COMMISSIONER CHANDLER: Wouldn't have any change; we currently have... our system's connected to Landmarks; that connection would be maintained.



CHAIRPERSON WILLIAMS: What is the current head count for DOB inspectors; what was it in FY16, and what is anticipated for the out years?

[background comments]

SHARON NEILL: So this fiscal year the total number of inspectors that we have budgeted is 522 and next year the number is actually going to be 506.

CHAIRPERSON WILLIAMS: Will there be any increase in DOB inspectors for inspection of gas lines? There is a long wait time for inspection, and with recent gas tampering by owners, we may need more inspectors to same location.

COMMISSIONER CHANDLER: I'm sorry; what was the last part?

CHAIRPERSON WILLIAMS: I'm reading -- There is a long wait time for inspection and with recent gas tampering by owners, we may need more inspections to same location. I guess she's saying may need...

COMMISSIONER CHANDLER: To the same location?

CHAIRPERSON WILLIAMS: Yeah.

SHARON NEILL: So on the budget side, the preliminary plan did provide another five inspectors for plumbing/gas inspections; in terms of the level of responsiveness, I'll defer to the Commissioner to respond.

COMMISSIONER CHANDLER: So I think I testified about our levels of service that we're quite proud of, but the plumbing inspection now is three to five days. Again, it's much, much improved from what it was in the past. Any gas inspection -- if it's a gas inspection related to anything having to do with safety or a replacement of someone who had their gas shut because of illegal construction or a leak, we prioritize that and get out there immediately. So that's something that we are very focused on.

CHAIRPERSON WILLIAMS: What unit handles after-hour variance (AHV) requests; how much revenue does DOB get from AHV permit applications?

[pause]

COMMISSIONER CHANDLER: Generally the after-hour variance complaints are responded to by our Emergency Response Team, and what was your other question related to that?

THOMAS FARIELLO: Money.

COMMISSIONER CHANDLER: Money?

CHAIRPERSON WILLIAMS: How much revenue does DOB get from AHV permit applications?

SHARON NEILL: I actually don't have the revenue number, but we do know that we do know that over 62,000 issued last year.

CHAIRPERSON WILLIAMS: Sixty-two thousand permits, applications I mean, for after-hour?

COMMISSIONER CHANDLER: After-hour variances, yes, 62,000.

CHAIRPERSON WILLIAMS: Wow.

SHARON NEILL: Calendar year.

CHAIRPERSON WILLIAMS: That's a lot.

COMMISSIONER CHANDLER: Yes; 60,000 the prior year.

CHAIRPERSON WILLIAMS: That is a lot, and Council Member Mendez, this has been one of the things she's been focused on, the after-hour variances and that does sound kind of high. Is that normally what we do; have they been increasing?

[background comments]

COMMISSIONER CHANDLER: So the initial after-hour variance -- 'cause the 60,000 includes all

of the renewals. I'm sorry; I' should have clarified that for you. So there's an initial permit and then there are subsequent renewals, if they do it in subsequent days and weeks following that. So in 2016, the initials on the after-hour variances was 18,000, which is consistent with the previous four years, so in fact, it's slightly less than it was in 2013, but there were significantly more renewals in the last couple of years, which ticked it up to the 60,000 number.

CHAIRPERSON WILLIAMS: What are the reasons that folks have to do after-hours?

THOMAS FARIELLO: So the permits are issued for a maximum of 14 days, so each time they want to go beyond that they need to renew it, so that's how you go from 18,000 from that initial permit all the way up to 62,000, because it's a recurring thing that has to be renewed every 14 days max, so.

CHAIRPERSON WILLIAMS: The initial, what's the initial reason why some folks need the variance to begin with?

THOMAS FARIELLO: Why they can't meet the variance?

CHAIRPERSON WILLIAMS: No, why they would need to have variance; why they can't do it within the normal hours.

THOMAS FARIELLO: Sure. You know, the permit hours are from 7 a.m. to 6 p.m. and so... [background comments] [pause]... Alright, so the after-hours variances are generally issued because it's safer to do it off the hours, so it's earlier or later or on the weekend, where say you were in Midtown; you know, during the week there's a lot of commercial offices, there's a lot of traffic there; it'll be safer to do some of the work on the weekend, so that's probably one of the main reasons why it's issued.

CHAIRPERSON WILLIAMS: Alright. Thank you. I know that Council Member Mendez gets a lot of complaints about these and if she was here, I'm sure she'd drill a little deeper.

I did have one last question. Now the Office of Special Enforcement, my understanding is you have three inspectors; is that correct?

COMMISSIONER CHANDLER: Three inspectors that are assigned to the Mayor's office.

CHAIRPERSON WILLIAMS: Do they participate in dealing with the B&B inspections?

COMMISSIONER CHANDLER: They do when the Mayor's office chooses to follow up with a B&B complaint; that discretion is at that office.

CHAIRPERSON WILLIAMS: The discretion is at that office?

COMMISSIONER CHANDLER: Yes, their office is the one -- they're the ones who decide how to route the inspections.

CHAIRPERSON WILLIAMS: I see. Just for the record, I've been one of the main proponents of dealing with the abuses of Airbnb, in particular; it seems that some folks are getting caught up in that, that we had no intention by any of our actions and we made that clear, so we're trying to help relieve some of those folks who are in particularly one- and two-family; maybe three-family homes who otherwise are legally using their home on these home-shares, but there are some municipal laws that don't jive with what the State says and it says in other parts of our municipal codes. So it's a very big issue for folks, some constituents in my district; Cornegy's district in particular and others, so we're very concerned

about those folks getting caught up; it's not something we intended and we really want to push back on what we see as a problem with enforcement with those homeowners. I don't know if you want to comment on it; you don't have to, but.

COMMISSIONER CHANDLER: Well if you have a que... I mean, we have a few -- you know, bed and breakfasts are different than the online Airbnb type of situation; not that they don't sometimes overlap, but there are different laws that apply here and it's mostly related to whether the homeowner will stay there. If the homeowner is not going to be there, then that's a problem, and I do believe that Special Enforcement has taken action against those folks and I certainly empathize and I totally agree with some of the issues that you've highlighted.

CHAIRPERSON WILLIAMS: Sure. We do have some -- I can't speak for all -- I know in my district we have some where the homeowners actually live there and are still getting fined -- and very heavy -- and so...

COMMISSIONER CHANDLER: Well we'd be happy to work with you on that and also talk to

Christian at the Mayor's office to see if we can reach an understanding.

CHAIRPERSON WILLIAMS: Thank you very much. That's all the questions that I have. I really appreciate your time and your testimony. I think we're going to just go straight into public testimony. [background comment]

We so far have 11 people signed up for public testimony, so if we can get one additional -- no... yeah, I'm going to try to call six and five, so if we can get two more chairs there. So they should make their way now. [background comments] Caroline Nagy from Center for NYC Neighborhoods; Andrew Narus from ALEC-NY; Cal Snyder, Pa'Lante; Beverly Pabon; and John Delfish. Alright, that's five and we'll have one more -- C. Daniel Dawson.

So just again we have, if they're still here, Caroline Nagy, CNYCN; Andrew Narus, PE, ALEC-NY; Cal Snyder, Pa'Lante; Beverly Pabon; John Delfish; and C. Daniel Dawson. [background comments] And who else? [background comments] So we do not have present Beverly Pabon? [background comment] Oh, okay. John Delfish? Okay. You can sit, you can grab a seat. [background comment] C. Daniel Dawson.



[background comment] Okay. So if we can get two more chairs. [background comments] I'm going to call somebody else. [background comments] Yeah, so you'll be on the next panel. [background comments] There will be a second panel. [background comments] So just need one more chair.

So currently we have Beverly Pabon, John Delfish, Caroline Nagy, Andrew Narus, and Cal Snyder; is that correct? Can you each please raise your right hand?

COMMITTEE COUNSEL: Do you affirm to tell the truth and to answer honestly to council members' questions?

CHAIRPERSON WILLIAMS: You'll each have two minutes to give your testimony; you can begin in the order of your preference.

[pause]

CAL SNYDER: Thank you. Cal Snyder; I'm speaking on behalf of Pa'Lante about HPD's ANCP program budget. I want to thank the Chair and the Committee.

We have deep reservations about the budgetary impact of HPD's funding plan for the ANCP, Affordable Neighborhood Cooperative Program, and

we'll be providing a detailed report to the Committee.

As you know, ANCP was designed to re-house the very low-income tenants in the remaining 150 TIL buildings under HPD administration. HPD has proposed a very risky plan for both monthly and long-term affordability for these co-ops. They are designed to house tenants who now pay in the \$400-600 a month range and in order to meet the projected monthly maintenance charges under ANCP of several thousand dollars a month, HPD is relying on Section 8 subsidies to bridge the difference. And from the testimony that we heard earlier today, we know that HUD's budget in Washington is under extreme pressure -- cuts of \$37 billion are proposed for next year -- and that includes Section 8, and we just believe it is irresponsible and highly risky to place these very low-income tenants in co-ops that are completely unaffordable without massive new federal subsidies in perpetuity reflect on the impact of federal cuts and their replacement by other City funding, if these federal subsidies do not materialize. We're talking about millions and millions of dollars of monthly subsidies in perpetuity for 30 years and HPD should

not be creating a program without guaranteed funding to support these low-income tenants in the co-op housing to which they are going to be moved. [bell]

And I thank the Committee and Chair Williams for the opportunity to testify.

CHAIRPERSON WILLIAMS: You can stay there if you'd like until everyone's finished.

CAROLINE NAGY: Good afternoon. Is this on? My name is Caroline Nagy and I am the Deputy Director for Policy and Research at the Center for NYC Neighborhoods. Thank you, Chair Williams and the Committee for holding today's hearing on the Preliminary Budget.

The Center for NYC Neighborhoods is a nonprofit that works to promote and preserve and protect affordable homeownership in New York so that working and middle class families are able to build strong, thriving communities.

Before discussing this year's budget, I'd like to acknowledge the City Council for your strong support of New York City homeowners. As a co-founder of the Center for NYC Neighborhoods, the New York City Council has been a generous support of the Mortgage Foreclosure Prevention Program, which funds

\$1 million annually to the Center for NYC Neighborhoods, the vast majority of which is regranting to nonprofit community-based organizations to provide foreclosure prevention, housing counseling and legal services.

We also have worked on a couple of really exciting initiatives over the last year, including the Community Restoration Program, which is buying distressed mortgages from the federal government. New York was the first city in the country to do so and New York City Council's the first funder and thought partner.

I would basically like to focus on a couple issues with regards to affordable homeownership and foreclosure in the budget for this year. Probably the most pressing issue is that the vast majority of foreclosure prevention funding in New York City -- which is currently funded by the Attorney General through bank settlements with financial institutions -- will expire the end of September of this year; that's \$9 million in foreclosure prevention services that's set to expire, so it's a very giant chunk that would result in a lot of homeowners in New York City being cut off. We are

currently working to get some of this funding replaced in the New York State budget with some success, but we really appreciate working with the City Council and the Administration on supporting our ask at the [bell] at the State. Thank you. I'll just say a few more words.

We've also seen a very big rise in homeowner harassment, especially with regards to communities that are seeing property values increase. These visits are annoying, at best, but for seniors and homeowners who are in foreclosure we've seen a very alarming increase in scams, particularly deed theft scams, as well as very bad reverse mortgages or other situations that are unsustainable for homeowners. So we have been working to expand outreach, basically making sure that New York City homeowners know that there is a place to go to get good help as opposed to scam artists who are basically pounding the pavement, knocking on people's doors, and so we are asking City Council and the de Blasio Administration to help support further increased outreach to those ends.

CHAIRPERSON WILLIAMS: Thank you.

CAROLINE NAGY: Thank you.

[background comments]

JOHN DELFISH: My name is John Delfish;  
I'm from 615 West 150th Street Tenant Association;  
[bell] I am the President of the Tenant Association.

And my concern here today is that in  
1996, when we entered the TIL program, we were  
promised that HPD would renovate our building and in  
the process, move the tenants out to temporary  
relocation until the building is renovated, and in  
return, we would be able to purchase our apartments  
or unit for \$250. Now during that time from 1996,  
we've been running the building. We take tenants to  
court, do renovation, we collect rents -- we managed  
the building during that time.

In 2008, HPD said that they had the money  
at the time to renovate the building; after  
relocating 15 tenants, the Bloomberg Administration  
said that there was no money left in the budget, so  
we have tenants who have been in other buildings, in  
TIL buildings and ADFC buildings since 2008. And we  
were told several times -- what we were being told  
was next year, next year, next year, and that just  
kept going on and on.

In 2012, when we transferred to the ANCP program, they told us that the purchase of the renovated apartments would then be \$2,500. In the building we have a lot of senior citizens, including myself; I'm 80 years old, and the concern of the tenants is; how will they be able to pay for the maintenance for the apartments.

On February 27th we had a meeting with HPD [bell] and the developers and what they are telling us now is that they will get a private developer who would get a loan from the bank and they will renovate the building and then what -- my concern is that we will have to carry a mortgage for about 30 years and with that the maintenance will run anywhere between eight, nine, or \$1,200 and then there would be a yearly interest of 2%. And we are concerned on how would tenants on fixed income be able to pay for that increase?

We were also promised that -- no,  
[inaudible]... [crosstalk]

CHAIRPERSON WILLIAMS: Mr. Delfish, we're going to have to ask you to give a closing sentence, please.

JOHN DELFISH: Okay. What my concern is; how would we be able to pay the high rent or maintenance **[inaudible]**? They told us we will get Section 8 for those who cannot pay, but we are concerned about how long with HPD pay the Section 8.

CHAIRPERSON WILLIAMS: I don't have the answers to those questions; it's something, as I mentioned, that we will try to see if we can have a hearing on at a later date; we have a lot of concerns; probably not more than you, because you're living it, so we're going to try to see if we can get some answers for you. We have to move on to the next person to testify. Did you say you were 80 years old?

JOHN DELFISH: Yeah.

CHAIRPERSON WILLIAMS: You look amazing, so if you can share your secrets or your diet, that would be fantastic. But thank you for your testimony.

JOHN DELFISH: Alright.

ANDREW NARUS: Good afternoon Chair Williams and members of the Council. The American...  
[crosstalk]

CHAIRPERSON WILLIAMS: Is the mic on?



ANDREW NARUS: The American Council of Engineering Companies of New York (ACEC New York) is the voice of the professional engineering community, representing over 280 member firms throughout New York State... [interpose]

CHAIRPERSON WILLIAMS: Can you state your name, please for the record?

ANDREW NARUS: My name is Andrew Narus; I represent the ACEC New York.

ACEC New York represents over 280 member firms throughout New York State that collectively employ 24,000 people statewide, with a concentrated presence of firms located within the five boroughs of New York City. Of the total number of firms, 50 are MWBE firms registered with the Department of Small Business Services. Our members are involved in all aspects of engineering for the public sector. We plan and design the structural, mechanical, electrical, civil, environmental, plumbing, fire protection, and technology systems for the City's infrastructure, including transportation, energy and wastewater treatment facilities, as well as for public buildings. Our members are also involved in a

host of planning, resiliency and environmental issues.

Since its founding in 1921, ACEC New York has served as a source of ideas, a sounding board and a professional resource for state and city leaders, including the Department of Buildings. ACEC weighs in on many important issues of our day, from infrastructure investment, efficient energy policy and alternative delivery systems to improving procurement practices. ACEC has volunteer code committees made up of professional members that work with the Department of Buildings providing engineering expertise when developing code and policy for the City. ACEC has prepared a series of recommendations on improving the Department of Buildings that have been reviewed [bell] by the agency at the highest level and are being incorporated to a large extent into the agency's own reform efforts, which resolve around technology, transparency and integrity and enhance efficiency, and most importantly, safety. To that end, we fully support the funding for the Department's modernization. We appreciate the work that you and the members of the Council do to improve New York

every day and look forward to continuing to work with you on these important issues.

I thank you for the opportunity to speak before the board today. I'm happy to answer any questions.

CHAIRPERSON WILLIAMS: Thank you.

BEVERLY PABON: Shalom, Chairman Williams and the Council Members of the Committee of Housing and Buildings. Good afternoon and thank you for the opportunity of testifying this afternoon.

My name is Beverly Pabon; I am the Tenant Association President of 2 East 127th Street; I've been in the TIL program since 1997. I am here on behalf of my association, the TIL program and the TIL Coalition and part of Pa'Lante Harlem to testify how essential it is for funding for the TIL building in its original form. We have been putting in our sweat, equity and management of these buildings for over 20 years and we were doing so on a promise that these buildings would be turned over to us as self-managing buildings for low-income families. Under the ANCP program, this will not be happening. Under the ANCP program, it's just a short-term path, actually, to gentrification and evictions and

1 foreclosures for people of low-income. So I'm asking  
2 the Committee to set aside time for us to meet with  
3 you guys to resolve this issue of all the buildings  
4 of 158 or 160 or so buildings that are in the TIL  
5 program still waiting to be HDFCs and self-management  
6 under the program that we originally signed for.

7  
8 Right now our building has been, like I  
9 said, in the program since 1997 and if the City is  
10 geared towards having homeownership for low-income;  
11 this would be the best program. The City came to us  
12 when no one else wanted these buildings and we did  
13 the work for it. We've been waiting patiently and we  
14 want the promise to be still given to us, because we  
15 did put in the work. We also would like to have a  
16 seat [bell] at the table when they make decisions  
17 about the TIL program, which they do not do, and we  
18 are the managers and we've been managing these  
19 buildings for more than 20 years and we have no  
20 input, but everyone's telling us what to do and what  
21 they're going to do for us. We want to be sitting at  
22 the table. And thank you very much for hearing my  
23 testimony.

24 CHAIRPERSON WILLIAMS: Thank you very  
25 much for your testimony and for being here.

For you and Mr. Delfish; are you displaced now or are you actually in the building?

BEVERLY PABON: Actually, with Mr. Delfish, my building was also in the same program where we were going to be relocated; it was just literally a week before we got to move our first tenant out of the building when HPD came to us and said, you know, everything is on hold. We have the money for your building because your building is already in the pipeline; everything was there -- we had our apartments for the relocations, we had the keys to each apartment for all the tenants in our building, which was 22 at the time; right now one-third of our building is vacant of deaths that -- you know people died and some apartments were lost because we didn't have the right for successorship; now we do, so we're able to keep what we have there, but we're not able to rent the apartments out to build our money back up. So right now I don't have any tenants in my building that have been displaced or relocated and I'm happy for that, but I know of the other buildings who have and that needs to be addressed also.

CHAIRPERSON WILLIAMS: Mr. Delfish.

JOHN DELFISH: **[inaudible]**

CHAIRPERSON WILLIAMS: Can you turn the microphone on, please?

JOHN DELFISH: Alright, I'm still in my building, but there are 13 tenants that were relocated; originally there were 15; two passed away, unfortunately, they never get to see the completion of this program. Like Miss Pabon said, we work as managers of the building, and so many promises were made. At one time our roof was very bad and HPD told us, okay, go ahead and get the roof repaired and they would pay for it. After the construction, you know the renovation of the roof, they tell us, okay, you have the money to pay for it, which we did at the time; at that time we had over \$600,000. But then they also told us, okay, you have money, now you have to pay for oil. We have a 60-unit building and that's a lot of money; we had to pay for the oil. So that depleted our funds. Right now we're down to about \$50,000 and we don't know how long that is going to stay. Also during that time we had nine tenants that were relocated to HDFC buildings and each month we have to pay that rent for the relocated tenants; their rent is about five, six times what we

are paying currently in our building. So since that time, 2008 to now, we spend over 900 and something thousand dollars. I mean HPD, because they're subsidizing the HDFC building, but we first, at the beginning of each month we have to put out that money. That money is refunded to us every two months, but that's a lot of money that -- what happened, you know with all this money; why they're subsidizing these HDFC buildings and we have to put that money out; that money could have been used to have the renovate of our building.

CHAIRPERSON WILLIAMS: And for anyone on the panel, why the concern that the new program is going to displace everyone as opposed to work the way they said it is, which is fulfill the program?

BEVERLY PABON: Well under the program as it is now, in the ANCP program, one of the things is that you have a 2% increase every year for people that's on fixed income; then you have a mortgage, which we've never had in the prior TIL program, which would bring down the rents a whole lot. So even though they said they were going to do subsidies for the maintenance fee, it's not going to work with the assessments that might come up on the building or to

1 pay for the mortgage, you know. And another thing is  
2 that this was supposed to be a building within the  
3 communities of people of low-income; the vacancies  
4 that they have right now, that HPD has been housing,  
5 first fell under the TIL program for relocation of  
6 TIL tenants so their buildings can be fixed; now  
7 they're going to use those apartments to be sold at  
8 market sales to bring down the debt of a mortgage.  
9 Now what we see in our community now is that most of  
10 the HDFCs are selling apartments to people of these  
11 higher incomes, which defeats the plan of this being  
12 a low-income housing development. So within the 30  
13 years that we have this mortgage, I can almost  
14 guarantee you that the people that's originally here  
15 is either going to be out because of foreclosure  
16 because they can't pay these things or they're just  
17 going be voted out or going to sell at a higher rent,  
18 just to get out. So you're gonna lose these  
19 apartments and these buildings for homeownership to  
20 people of low-income, which the HDFC program was for.

21 CHAIRPERSON WILLIAMS: Alright. Thank  
22 you. Thank you very much, everyone who testified. I  
23 do want to make sure that we know which is the best  
24 advocacy group for TIL, to see, as you mentioned, get  
25



a seat at the table and what that would look like, so if someone can follow up with the Committee, who is the best advocacy group or groups to speak with to try to make sure that HPD is speaking to the right folks. So thank you very much. [background comments]

We have six people for the last panel; one person was added. If you want to testify, please make sure you see the Sergeant-of-Arms; if not, these will be the six and final people testifying.

Louisa Rodriguez; Barry Weinberg -- Is Barry Weinberg here? -- Benjamin Dulchin, Cathy Dang, Stabilizing NYC; April Tyler, HDFC; and Lisa Mathis. So we're going to need another chair, please. [background comments] Wow, we need two... is there a translator? [background comment] Is there a translator? [background comment] April?

APRIL TYLER: No, there isn't a translator.

CHAIRPERSON WILLIAMS: So why do we need two more?

APRIL TYLER: They're representatives [inaudible]... [crosstalk]

CHAIRPERSON WILLIAMS: Are they signed up to testi... Are they signed up to testify?

APRIL TYLER: Well we signed as a coalition.

CHAIRPERSON WILLIAMS: No, whoever is going to testify has to sign out individually.

APRIL TYLER: Okay.

CHAIRPERSON WILLIAMS: They have the opportunity to do that if they still want to.

So we have Lisa [sic] Rodriguez, Barry Weinberg, Benjamin Dulchin, Cathy Dang, April Tyler; Lisa Mathis. [background comment] Are there other people who want to testify or? [background comments]

FEMALE VOICE: I think there was one more from Stabilizing.

CHAIRPERSON WILLIAMS: Sorry?

FEMALE VOICE: One more from Stabilizing.

CHAIRPERSON WILLIAMS: They need to fill out a sign... [background comments] He did?

[background comments] What's the name?

JONATHAN HERNANDEZ: It's Jonathan Hernandez. I don't have it, so if you can fill out another one. [background comments] Okay. What's your name, ma'am?

SYLVIA TYLER: Sylvia Tyler.

CHAIRPERSON WILLIAMS: Are you planning to testify? Needs to fill out...

APRIL TYLER: She's almost 80 too.

CHAIRPERSON WILLIAMS: Oh great. You look fantastic as well. But unfortunately, you still need to fill out a form, so [background comment] if you haven't filled out a form... [background comments]

Okay, so we have eight people going to testify; this is the last panel, so if anybody wants to testify, they have to sign up. Can everybody please raise their right hand?

Do you affirm to tell the truth, the whole truth and answer honestly to council member questions?

[collective affirmation]

CHAIRPERSON WILLIAMS: Okay. You each have two minutes; you can begin in the order of your preference.

[background comments]

LOUISA RODRIGUEZ: Okay. Good morning to everyone and thank you for giving us the opportunity to testify. My name is Louisa Rodriguez; I am from 615 West 150th Street, a TIL building now called

1                   ANCP. Our building has -- as Mr. Delfish said  
2                   before, our building entered the TIL program in 1996;  
3                   in 2007, after waiting so many years for HPD to  
4                   fulfill their promise, in 2007, at a meeting with  
5                   HPD's Victor Hernandez, the then TIL Program  
6                   Director, and Rufus Harvey, then Building  
7                   Coordinator, Mr. Hernandez assured the building that  
8                   they had the funds to do the rehabilitation.  
9                   Consistent with that, they started moving people out  
10                  of the building to do the relocation. That happened  
11                  in 2008; I was one of the first tenants to be  
12                  relocated in 2008. Now it is 2017 and all my  
13                  belongings are still put in a warehouse that we don't  
14                  even know where it is; we don't have access to it; I  
15                  have been moved to a fourth floor walk-up; I'm 75; I  
16                  guess they expect me to die to then have another  
17                  vacant apartment in our building, and so far they  
18                  haven't done anything of what they have promised; now  
19                  they come up with -- what we have been talking, this  
20                  ANCP program -- which we do not believe will be good  
21                  for us, for the tenants. Maybe it will be good for  
22                  HPD, but not for the tenants, because the tenants  
23                  will not be allowed to pay whatever they want us to  
24                  pay; now they want the tenants paying for all the  
25

HPD's mistakes [bell] that they have done in managing this TIL program. They want to get a loan, they want us to have a mortgage and to have a 2% increase every year; many of us are on a fixed income and we have sweat equity in those buildings; we have been there for 20 years sweating out, doing a lot of sacrifices, not having anything done -- paint or anything -- because we wanted the program to succeed and we trusted HPD. We don't trust HPD anymore and we don't want that ANCP program. So we need the Committee here; we need the City Council to really, please, examine this -- what happened with that money that in 2008... [crosstalk]

CHAIRPERSON WILLIAMS: Gonna have...

LOUISA RODRIGUEZ: they had.

CHAIRPERSON WILLIAMS: Gonna have to ask you to give a closing sentence.

LOUISA RODRIGUEZ: Yeah, the closing is; we need you to help us in finding money so that the City can fund the rehabilitation of the TIL buildings; not only of my building, I'm part of the coalition of TIL buildings... [crosstalk]

CHAIRPERSON WILLIAMS: I got it. Thank you very much.

LOUISA RODRIGUEZ: You're welcome.

CHAIRPERSON WILLIAMS: Appreciate it.

BENJAMIN DULCHIN: Thank you. Good afternoon, Chair Williams, thank you for this opportunity to testify. My name is Benjamin Dulchin; I'm the Director of the Association for Neighborhood and Housing Development, we are the umbrella organization of 101 neighborhood-based affordable housing and tenant placement [sic] organizations across all five boroughs of the city. So I have more extensive written remarks that I'll submit to the Committee; I'll just sort of emphasize a couple of the key points I was going to make.

You heard at length from the Commissioner of HPD about the really dire threat that New York City is facing because of the Trump budget cuts. We don't know the details, but we know that a down payment on the cuts seems to be that \$6.6 billion is going to be cut from the HUD budget. New York City receives a disproportionate amount of support for our housing programs from HUD and so New York City is facing both a human service crisis on housing issues at a scale that we haven't seen before and also a fiscal crisis, because the tenants in NYCHA Section 8

who have been formerly served by CDBG are going to be coming to City Council, to City Hall and to Albany to demand that their basic human needs be met.

So in that context, it is more important than ever that we double down on our efforts to preserve the existing affordable housing stock. It is well understood that preserving the existing affordable housing stock is by far the most efficient way to preserve the affordable housing that New York City residents need and is the most cost-effective way to use City dollars.

So in that context, we are asking that the City Council support the continue funding of the Community Housing Preservation Strategies (CHPS) program which is the combined programs formerly known as the Housing Preservation Initiative and the Community Consultant Contract. Together these programs with their funding last year, the organizations that they funded last year alone counseled over 15,000 tenants, educated over 28,000 residents, contacted over 66,000 New Yorkers and directly helped to prevent the evictions [bell] of nearly 2,000 New York City residents.

A recent analysis by ANHD shows that on average in the last two years the City spent \$100,000 in direct City subsidy to finance each new affordable housing unit in the City's Housing New York plan and \$40,000 to finance each preservation unit. So unquestionably, the dollars that the City Council puts into local activities to support the preservation of existing housing stock is both more necessary than ever and more cost-effective than ever.

So in closing, I'd like to thank you for your past support of these programs and your past efforts with your community groups and to ask that these programs be refunded.

CHAIRPERSON WILLIAMS: Thank you.

BARRY WEINBERG: Hello, my name is Barry Weinberg; I am a member of Manhattan Community Board 9's Housing, Zoning and Land Use Committee. My testimony is not however speaking on behalf of the Board. Thank you, Chairman Williams for your time to address the Committee.

According to Page 38 of the Preliminary Capital Budget for Fiscal Year 2018, listed as Project HD1, the City has currently budgeted \$63



million for reconstruction of residential buildings in the Department of Housing Preservation and Development's Division of Property Disposition and Finance, including the Affordable Neighborhood Cooperative Program (ANCP). To date, \$11.4 million of the \$63 has been spent. ANCP is a grave misuse of these funds that will saddle the tenants of the remaining 190 TIL buildings waiting to be cooperative owners with unsustainable debt burdens and will commit the City to providing assistance to those owners using Section 8 money that is urgently needed elsewhere. Transfer of buildings to third parties via ANCP ought to be halted and the City ought to rehabilitate the buildings through the Tenant Interim Lease program and fulfill its commitment to its tenants to sell their rehabilitated buildings at the cost of \$250 for each apartment. The problems with ANCP are numerous. To begin, the program raises the price for tenants to purchase their apartments to \$2,500, which many tenants do not have and cannot borrow. Second and most importantly, instead of the City rehabilitating the buildings that they own per the TIL program, the City transfers the property to a third-party nonprofit which then takes out a large

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Earlier today in their testimony, HPD spoke of ANCP as a model to "leverage private financing." I am afraid that this is code for offloading the City's promises and responsibilities under the TIL program [bell] onto low-income tenants via unsustainable debt. The City made a commitment to the tenants for whom it was their landlord; the commitment was that the City would rehabilitate their buildings and sell it to the tenants so they could become owners, gain equity in their homes and preserve the communities in which they lived. ANCP

CHAIRPERSON WILLIAMS: That was impressive.

I'm here on behalf of Stabilizing NYC and we thank the Committee for supporting us in the past with \$1.25 million; we're here this year asking for \$2.5 million to increase our work; it'll impact citywide.

CAAAY, we organize rent-stabilized  
tenants in Chinatown; we also organize Asian  
immigrant tenants in Queensbridge. But for our work

1 in Chinatown the last year alone, we closed out two  
2 campaigns against SMA Equities and James Fong, Inc.,  
3 which was formerly owned by Marolda Properties. In  
4 one of those tenant buildings alone we've won  
5 \$205,000 of rent abatements, critical repairs and  
6 services for the tenants, and also, but most  
7 importantly is changes to the practices of these  
8 landlords so they're no longer purchasing buildings  
9 in Chinatown and doing the same thing all over the  
10 neighborhood. But when you look citywide and the  
11 impact that we've had in the four boroughs that we're  
12 in -- the Bronx, Brooklyn, Manhattan, and Queens --  
13 we've had 20,000 tenants attend tenant meetings, we  
14 have reached 4,500 apartments and had 3,235 leaders  
15 attend meetings, and these are all meetings being led  
16 directly by the tenants for their own will and their  
17 own determination [sic]. We've helped draft  
18 legislation around predatory equity and are coming  
19 out with research to help guide legislation to  
20 regulate predatory equity landlords.

22 We are grateful that there was \$40  
23 million allocated for legal services, but what we  
24 find more important is organizing and we know -- one  
25 of our buildings in R.A. Cohen, we settled the

1 lawsuits, but we're at a point where the tenants want  
2 more and the lawsuits haven't been able to actually  
3 give them what they want to ensure that they won't be  
4 forced out and that's where organizing comes in and  
5 that's why it's important to maintain the organizing  
6 funding for Stabilizing NYC. And what I also want to  
7 emphasize; that organizes more than just lawsuits and  
8 rallies and protests; it's [bell] about follow-up --  
9 90% of organizing is follow up and getting a grounds  
10 well of people to feel ownership and to safeguard  
11 their own homes and communities.

12  
13 The last thing I'll say is that 100% of  
14 the people that we organize are working class,  
15 they're immigrants, undocumented, mixed status,  
16 they're African American, West Indian, Latino, Asian,  
17 South Asian, Jewish, white, and these are people who  
18 are being attacked by the federal policies right now,  
19 so now more than ever we need to protect our  
20 communities and I won't doubt that Trump won't use  
21 his power to leverage his real estate interest in New  
22 York. Thank you.

23 APRIL TYLER: Good afternoon members of  
24 the Housing and Buildings Committee. My name is  
25 April Tyler; I'm here with Sylvia Tyler and Blanca

Vasquez had to go, she's a professor at Hunter College. But we are here representing Housing Development Fund Corporation (HDFC) Coalition Steering Committee and I am also the Co-Chair of the Housing, Land Use and Zoning Committee of which Barry Weinberg is a member of Community Board 9 in Manhattan.

The HDFC Coalition began in 1992 as an effort to advocate for improvements in the policies of the City of New York towards HDFC cooperatives. In early 2016, we had to become more active in response to efforts to modify existing regulations pertaining to HDFC buildings. HPD is proposing to prematurely sunset the DAMP Tax abatement, which is afforded to DAMP HDFCs, as early as next year, when it is not set to expire until 2029. They are further proposing to require HDFC cooperatives to sign a regulatory agreement that would essentially take control of our buildings from us shareholders and hand it over to a monitor paid for with our money but controlled and beholden to HPD. We the members of the HDFC Coaling and hundreds and hundreds of homeowners throughout the city who live in HDFCs object. There have been numerous meetings throughout

the city, Upper Manhattan; we've had almost 500 people attend a meeting in Central Harlem, over 200 people in Central Brooklyn, 150 people the Lower East Side; more than 200 people, etc., etc., all over the city HDFC homeowners object. [bell]

What we suggest that HPD do rather than misspend the money pursuing this ill-conceived notion of taking control of our buildings is to: 1.) as people have spoken before, get the TIL buildings out of TIL and into cooperative ownership; 2.) buildings that are in third-party transfer and languishing there for years, year, years, even decades in some instances, get those buildings into cooperative ownership, and also, spend money, staff up to assist buildings that are in distress. Nearly 80% of the HDFC cooperatives are functioning well, doing well fiscally, doing well physically. The 20% that are not doing well, we need to develop programs to assist those buildings.

I thank you for your time and attention.

CHAIRPERSON WILLIAMS: Thank you.

APRIL TYLER: And I have written comments that I will submit.

SYLVIA TYLER: Hello. I'm with the HDFC Coalition Steering Committee. Everything that April explained to you I concur and back up. I would like to give you a history of how the HDFC co-op that I live in, the experience that we had with HPD.

Back in about 1989 they pushed us out of the TIL program into HDFC prematurely; we didn't even meet their requirements, which: 1.) they wanted you to have \$1,000 at least in a reserve fund per apartment. Now we have 44 units; we had no such thing, but they said, oh that's alright, they pushed us in. We had to get a lawyer to stop that, so they threw that sale out. But the next year we did go into sale, so now HPD is making people languish in TIL; back then they pushed you into TIL prematurely. So they have not been consistent and I don't know what their reasons are, but they have created a lot of problems.

Now as far as our building, we have come out of the 60/40 lien we called it; that is if you make a sale, 40% of your sales go to HPD; now struggling HDFCs with minimum resources, if you do have sales, you need that money really for capital improvements. Now when we went into the TIL program,



1 they did absolutely nothing in the apartment. One  
2 apartment [bell] next door, April's had a big hole in  
3 the floor and so the only thing they did was the  
4 windows and at that time they claimed they would do  
5 two systems, like adequate wiring, rewiring or  
6 adequate electricity. Now our building is a double  
7 building, we have two elevators, so they claim to --  
8 those were our two systems; they never really did  
9 that. But we've managed to survive because Community  
10 Service Society helped us back then, thanks to April,  
11 because we owed back taxes and we owed a water bill,  
12 and if we paid \$5,000 a month it didn't hit the  
13 principal; it was only the interest because the  
14 interest was compounded daily. So we were able to  
15 get out of that lien by Community Service Society  
16 loaning us the money to pay the back taxes and the  
17 water bill and our building at this point...

18  
19 CHAIRPERSON WILLIAMS: I'm gonna have to  
20 ask you to give a closing sentence, please.

21 SYLVIA TYLER: Okay. At this point, our  
22 building is out of that lien, it's a solid building;  
23 we do not have a loan with the City, thank goodness,  
24 with HPD. HPD may need help; then they would create  
25 more problems with their regulatory agreement,

because they're not acknowledging the best variety and different types of buildings that are in HDLC at this point. So City Council should vote absolutely no to... [interpose]

CHAIRPERSON WILLIAMS: Thank you.

SYLVIA TYLER: removing the DAMP Taxes.

CHAIRPERSON WILLIAMS: Thank you.

JONATHAN HERNANDEZ: Chairman Williams, Council Members and staff, good afternoon and thank you for the opportunity to testify. My name is Jonathan Hernandez and I'm a staff attorney at Asian Americans for Equality (AAFE). For over 40 years, AAFE has advocated for equal rights and access to vital community services for all New York City residents.

To begin, I am here on behalf of my organization and the Stabilizing coalition to testify how essential Stabilizing NYC has been for the tenants that live in your respected boroughs. As the City Council deliberates the preliminary fiscal year budget, Stabilizing NYC is seeking \$2.5 million to continue our work to combat tenant harassment and preserve affordable housing for New Yorkers who need it most.

If the City Council is truly committed about safeguarding tenants from displacement and keeping New York City residents in their homes, it all starts with continuing to support Stabilizing NYC. During this fiscal year, AAFE and fellow coalition members have been organizing all over the borough of Queens -- from up and down Parsons Boulevard in Jamaica to Elmhurst Avenue in Elmhurst, and a great deal of apartments in between. AAFE and community partners have knocked on 948 apartment units and engaged those tenants to speak out about predatory equity.

For far too long landlords in New York City have had the major advantage against their tenants. Now with Stabilizing NYC, tenants have the ability to be on the offensive, bringing affirmative actions against their landlord. A major success we had as a Queens Group this year came by starting a Housing Part action in Queens Housing Court. Just last year, a certain realty group purchased six apartment buildings on the 150th block of 88th Avenue in Jamaica for \$21.5 million.

The landlord then began aggressively pushing rent-stabilized tenants and has allowed 21

class C violations, 34 class B violations, and six class A open HPD violations on their premises. Among these violations, the landlord has not provided heat and hot water to the tenants. This has led to a high level of turnover [bell] in the buildings, which is a threshold of predatory equity that Stabilizing NYC organizes against. A collection of 35 tenants banded together to restore adequate heat and hot water that they rightfully deserve.

Organizing is a fundamental component for our tenant engagement work. Stabilizing NYC enables us to reach out to many tenants in far reaching areas in Queens that do not get enough attention. And frankly, if not for Stabilizing NYC, these areas in Queens would not be as organized to fight predatory equity. So I respectfully request that Stabilizing NYC funding see an increase in this year's budget to continue our work. And trust me, there is still a lot of work to do.

Thank you for your time and consideration.

CHAIRPERSON WILLIAMS: Thank you.

LISA MATHIS: My name is Lisa Mathis; I'm from the 80 New York Avenue Tenants Association, a

member of buildings in the Crown Heights Tenant Union. I'm here to advocate for the passage of the twelve bills Stand for Tenant Safety Coalition, that legislative package that's set up to strengthen the DOB laws to stop tenant harassment. I personally am still suffering from the result of this. I live in an eight-family building, the new owners purchased the building in December of 2014; they harassed five of the tenants out and three of us are still there; this is my second winter without heat because they illegally took the boiler out of the building; there are multiple violations at DOB; there are HPD violations; we're in court. We have a case of the building in Supreme Court; I have a harassment case in Supreme Court **[inaudible]** and also I have a case in Housing Court, and because the laws are not strong enough to force them to have financial ramifications when they do this type of predatory behavior -- my aunt, who has her own apartment, is now going through another winter, 80-year-old woman without heat, so I'm here to just say that I think the twelve bills that are currently before the Council would have stopped or at least given us some quick remedy to

stop the landlord from doing this. Thank you for your time.

CHAIRPERSON WILLIAMS: Thank you very much for the testimony.

We did have a hearing on seven of those bills; I don't know where they are in passage; we probably should speak to the sponsors of the bills and see where they are; I'm happy to assist in getting them passed; I think we should focus on those a little bit more than I think people are. And then I think we are trying to plan to have the other five heard as well. But again, I've gotten a lot of social media attention about it and I'm still confused of why folks are not focusing on trying to pass the seven that we did hear and are more focused on trying to hear the other five.

CATHY DANG: I will follow up with you on that one...

CHAIRPERSON WILLIAMS: Okay.

CATHY DANG: 'cause folks do wanna move that seven to a vote. I just clarified [inaudible]... [crosstalk]

CHAIRPERSON WILLIAMS: Okay. Okay, so I get the tweets, but I just... I'm confused.

CATHY DANG: Yeah. We'll e-mail you.

CHAIRPERSON WILLIAMS: Alright. Thank you very much. Miss Rodriguez, you said you have stuff in storage and you don't know where it is?

LOUISA RODRIGUEZ: [inaudible]

CHAIRPERSON WILLIAMS: I don't...

LOUISA RODRIGUEZ: [inaudible]...  
[interpose]

CHAIRPERSON WILLIAMS: Can you put the mic on, please?

LOUISA RODRIGUEZ: I'm sorry. Fifteen families from my building, 615 West 150th, were moved out as a -- you know, when HPD started relocating tenants... [interpose]

CHAIRPERSON WILLIAMS: When were they moved out?

LOUISA RODRIGUEZ: now our...

CHAIRPERSON WILLIAMS: In 2008?

LOUISA RODRIGUEZ: In 2008, yes. Because they said they have the money.

CHAIRPERSON WILLIAMS: Yeah.

LOUISA RODRIGUEZ: They had the budget and that's how, consistent with that, they started moving us out. So they paid for our moving expenses,

2 they paid to have our belongings in the warehouse and  
3 they pay for the difference between what we pay, we  
4 the tenants that are out of the building..

5 CHAIRPERSON WILLIAMS: Sure.

6 LOUISA RODRIGUEZ: we pay our normal  
7 rent, our TIL rent, **[inaudible]** application...  
8 [crosstalk]

9 CHAIRPERSON WILLIAMS: I understand; I  
10 want... I wanna focus on -- you said they put your  
11 things in storage.

12 LOUISA RODRIGUEZ: Yes.

13 CHAIRPERSON WILLIAMS: Since 2008?

14 LOUISA RODRIGUEZ: Yes.

15 CHAIRPERSON WILLIAMS: What things are in  
16 storage?

17 LOUISA RODRIGUEZ: What? I'm sorry.

18 CHAIRPERSON WILLIAMS: What kind of items  
19 are in storage?

20 LOUISA RODRIGUEZ: Everything that didn't  
21 fit in the small apartments where we went. We just  
22 moved with the bare necessities... [crosstalk]

23 CHAIRPERSON WILLIAMS: And so... I'm also  
24 confused of why you don't know where they are. Have  
25 you re...



LOUISA RODRIGUEZ: They never told us and they said that we cannot have access to that; if we have access... [crosstalk]

CHAIRPERSON WILLIAMS: Just so... I wanna clarify. You're saying HPD relocated you, put your things in storage since 2008 and have not told you where those things in storage are?

LOUISA RODRIGUEZ: Yeah, no, they haven't.

CHAIRPERSON WILLIAMS: That sounds mind-blowing to me... [crosstalk]

LOUISA RODRIGUEZ: Then **[inaudible]**...

CHAIRPERSON WILLIAMS: Is anybody from the Administration still here? So just to put on the record, hopefully they're listening; we generally request that someone from the Administration, someone from HPD and/or DOB remain till the end of the hearing so that they can hear testimony from the public, which I think is very appropriate. So I'm disappointed again that there is nobody from the Administration, no one HPD or DOB here to take back complaints from the public. I wanna get your name and information. Now where do you live?

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2 LOUISA RODRIGUEZ: I am relocated in a  
3 HDFC, actually, which is 484 Convent Avenue,  
4 Apartment 41... [crosstalk]

5 CHAIRPERSON WILLIAMS: **[inaudible]**...

6 LOUISA RODRIGUEZ: And my original  
7 building is 615 West 150th.

8 CHAIRPERSON WILLIAMS: Do you know who  
9 your council member is?

10 LOUISA RODRIGUEZ: I'm sorry?

11 CHAIRPERSON WILLIAMS: Do you know who  
12 your council member...

13 LOUISA RODRIGUEZ: Levine, Mark Levine.

14 CHAIRPERSON WILLIAMS: Mark Levine.

15 Okay. [background comments] Okay, do you know her?

16 Yeah, I wanna get your information. It's just that,

17 that doesn't sound right and if that is right; I

18 don't even know what to say about how somebody's

19 things can be in storage for almost ten years and

20 they don't know where it is. So I definitely wanna

21 follow up... [background comment] There's other people

22 whose... [background comments] And you don't know

23 where the things are? [background comments] Can you

24 come up? Come up. [background comments] Can you

25 come up? Come up. [background comments]

CAL SNYDER: I'm sorry.

CHAIRPERSON WILLIAMS: State your name again.

CAL SNYDER: I'm sorry, Chairman. Yes, hundreds of peop... You want me to restate my name?

CHAIRPERSON WILLIAMS: Yes, please.

CAL SNYDER: Cal Snyder, representing Pa'Lante housing organization. Thank you for the opportunity to speak again. Yes, the answer to your question is hundreds of people housed in TIL buildings and possibly elsewhere under HPD's administration have at HPD's express direction had the contents of their homes taken from them and moved into warehouses under the stipulation that the tenants whose possessions have been taken away have no right to know where their possessions were taken and have never been allowed to see them again and this has been for eight or nine years in many cases.

CHAIRPERSON WILLIAMS: And the tenants have requested to know where their belongings are and they've been denied; is that...

CAL SNYDER: Yes, they're not allowed to know where their possessions have been taken and they've been living in temporary arrangements. As

Louisa testified, they've been moved from the apartments that they occupied under the pretense that the buildings would be renovated and they'd be allowed to come back and then their possessions would be returned to them. But now eight or nine years have passed, the buildings have never been renovated... [interpose]

CHAIRPERSON WILLIAMS: I understand that part. I'm flabbergasted by what you're saying now; this is unbelievable... [crosstalk]

CAL SNYDER: Yeah. [inaudible]...

CHAIRPERSON WILLIAMS: I'm hoping there is some explanation, because this just doesn't sound... I don't even know what to say... [crosstalk]

CAL SNYDER: It seems not only implausible, but impossible and yet it's been going on all of this time.

CHAIRPERSON WILLIAMS: So I know the Administration is generally listening to these hearings; I wanna know immediately what's happening here; this is... I don't even know what the words -- if this is really happening, I just...

CAL SNYDER: Yeah, it's going on.

CHAIRPERSON WILLIAMS: I can't even fathom.

BARRY WEINBERG: So Cal and Norm Siegel of... [interpose]

CHAIRPERSON WILLIAMS: State your name, please.

BARRY WEINBERG: Sorry. This is Barry Weinberg from Manhattan Community Board 9 again. Cal and Norm Siegel wrote an extensive report on these issues, among others, that can be found at [www.palanteharlem.org/BrokenPromisesTIL.pdf](http://www.palanteharlem.org/BrokenPromisesTIL.pdf). And so the report is there for anyone who wishes to view it. This issue was featured extensively and you know, it would be stunning had there not been so many other stunning instances of problems that you would not think possible but yet are in fact in reality existing.

CHAIRPERSON WILLIAMS: This just sounds criminal, so I really wanna get to the bottom of this. [background comment]

Mr. Dulchin, so HPD testified that in fact it doesn't seem that construction on housing has slowed down since 421-a has been taken away. I know you've done a lot of reports on 421-a; what's your

1                   thought on that? I mean it seems to me that it may  
2                   not even be necessary and definitely not necessary in  
3                   the form that's been put forth. Is there a better  
4                   use of where that money could go or can be used,  
5                   direct subsidy? By your analysis, are you expecting  
6                   there to be a slowdown without the continued ability  
7                   to use 421-a?  
8

9                   BENJAMIN DULCHIN: Yeah. So HPD is  
10                  absolutely correct, and I was very pleased to hear  
11                  them say that on the record, because they've been a  
12                  little bit unclear on their point of view on that.

13                 So this is something which is actually  
14                 genuinely shocking to have as analysts, you know my  
15                 organization included. You now it would sort of seem  
16                 logical that if you are taking away a tax exemption  
17                 that there would be less development, because  
18                 obviously a tax exemption is very much in the  
19                 developer's favor; that is less likely to be true in  
20                 neighborhoods where the market has been very, very  
21                 strong and really hot market neighborhoods; we  
22                 certainly thought it would be the case when 421-a  
23                 expired on January 21, 2016; we certainly thought  
24                 that would be the case in softer market outer borough  
25                 neighborhoods, and we actually drew a red line on a

map of the city where we thought that new market rate construction would really stop in its tracks because of the expiration of 421-a. And this is a critical issue because this really is sort of the fundamental argument that both the Governor and REBNY and the trades have made, that unless you renew 421-a there's not gonna be new rental development in wide swaths of the city and that's sort of been... everyone knows it's not a good affordable housing program, but that was their fundamental argument, that new development would stop dead in its tracks. In fact, the exact opposite has been true; again, much to our surprise. In calendar year 2016, there were -- and this is in the year after the expiration of 421-a -- there were 15,700 new permits issued by Department of Buildings for new units. If you look at the average of 2012, 2013 and 2014, there were exactly 15,680 on average units per year where there were new permits issued. It is clearly the case that in 2016, very quickly, by the third and fourth quarter, that new construction permits for new units, particularly in the soft outer borough neighborhoods, returned to their historic averages. The implication here really is sort of two-fold. One, that as we sort of see it now, 421-a

is not necessary to incentivize the market to build.

But furthermore, if you look at the change in new

construction land prices over the last year, what's

happened, and I think this is sort of an important

part of the explanation for why we've seen new

construction return so quickly, is that in the softer

market outer boroughs where land prices for new

construction plots had been increasing by about 20%

per year for the six years prior to 2016; suddenly,

on January 21, 2016, when the law expired, new land

prices leveled off dramatically, which makes new

development much more cost-effective and that really

is the explanation, so the clear implication is that

-- and we've suspected this for many years -- that

421-a is such an inefficient over-subsidy that it has

the effect of juicing land prices, in effect making

new development more expensive and it then sort of

serves as an inefficient subsidy. So it is clearly

the case that you do not need 421-a to incentivize

new development and the market's where you would want

it; those arguments by REBNY are quite specious and

on behalf of the taxpayers of New York City, I'd

rather have what seem to be now about \$3.1 billion

per year if you sort of look at the different



implications of what the REBNY trades proposals are; that money is desperately needed for City affording housing programs; that money could be the core of a Section 8 voucher program funded by the City exactly to fill in the hole that we're going to have from the federal budget cuts.

CHAIRPERSON WILLIAMS: So 421-a might've had the effect you're saying of artificially inflating land prices. So the Governor may be allowing his own Trump-like cuts for a program that at best wasn't used to produce affordable housing and worse, just simply wasn't needed at all. Is that correct?

BENJAMIN DULCHIN: That is absolutely correct.

CHAIRPERSON WILLIAMS: Alright. Thank you. Thank you very much everyone for the work that you're doing and for the tenants for providing their personal testimony here today. Ms. Rodriguez has something else to say? [background comments] In the mic.

LOUISA RODRIGUEZ: One line. The fact that no one from HPD stayed knowing that the public

is going to say something just shows that they don't really care about us.

CHAIRPERSON WILLIAMS: Well I'm very disappointed; the Commissioner is new, so I give her a little slight pass there; DOB isn't, however, and I've had multiple conversations with the Administration about keeping someone here just for times like this so they can hear exactly what's going on. So I too am disappointed that they aren't here. I will say, I'm really hoping what I heard is not true; that HPD can show something other than what was said here, that people's belongings are warehoused for almost ten years and they have no access to it and don't even know where it is; that's just an absurd claim, so I hope there's some misunderstanding. I'm looking forward to hearing from them on that issue. Miss Tyler.

APRIL TYLER: So just a quick note. Way back in the day, when we were young, [inaudible]... [crosstalk]

CHAIRPERSON WILLIAMS: I'm still young, thank you.

APRIL TYLER: C. Virginia Fields, when she was a -- yeah, you're still young; I'm not

1  
2 anymore. So C. Virginia Fields, when she was a City  
3 Council Member and Stanley Michaels flipped the  
4 script and let the public testify first, so that  
5 might be something that you'd wanna consider for  
6 future hearings so that the agencies were able to  
7 hear from the public.

8 CHAIRPERSON WILLIAMS: Well depending on  
9 the topic, we do let some members of the public  
10 testify first; I don't know if that's definitely  
11 necessary or appropriate for this particular hearing;  
12 we have utilized it before; I do think it's  
13 appropriate for the Administration to stay till the  
14 end of the hearing to hear the public. So... yes,  
15 Miss Tyler.

16 SYLVIA TYLER: ...point. The TIL program  
17 came because landlords... the City became owners of  
18 these slums and the City was the largest slumlord  
19 because landlords didn't pay their taxes, so the City  
20 owns the building, so they developed programs to get  
21 the buildings back to life, and the people made these  
22 programs work. HPD was almost a handicap, they  
23 didn't really train, the training wasn't done that  
24 well, and a lot of people in buildings managed to  
25 figure out ways to survive 'cause that's their home.

Where I live by City College, used to be drug infested, garbage infested, everything, empty stores; now it's a whole different ballgame.

CHAIRPERSON WILLIAMS: So Miss Tyler, I definitely agree; actually, I used to stomp around Harlem, Harlem School of the Arts, so I know that area very well. I do agree, not only in this case; in many cases, there are communities that no one wanted to into, in your case, particular buildings; they've made those communities better, now everybody wants to come into it and they wanna push out the people who put in the equity to be there. We're gonna do everything we can to make sure that that doesn't happen as much as that's in our power. So I just wanna say thank you very much for your testimony, [background comments] very much appreciate it. For the record, New York Housing Conference put in their testimony as well for the record. And with that, this hearing is now closed.

[gavel]

C E R T I F I C A T E

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



Date April 13, 2017