

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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B E F O R E: ROBERT E. CORNEGY, JR.
Chairperson

COUNCIL MEMBERS:

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

Maria Torres-Springer
Commissioner of the New York City Department of
Housing Preservation and Development

Matthew Murphy
Deputy Commissioner for Policy and Strategy at
The Department of Housing Preservation and
Development

Molly Park
Deputy Commissioner for Development at the New
York City Department of Housing Preservation and
Development

AnnMarie Santiago
Acting Deputy Commissioner for the Office of
Enforcement Neighborhood Services

Rick Chandler
Commissioner of the New York City Department of
Buildings

[gavel]

CHAIRPERSON CORNEGY: Good morning.

Before I begin my formal statement on the housing and buildings hearing I have a statement prepared about a very special and important day, the national school walkout. Before I begin my opening statement regarding the very important budget hearing that we have all gathered here today for, I want to take a moment to recognize the many students across the country who are staging a national school walkout protesting congress's inaction after the horrific shooting that took place at Stonewall Douglas High School in Florida last month. Unfortunately, the threat of gun violence like this remains a reality for many New Yorkers. Just this morning the lives of four innocent New Yorkers including a one-year old child were taken in Brooklyn by someone wielding a gun. There's no question that more needs to be done on a federal level to enact common sense gun control measures that will help prevent further shooting deaths. The psychological and emotional toll of gun violence not only impacts the health and wellbeing of individuals it's a detriment to the growth of local economies. Since we're gathered here today to discuss

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2 fiscal matters I thought it appropriate to share a
3 few facts regarding the detrimental impact of gun
4 violence on local economies. Economies like those in
5 central Brooklyn where unfortunately as evidence by
6 the mornings horrible tragedy gun violence remains a
7 problem we need to address. According to research
8 done by the Urban Institute of Washington D.C. based
9 Think Tank gun violence surges decreases home values,
10 the average person's credit score and homeownership
11 rates. In D.C. every ten... every ten fewer incidents
12 of gun fire in a census track are significantly
13 related to one, new business opening, creation of 20
14 more jobs in a new business, 1.3 million more in
15 sales at new businesses and one less business
16 closure. Apart from the toll gun violence takes in
17 terms of lives lost there are very real consequences
18 of not acting to create policies on the federal level
19 that address this terrible American problem. So,
20 while I'm unable to join many of my colleagues and
21 students across the city this morning in the walk
22 out, I did want to take a moment to recognize this
23 important act of protest and express my solidarity
24 with those taking part. Thank you for indulging me.
25 Good morning, thank you all for coming to the fiscal

year 2019 preliminary budget hearing for the Department of Housing Preservation and Development and the Department of Buildings. I'm Council Member Robert Cornegy and I'm the Chair of the Council's Committee on Housing and Buildings. I'm joined today by Council Member Chin and Council Member Cabrera. We are here to conduct an oversight hearing on fiscal year 2019 preliminary budget, the preliminary capital plan for fiscal years 2018 to 2022 and the fiscal 2018 preliminary Mayor's Management Report. We'll first hear from HPD's Commissioner Maria Torres-Springer where we will examine all components of HPD's 80... 870-million-dollar expense budget and six-billion-dollar capital budget along with details and progress related to the administrators how... the administration's housing plan, Housing New York. Over the life of the housing plan the city has financed the creation and preservation of over 87,000 affordable housing units across New York City which has exceeded projected targets and production goals but as the city addresses the complex challenges of producing and preserving quality affordable housing it does so in the face of a federal government hostile to housing programs. President Trump's fiscal

2019 budget request will reduce funding for the Department of Housing and Urban Development by 18 percent which would significantly impact vital housing programs citywide and at HPD including the CBDG program, the Home Investment Partnerships Program and will reduce funding to sustain Section 8 program. The committee hopes to gain a clearer sense of how HPD would absorb any potential cuts and how federal actions would impact operations and service levels. After HPD we'll hear from the DOB Commissioner Rick Chandler, the committee would like to get updates on the progress related to construction site safety and training compliance and enforcement efforts relating to a recently enacted tenant protection legislation. After DOB we'll hear from members of the public. I'd like to remind everyone that would like to testify today to please fill out a witness slip with the Sergeant at Arms, so we can put you on the que. Lastly, I'd like to thank Maria Torres-Springer and Rick Chandler and their respective staff for joining us today. We will be affirming... we will now affirm in, in the... affirm in the representatives from HPD before turning it over for testimony. So, if you could just raise your right

hand for affirmation. 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? Thank you so much. You can begin your testimony whenever you're ready.

MARIA TORRES-SPRINGER: Thank you. Good morning Chair Cornegy and members of the New York City Council Committee on Housing and Buildings. I first would like to congratulate the Chair on his new role, I've very much enjoyed working on projects with you in previous roles and certainly look forward to another productive partnership. I'd also like to acknowledge our city's new Speaker Corey Johnson who's been a champion for every day New Yorkers from day one. I'm very excited about the many opportunities we'll have in the coming years to serve the many and diverse housing needs of our great city. My name is Maria Torres-Springer, I'm the Commissioner of the New York City Department of Housing Preservation and Development. I'm joined today by your Deputy Commissioner for Financial Management and Tenant Resources, Eva Trimble and our Assistant Commissioner for Government Affairs

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2 Francesc Marti. Many members of HPD senior staff are
3 also here to help answer any questions you may have
4 over the course of the hearing. Thank you for the
5 invitation to testify on our fiscal year 2019
6 preliminary budget plan and the way this proposed
7 funding will help us collectively to achieve the
8 agency's goals. This has been a significant year,
9 January marked four years of Mayor De Blasio's
10 Administration and my one-year mark as HPD
11 Commissioner. While I've worked with HPD in various
12 capacities over the years it has been truly humbling
13 to see the full breadth of the agency's work to
14 protect our city's homes and neighborhoods and
15 develop a record number of affordable homes. All of
16 this important work requires significant investment
17 from the city and from the federal government. HPD's
18 fiscal year 2019 preliminary budget is approximately
19 870 million however this includes about 90 million in
20 past refunding for NYCHA. So, aside from this past
21 refunding HPD's true expense budget is about 780
22 million for FY '19. Of this 780 million approximately
23 118 comes from city funds and about 660 million comes
24 from federal funds that means that 87 percent of
25 HPD's expense budget is federally funded. This huge

1 proportion of federal versus city funding in the
2 agency's budget is important because when we seek to
3 save city dollars as we're constantly trying to do
4 the amount we can save is limited because of... because
5 so many of our programs are in fact restricted by
6 federal requirements. City funding especially city
7 tax levy is critical for strengthening areas not
8 otherwise eligible for federal funding. We're
9 thankful for the important role that city resources
10 play in our expense budget and throughout the
11 testimony we'll highlight several areas where new
12 city funding will help us further strengthen our
13 program and our services. Affordable housing of
14 course is one of the biggest concerns that New
15 Yorkers face and correspondently it is one of the top
16 priorities of our administration. Through a
17 coordinated interagency effort, we are pursuing a
18 comprehensive agenda to improve the lives of New
19 Yorkers. We have achieved unprecedented results in
20 our first four years including 180,000 New Yorkers
21 who've benefited from free legal services provided
22 through city programs that stopped eviction,
23 harassment, displacement since 2014. Evictions are
24 down by 27 percent, 148,000 New Yorkers live in
25

apartments that have... that have had long term affordable rents protected through the city's preservation programs since 2015, 60,000 seniors are now enrolled in the SCRIE rent freeze program up from 50,800 in 2015 and more than 13,000 New Yorkers with disabilities are enrolled in the DRIE rent freeze program compared to just over 9,000 two years ago. The Mayor's Public Engagement Unit has proactively made over 280,000 door knocks and phone calls to New Yorkers to make sure that they know their rights and are helped with repairs, legal services and rental assistance enrollment. More than 5,000 affordable apartments hit the city's Housing Connect Lottery in 2017 doubling the number from just four years ago. HPD's MWBE buildup program was involved in 42 projects with close to 7,000 affordable homes in 2017, projects are expected to generate close to 200 million in spending for MWBEs. This administration will continue to advance all of these efforts and all of HPD's efforts to address the housing needs of local residents. Our mission is to promote the quality and affordability of the city's housing stock and the strength and diversity of it's many neighborhoods. We strive to achieve this mission in

four key areas; one preserving affordable housing and protecting tenants, two developing new affordable housing, three enforcing the housing maintenance code to ensure quality and safety and four engaging neighborhoods in comprehensive planning. On the next slide you'll see some of the results of Housing New York, so, we're charged with carrying out the ambitious goals of Housing New York which is the administration's plan to build or preserve 300,000 affordable homes by 2026. This comprehensive housing plan is a critical pillar of the Mayor's broader commitment to keep the city affordable, competitive and sustainable. I'm pleased to say that last calendar year HPD financed more than 24,500 affordable homes breaking an all-time record previously set in 1989. In total the administration has financed close to 88,000 affordable apartments under Housing New York. We achieve these overall numbers while exceeding our commitment to provide housing for the lowest income New Yorkers. In 2017 the Mayor dedicated an additional 1.9 billion in capital funds over the remainder of the plan to ensure that 25 percent of our volume is for extremely low income and very low-income families. To date we

have exceeded even this revised commitment, about one third of the housing we have created or preserved is for ELI/VLI New Yorkers. Nearly half of the homes financed in calendar year '17 serve individuals making less than 33,400 per year or 43,000 for a family of three but our work of course is so much more than just about the numbers. As we provide housing opportunities to low and moderate income New Yorkers at an unprecedented scale we've also worked to create new tools that lay the foundation for our city to grow in a more equitable way. The city has had made significant investments to preserve the quality and affordability of our housing stock. Preservation represents a significant portion of our work at HPD and serves as a powerful anti-displacement tool. To date more than 59,000 homes have been preserved through Housing New York securing greater affordability for tenants and financing building wide in apartment level repairs to ensure the long-term quality of that housing. Now every day New Yorkers continue to feel the strain of extraordinary market pressures some unfortunately have the added pressure banned bad lords who illegally force them to leave their buildings or

surrender the rights. We do extensive outreach to tenants especially those in regulated units, so they understand their housing rights. In addition to HPD resource fairs and essential tenant guides the Mayor's tenant support unit goes door to door to help educate rent stabilized tenants about the city's resources including free legal services. We also proactively combat tenant harassment by participating with the attorney general and the state tenant protection unit and the tenant harassment prevention task force which investigates potential harassment and brings enforcement action including civil and criminal charges against landlords who harass tenants. Our housing litigation division also brings cases in housing court against owners who do not comply with outstanding violations and when necessary seeks findings of contempt and jail against recalcitrant landlords. As many of you know these robust efforts have taken shape under the leadership of Deputy Commissioner Vito Mustaciuolo and I'm very confident they will continue with similar vigor under the expert hand of acting Deputy Commissioner AnnMarie Santiago who's here with us today. To continue these exceptional efforts performing call

backs and complaint follow ups 181,000 dollars will be added to the enforcement budget for temporary staff during the cold months, an additional 530,000 for 30 new vehicles to increase our response time during heat season by eliminating transit trips for inspectors. The city council has been an important partner in expanding our tool kit to fight displacement and tenant harassment. Thanks to the leadership and collaborative efforts of Council Members Brad Lander and Ritchie Torres, the council recently passed certification of no harassment and the speculation watch list bills, important pieces of legislation that will be instrumental in protecting tenants from harassment and speculative behavior. The certification of no harassment will be funded with an additional 466,000 for contracts with community partners and another 511,000 dollars to support eight new positions at HPD. I look forward to working with the council to implement these programs in the months and years to come. Next here I want to talk about our efforts to lay the foundation for an affordable New York and ensuring overall housing supply increases in an equitable way. So, it's no secret that there is a housing crisis in New York City although we do

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2 continue to add to the overall housing stock to
3 create the largest housing stock on the record the
4 vacancy rate remains low at 3.63 percent. We look
5 forward to our hearing next week to discuss the state
6 of our housing stock and the housing vacancy survey
7 in more depth but it is clear that the demand for
8 housing exceeds the supply available and the housing
9 market is mismatched to favor higher end residential
10 developments. It is therefor critical that we
11 increase the overall housing supply both affordable
12 and market rate in a cost-effective manner and ensure
13 that as overall production growth increases so too
14 will the share of affordable housing. Through our
15 partnership with the city council we implemented
16 mandatory inclusionary housing or MIH, the most
17 aggressive such policy in the nation to require
18 permanent mixed income affordable housing in all
19 areas rezoned for residential growth. We also saw the
20 most significant overhaul of our zoning codes since
21 1961 with a passage of DQA rezoning for quality and
22 affordability which removes many regulatory
23 requirements that significantly constrain the
24 creation of affordable and senior housing projects.
25 We fought for and won reforms in the 421A program

last year so that it now requires affordable housing to be... to be provided in all rental developments using the exemption and eliminates tax breaks for luxury condos. To ensure that growth reflects the needs of our diverse and vibrant communities we have put neighborhoods at the forefront at the Housing New York plan. For example, HPD launched a comprehensive community planning initiative in Edgemere in October of 2015 a great collaboration between city agencies, community members, elected officials and local organizations. The resulting resilient Edgemere community plan released last year lays out clearly defined goals, strategies and concrete projects representing millions of dollars in planned investment over the next ten years and beyond. In 2017 we also released the Brownsville plan, the outcome of another community driven plan process that will result in the creation of over 2,500 new affordable homes and representing more than a billion dollars of investment in housing in the neighborhood. Further HPD has also focused on the community directive revitalization of vacant land in city neighborhoods. We accelerated our RFP pipeline; 27 housing RFPs were issued as of February of this year

for 66 projects across 200 public sites that will generate more than 10,800 affordable homes and we introduced a new tool called remainder interest to ensure future public control of all affordable housing developed on HPD sites. In addition thanks to the funding from LISC, Local Initiatives Support Corporation we also launched our zombie homes initiative to better address vacant deteriorated small homes whose owners are behind on their mortgage payment and at the close of 2017 we worked closely with Council Member Williams and Rodriguez to pass true laws that shine a spotlight on vacant land both public and private across the city to further accelerate the production of affordable housing. I want to thank these Council Members and the many agencies and advocacy groups who've partnered with us to find new ways to help unlock more opportunities to develop vacant and underutilized land. We received a grant to create and expand community land trusts in New York City through enterprise's new community land trust capacity building initiative. The grant will fund three CLTs including one to support affordable home ownership and CLT learning exchange for nine community-based organizations and affordable housing

1 developers seeking to form CLTs in their
2 neighborhood. I want to thank Council Member
3 Richards, Williams and our partners for supporting
4 these community-based organizations in meeting their
5 affordable housing development and neighborhood
6 revitalization goals. I'm also excited to share that
7 we're working in partnership with the council on
8 creative solutions to meet the city's housing needs.
9 For example, often basements are converted into
10 illegal and unsafe housing but if brought up to code
11 they could be safe and affordable options for New
12 Yorkers. Although the logistics of bringing a
13 basement and, and... bringing basements and cellars up
14 to code are complex we are excited about funding for
15 a pilot program in East New York. upon the passage of
16 legislation by the council HPD will be offering
17 financing to bring these illegal units into
18 compliance in exchange for affordability and HPD will
19 allocate six million in city capital to fund the
20 rehab work. The preliminary budget provides as well
21 two million for contracting with community-based
22 organizations and 65,000 for a new project manager to
23 facilitate the program. Council Member Espinal has
24 been a critical partner in these efforts and we look
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forward to bringing this program to fruition. Next, I'd like to talk about our work in helping the most vulnerable in our city. So, in all of our work we have prioritized the need to provide pathways to permanent housing for our city's homeless creating more affordable housing for our growing senior population and ensuring that there is more housing accessible to New Yorkers with disabilities. Stable housing is a determinate of so many crucial social outcomes including education, health, economic advancement. In order to address an aging New York HPD for instance created the new senior affordable rental apartments program or SARA in 2014 to spur the production of senior apartments. We also expanded SCRIE, senior citizen rent increase exemption and DRIE, disabled rent increase exemption program to freeze the rent for more of our seniors and people with disabilities living in rent regulated apartments. We have introduced a number of targeted programs to specifically address the specific.. the needs of the formally homeless which we know has been a priority for the Speaker and for so many members of the council. We appreciate your leadership to support these units in your districts and to recognize the

1 importance across all the five boroughs. We are
2 building permanent housing for the formally homeless
3 at a faster pace than ever before creating more than
4 approximately 7,200 units since the beginning of this
5 plan in 2014. For the first time we have also
6 required homeless set asides for all projects
7 financed through our most popular new construction
8 programs and have added a city rental assistance
9 program freeing up Section 8 and other federal rental
10 assistance dollars which of course are scarce to
11 serve more New Yorkers. Moreover, the Mayor's 2015
12 commitment to create 15,000 supportive housing
13 apartments over 15 years using a proven effective
14 model that saves public dollars will help fulfil the
15 city's moral commitment to housing New Yorker's needs
16 and under HNY New York thus far we have financed over
17 3,000 supportive housing units which include units
18 funding under NYC 50... 15/15 and prior
19 administration's housing plans. Next week I know that
20 Commissioner Banks will talk about what the city has
21 achieved with the scattered site supportive housing
22 program. So, where we are in terms Housing New York
23 and what that means for the way forward, four years
24 into our Housing New York plans we have set a new
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pace and established a new baseline for how affordable housing can and should be built in New York City. As a result, in November of 2017 we accelerated and expanded our plan to create and preserve 300,000 homes by 2026, two years ahead of schedule and with 100,000 more homes than initially planned. We released an update to the plan, Housing New York 2.0 that offers a suite of new programs, partnerships, strategies to help thousands more families and seniors afford their rent, buy a home, stay in the neighborhoods they love. Those new programs include one, Senior First which is a slate of initiative that will double our goal to serving 30,000 seniors over an... the extended 12-year plan. Second, Neighborhood Pillars, a new fund to help not-for profits purchased and protect buildings with rent stabilized units. Three, the Mitchell Lama Reinvestment Program, an effort to anchor affordability of the existing developments for the next generation and our Open Door and Home Fix Programs, two programs to help more than 2,000 families own a piece of New York and make repairs to their homes. This expanded housing plan reflects the urgency of the needs on the ground and a vision for

the kind of city that we want to be. The path forward is about doubling down on our commitment to tackle the affordability crisis that threatens the health and wellbeing of families as well as the competitiveness and equity of our city. Despite the threats we are seeing from the federal government and there are many, this is how we will ensure that the greatest city in the world will remain what it is and what it was always meant to be which is a place for everyone. So, as I've outlined this administration is pushing forward on the broad goals of housing New York with renewed energy. The important work already accomplished has not been done alone of course and although I said this before I really do want to thank the city council for the leadership and the collaboration that has allowed us to achieve this great progress in the far-reaching policies far beyond the numbers. We recognize the countless community-based organizations, not-for profits, local leaders, interested stakeholders who represent invaluable partners to us in this work. As mentioned we do this work in the face of very real threat, there is a war being waged on public and affordable housing across this country. All of us need to work

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2 together if we are to be successful in fighting for
3 the resources we need to ensure the affordability and
4 equity of our city. For example, the land use process
5 is critical in our efforts to build and protect
6 affordable homes and to reach our most vulnerable
7 residents. The city council is a critical and
8 necessary partner in this process. We understand of
9 course that it takes some back and forth to get to
10 yes in land use proposal, but it is worth taking a
11 step back and recognizing that each project is a
12 critical battle in confronting the city's affordable,
13 affordability crisis. The administration and the
14 council both share the responsibility in making sure
15 we just don't lose sight of what this takes. In
16 addition, during these uncertain times with our
17 federal government your advocacy on a fully funded
18 housing and urban development or hard budget will be
19 critical. I appreciate all of what you are doing to
20 ensure that we continue to create new opportunities
21 for housing strapped New Yorkers at every turn. Thank
22 you again for the opportunity to discuss HPD's
23 pathway to more equitable and fair New York, thank
24 you for all that you do in partnership with us and
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look forward to answering any questions that you might have.

CHAIRPERSON CORNEGY: Thank you so much Commissioner, I want to point out that we've been joined by Council Members Rosenthal, Perkins and Levine. We're going to get right into the questions, I'm going to begin with just a few questions and I know my colleagues have other hearings they have to attend, and I'll be allowing them to ask their questions before they leave us. As it... as I mentioned before, you know our concern about the 750 million or 80... 86 percent of HPD's total expense budget is supported by federal assistance programs, this funding helps HPD carry out programmatic activities which include development, code enforcement and repairs and housing placements through a Section 8 program because future funding levels are highly uncertain the committee continues to be concerned about potential budget cuts for essential housing programs especially in light of Trump's budget request 2019 and will reduce federal funding for vital housing programs by 18 percent. I'll start with the Section 8 program, as of February 2018 HPD administers approximately 39,900 Section 8 vouchers

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2 and the average subsidy per voucher holder totals
3 1,000 dollars per month. The fiscal 2019 preliminary
4 budget provides 493 million for Section 8 program,
5 are the current federal funding levels adequate to
6 support all existing voucher holders, one? Two, are
7 current federal funding levels adequate for the
8 issuance of new vouchers? Three, what is the
9 estimated impact of Trump's, Trump's budget request
10 on the Section 8 program?

11 MARIA TORRES-SPRINGER: Thank you for
12 those questions, of course you are correct that our
13 Section 8 programs are rental assistance programs
14 generally rely on federal government. Currently the
15 funding levels that we have are sufficient to support
16 the existing number of vouchers which is about
17 40,000, I'll remind the council that we are operating
18 under a continuing resolution for FY '18 that
19 hopefully over the course of the next week there will
20 be more clarity about the passage of essentially the
21 appropriations bill in order to finalize those
22 numbers but at the levels that we see now which is
23 essentially renewal is essentially funding that is
24 similar to the previous fiscal year, its sufficient
25 to support current vouchers. In terms of new

1 vouchers, how we do it is that in any given year
2 because of the caps that are set in terms of, of
3 wholly new vouchers, the new vouchers that we issue
4 are based on renewal funding that we have and that is
5 tied to essentially the attrition rate that we have
6 for our existing vouchers which is about four percent
7 and so in any given year we're able to issue
8 approximately 1,500 quote, unquote new vouchers, we
9 expect that to be the case as well for this year. I
10 will certainly acknowledge that President Trump...
11 President Trump's proposed budget not just
12 anticipates cuts to Section 8 but also the
13 elimination of major programs like CDBG, like HOME
14 that funds so much of our work. The good news, we
15 were in this situation last year, his original budget
16 had a lot of the same threats but due to the
17 extraordinary advocacy of housing groups,
18 municipalities across the country really bipartisan
19 support for the types of programs that are funded by
20 the rental assistance provided by HUD, by CDBG, by
21 HOME we have been able and the continuing resolution
22 demonstrates that, preserve those levels of funding
23 so we'll remain vigilant this year and in the
24 following years to ensure that there are no cuts to
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1
2 these budgets to the extent that they do materialize
3 then of course the magnitude and timing of those cuts
4 will be examined but it will be our goal as it always
5 has been to ensure that we minimize the impacts to
6 New Yorkers who depend so much on our programs and
7 services.

8 CHAIRPERSON CORNEGY: Thank you, I'm
9 going to stay kind of in this realm but skip over a
10 little bit, in our preliminary conversations I cited
11 how important it was for districts like mine to have
12 pathways to home ownership so obviously the larger
13 context and larger conversation is about deep
14 affordability in affordable housing but I think we
15 have an opportunity to walk and chew gum at the same
16 time so we can... we can help... you know potential
17 homeowners on pathways so I just have some questions.
18 Even in the Section 8 program around homeownership so
19 just of the housing stocks to date how many are for
20 homeownership opportunities?

21 MARIA TORRES-SPRINGER: Yeah, to date
22 under Housing New York we've announced 13,000
23 homeownership starts that's about 14 percent of total
24 production.
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CHAIRPERSON CORNEGY: And how many down payments assisted loans have been issued to homeowners citywide?

MARIA TORRES-SPRINGER: Approximately 470.

CHAIRPERSON CORNEGY: So, my only question is so, so in doing the research and in working closely with your office I realize that these programs do exist, what's the methodology for getting the information about their existence out to the city and, and potential homeowners?

MARIA TORRES-SPRINGER: Right, so first I'll say that we share Councilman your commitment to making sure that the housing plan not only addresses the affordability crisis that is faced by renters in this city but also provides opportunities for future homebuyers in this city because wealth creation in neighborhoods across the... across the five boroughs is certainly a goal of ours and is critical to ensuring that we're really strengthening each and every neighborhood and providing such opportunity which is why 14 percent as I mentioned thus far in Housing New York is comprised of homeownership housing starts. It is also why we have in the Housing New York 2.0 plan

1 announced new homeownership programs including Open
2 Door which is a program for new construction of co-
3 ops and condos for first time homebuyers, we actually
4 just announced the first project closed under this
5 program as well as our Home Fix which will fund home
6 repair through low interest loans for low and
7 moderate income New Yorkers and pair that with
8 financial counseling. You mentioned Section 8, so
9 we've already... we've done a significant amount, we
10 have new programs specifically related to Section 8.
11 In fact, there are about 30 Section 8 voucher holders
12 who are currently using those vouchers or are in the
13 process of using those vouchers for home ownership.
14 Those, those participants are part of a program that
15 we have called the Family Self Sufficiency Program,
16 its for Section 8 voucher holders where... a program
17 where we have job training, career planning, case
18 management and have also established a pathway for
19 those individuals to generate savings, we essentially
20 put those savings in an escrow account as their
21 income rises because of employment opportunities made
22 available due to the services I mentioned before. So,
23 it's a... it's a modest program but what we have found
24 it, it is a good way to target homeownership within
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Section 8 because those participants aside from getting additional assistance in order to qualify you would still need to be able to qualify for a mortgage, make a down payment assistant... the... make the down payment on the home and so it... we think it is a, a strategic way to pair a Section 8 with our homeownership goals and of course we'd be more than happy to talk through the, the specifics of what we have learned through that program and ways we can provide even more opportunity awareness and otherwise about that and all of our other homeownership services.

CHAIRPERSON CORNEGY: So, as usual Commissioner you... we have history of you getting way out in front of me in my line of questioning but I'm going to ask this question just so it's on the record, I think you, you, you answered it but when we did our research we found that that program existed, existed that we had no idea that there was a, a way to use Section 8 vouchers for, for homeownership and in other parts of the state it was happening so if you'll just indulge me I'll ask my question as it was stated. New York state homes... well ACR administers a Section 8 voucher homeownership program where Section

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2 8 vouchers assistance is available and being used
3 towards homeownership, the statewide average monthly
4 voucher assistance payment is currently 725 dollars,
5 as of October 1st, 2017 HCR has closed on over 526
6 homes statewide, so outside of the city limits it
7 seemed as though the program was being used more
8 vigorously, we understand that the, the market allows
9 for that, right because in my district, you know
10 there are homes that are three million dollars and
11 obviously a Section 8 voucher would be not as helpful
12 in that instance so the idea of co-ops and condos
13 being a way to build equity and transfer wealth and
14 those kinds of things it's, it's important so I'm
15 just glad that you do see a pathway in this city
16 because at first glance it didn't seem as though the
17 city was taking advantage of the program that the..
18 that's being taken advantage of statewide so for
19 example in Long Island I know that the program is
20 very active as well as in some up, upstate parishes
21 it's, it's being used but you found.. you have found a
22 way through co-op and condos potentially to use the
23 Section 8 program for ownership?

24 MARIA TORRES-SPRINGER: We found a way by
25 pairing it with the family self sufficiency program

1 because of the differences in the real estate market
2 of course here in New York and, and... compared to
3 other parts of the state I think there will... there
4 will be limitations to how much that can be scaled.
5 We found some success with family self sufficiency
6 but are... the... more than happy to explore ways where
7 that can be deepened either within the Family Self
8 Sufficiency program or of course to advance any other
9 homeownership ideas and programs that provide a
10 pathway for wealth creation for New Yorkers.
11

12 CHAIRPERSON CORNEGY: Is, is that the
13 Family Self Sufficiency program is that a federally
14 funded program?

15 MARIA TORRES-SPRINGER: Yes, it is.

16 CHAIRPERSON CORNEGY: So, we should
17 probably have a larger conversation about making sure
18 that there's viability and expansion of that program
19 even from a city level, I'd be very interested in
20 having... [cross-talk]

21 MARIA TORRES-SPRINGER: We would be more
22 than happy to do that, we've in fact in all of our
23 advocacy over the course of the last year given the
24 threats in Washington have both highlighted the
25 success of that program and also, you know think

1
2 there is potentially an opportunity given at least
3 the rhetoric that we hear from D.C. about the focus
4 on self sufficiency programs but we need funding for
5 all of the federally funded programs in order to
6 continue to do our work.

7 CHAIRPERSON CORNEGY: So, I'll... I have
8 more questions but I'll... on my second round I'll come
9 back, I'll allow my colleagues, I want to welcome
10 both Council Member Rivera and Council Member Gjonaj
11 and we'll begin with my colleagues first Council
12 Member Cabrera.

13 COUNCIL MEMBER CABRERA: Thank you so
14 much Mr. Chair, welcome Commissioner, thank you for
15 an update of all of the great things you have been
16 able to accomplish, pretty impressive in light of the
17 fact that we have a lot of people who are in
18 desperate need of affordable housing so thank you for
19 that. I wanted to follow up with Chair's question and
20 how many of these co-ops and condos are in the Bronx
21 that are being made available?

22 MARIA TORRES-SPRINGER: So, I would be
23 happy to provide as a follow up to this hearing the,
24 the borough breakdown of our homeownership units but
25 what is certainly true just in general with the

1
2 Housing New York numbers is that a... in fact the
3 largest proportion of starts, of housing starts have
4 been in the Bronx, a total of 29,000 out of the 87
5 that we've announced thus far and we'll, we'll follow
6 specifically on homeownership in the Bronx and in
7 your district sir.

8 COUNCIL MEMBER CABRERA: Yeah, if you
9 could please let me know because it, it will follow
10 logic if the Bronx is still the most affordable place
11 to purchase land and, and buildings that it will make
12 sense that that will be so. I want to move on to
13 homeless shelter repair squad, if you could give me
14 an update on Sara's place in Jerome Avenue, we have a
15 roof that is way overdue, I believe they need 11
16 million dollars for repairs, it's leaking from what I
17 understand, I had an opportunity to visit a couple of
18 weeks ago, do you have plans to include funding in
19 this budget?

20 MARIA TORRES-SPRINGER: It's a... it's a...
21 currently a shelter?

22 COUNCIL MEMBER CABRERA: Yeah.

23 MARIA TORRES-SPRINGER: So, we work very
24 closely with DSS, DOB and, and, and other relevant
25 sister agencies in what you just mentioned the

1
2 homeless shelter repair squad to conduct the types of
3 inspections and to make sure that the conditions are
4 correct, I am not familiar with that particular
5 shelter but can assure you that we will follow up
6 specifically about what the emergency repair squad
7 has seen and to the extent that there are issues
8 we'll work closely with our partners to make sure
9 they're addressed.

10 COUNCIL MEMBER CABRERA: Okay, thank you
11 so much and you know we always... in the city we're
12 always looking for partners to build affordable
13 housing and one of my experiences have been one of
14 the places that we really had not tapped in, in a
15 substantial way is churches who own a substantial
16 amount of land in the city, they've been around from
17 the very beginning of, of the founding of the city
18 and so I'm curious to know do you have special
19 funding, have you been able to work out some of the
20 kinks that sometimes people relate to separation of
21 church and state, how do you put in this packages
22 together so we could build affordable housing in top
23 of, of churches?

24 MARIA TORRES-SPRINGER: So, we agree and
25 have in fact advanced a number of programs with

1
2 faith-based organizations because in many instances
3 they do own a lot of real estate but have not had
4 previous development experience and so just to name a
5 few different strategies that we have implemented and
6 always happy to do more. So, first just in terms of
7 some statistics since the start of Housing New York
8 we financed a creation of close to 700 units of
9 affordable housing, over seven projects with faith-
10 based organizations as development partners and there
11 are about a dozen more expected to close in this
12 fiscal year and the following fiscal year. In order
13 to build the pipeline and also create the types of
14 partnerships so that faith-based organizations are
15 able to ascertain what those opportunities are and do
16 it a way where they are protected and can be good
17 partners. Two things that we've done, one is
18 establish a, a list of owners, reps and individuals
19 or organizations who have experience in real estate
20 so that as faith-based organizations come to us they
21 may not have the real estate expertise, we have a
22 pre-vetted list of organizations and individuals and
23 can make that marriage. Second, and this has been an
24 exciting program for us is a program called the New
25 York Land Opportunity Program, we work very closely

1
2 with LISC an intermediary of course for community-
3 based organizations and they have worked with several
4 faith based organizations in building the capacity,
5 providing technical assistance but also just recently
6 then assisted in helping the faith based... faith
7 based... faith based organizations release request for
8 proposals for their land and will help them in
9 reviewing those submissions and so those are at least
10 three different approaches that we've had and, and
11 that's in addition to a number of events that we have
12 also hosted in conjunction with many partners where
13 we're gathered faith based organizations to tell them
14 about our work. If they're either specific faith-
15 based organizations or other approaches that you'd
16 like us to pursue be happy to do it.

17 COUNCIL MEMBER CABRERA: Well I'm just
18 very happy to hear that you have a plan and that you
19 already have it into motion and looking forward to
20 seeing this joint ventures take place because it's an
21 untapped force and I could tell you having gone
22 through it myself outside of HPD it does require an
23 expertise, a little expertise and making sure that
24 both sides, you know truly benefit... [cross-talk]
25

MARIA TORRES-SPRINGER: That's... [cross-talk]

COUNCIL MEMBER CABRERA: My last question it's in regard to your six-million-dollar pilot program in East New York for basement renovations to bring them up to code, what are the plans for expanding that program throughout the New York City and, and is that reflected in this budget?

MARIA TORRES-SPRINGER: Yes, it is. So, we're very excited about the pilot program that will be implemented in East New York, one of the commitments pursued as part of the East New York Neighborhood plan, the idea and certainly a lot of credit to Council Member Espinal for helping us in shaping this pilot program the... we hope to launch this by the fall, we have funding both in the capital and in the expense budget in order to launch the pilot including I think approximately two million for community based... a community based organization that will assist us with funding for a project manager as well as six million in the capital budget in order to provide financing for homeowners who hopefully will avail themselves of this new pilot program. It will launch in the fall but the tenant support unit as

1
2 part of the Mayor's Office will actually start the
3 door knocking in East New York this spring to
4 ascertain interest in the program and then we also
5 have to... we'll be working very closely with the city
6 council to pass legislation before the program launch
7 which essentially will allow us to make targeted code
8 improvements so that the, the pilot can get off the
9 ground. It is our hope that through the experience
10 with the pilot program we will learn enough about how
11 the financing needs to work, what the interest level,
12 what the code changes need to be in order to see how
13 this can be scaled citywide.

14 COUNCIL MEMBER CABRERA: Well thank you
15 Commissioner I'm looking forward and I have a lot of
16 interest if you want to bring it to my district for
17 the second phase, I'm more than open to collaborate
18 in working together. Thank you so much again Mr.
19 Chairman and thank you for the time that you allow.

20 CHAIRPERSON CORNEGY: Yeah, no, no
21 solicitations their Council Member, no I'm just
22 teasing. Council Member Rosenthal?

23 COUNCIL MEMBER ROSENTHAL: Thank you so
24 much Chair Cornegy and Commissioner it's always great
25 to see you, thank you for all your hard work on

1
2 behalf of tenants and that's what I'm going to focus
3 my two questions on. First, do you feel you have
4 enough inspectors, HPD inspectors to respond to
5 tenant harassment complaints?

6 MARIA TORRES-SPRINGER: Currently the...
7 our head count for inspectors is about 350 and what...
8 in, in addressing tenant harassment there's certainly
9 all of the tools that we bring to bear for which
10 currently although it's always a yearly conversation
11 to make sure that we are always at the forefront of
12 what is in many ways, you know the heart and soul of
13 the agencies work is protecting tenants against
14 harassment and holding landlords accountable but
15 between... the... our inspectors who make sure we're
16 enforcing the code bring the... other parts of
17 emergency neighborhood services that bring housing
18 litigation cases. New tools that we have,
19 certification of no harassment for which we have new
20 funding, predatory equity watch list that will also
21 launch, currently we have the resources and the new
22 programs to stay hopefully ahead of the issues. I'll
23 also mention however that we don't do this alone,
24 right, we do this together with... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Well and
that's... [cross-talk]

MARIA TORRES-SPRINGER: ...task force and
the DOB... [cross-talk]

COUNCIL MEMBER ROSENTHAL: ...I'm about to
get to that... [cross-talk]

MARIA TORRES-SPRINGER: Okay... [cross-
talk]

COUNCIL MEMBER ROSENTHAL: ...if you can
hang tough for one second, how many vacancies of the
350 budgeted positions?

MARIA TORRES-SPRINGER: I will get you
the... and maybe we can find it over the course of this
hearing... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Do you think
it's over ten percent?

MARIA TORRES-SPRINGER: It's about 32 of
the 348.

COUNCIL MEMBER ROSENTHAL: So, around ten
percent and are those positions frozen or are you... is
it easy to hire up on those jobs?

MARIA TORRES-SPRINGER: What, what we
have... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Because I know there's a hiring freeze.

MARIA TORRES-SPRINGER: No, that's, that's right although the inspectors and then funded by CDBG critical to health and safety and right of the... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Okay... [cross-talk]

MARIA TORRES-SPRINGER: ...city we've had great... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Great... [cross-talk]

MARIA TORRES-SPRINGER: ...cooperation in getting those filled.

COUNCIL MEMBER ROSENTHAL: Great, so let's talk about the connection to the Department of Buildings for one second. When... would you... do you think it's fair to say that when some of your inspectors go out that of all the violations that are issued, right, in big cases some are from the fire department, right, that might come in, some might be from the health department of DEP but is it fair to say that Department of Buildings violations are, are the most in terms of violations issued by inspectors

1
2 when you look at the sort of package of violations,
3 you know effecting tenant's lives in their homes?

4 MARIA TORRES-SPRINGER: Well I, I
5 wouldn't want to make a generalization, every
6 building is different in terms... whether it's a
7 violation of the housing maintenance code or
8 otherwise but we try whether the... very, very hard
9 with HPD and with our sister agencies to issue those
10 violations in a way that will allow for their
11 correction ultimately to protect tenants.

12 COUNCIL MEMBER ROSENTHAL: So, do your...
13 since your HPD does the harassment side but I would
14 pause that many of the violations come from the
15 Department of Buildings, do, do your inspectors work
16 closely with the Department of Buildings to make sure
17 those violations are cured, how... do you have a role
18 in encouraging Department of Buildings inspectors to
19 go back out to determine whether or not the
20 violations have been cured or does that really fall
21 under the purview of DOB?

22 MARIA TORRES-SPRINGER: Well we work in
23 collaboration with them all the time not, not just as
24 part of the tenant harassment task force where in
25 particular the most egregious cases get looked at,

1
2 investigated not just by those two agencies but state
3 agencies as well... [cross-talk]

4 COUNCIL MEMBER ROSENTHAL: Sure, no and
5 I'm familiar with the collaboration and where I'm
6 going is I think we need more and I do just want to
7 remind everyone that the Mayor signed into law a
8 package of bills last year and I want to make sure
9 that all the agencies are fully equipped to enforce
10 those laws, you know in the Department of Buildings
11 we, we... the, the city signed a bill into law creating
12 an office of tenant advocacy which could be an office
13 that HPD works with, its not been effectuated in any
14 way and I think that's a major missing link. So, I'm
15 just sort of putting that out there, you know there
16 are so many instances in my district where the type
17 of harassment is, is so egregious from a Department
18 of Buildings perspective but it never lands in the
19 harassment area and we don't... we're not getting... the
20 tenants are not getting the protections they deserve
21 and that rolls me right into my second question which
22 is, does H... has HPD ever considered counting the
23 number of apartments saved from eviction as
24 preservation? So, when we... when I look at the
25 preservation that's been done in my district, right,

1
2 I lose over 400 rent regulated units a year, I've
3 brought in may... and that's a total of maybe 2,000 so
4 far in my tenure or sorry, having a little math
5 issue, 1,600 to 2,000 in my tenure, we preserved or...
6 through HPD tools we've preserved or, or brought in
7 maybe 500 units and I'm stretching to get to 500. Is
8 there any... is any... is there any interest by HPD in
9 contemplating counting an apartment that's been saved
10 from eviction and harassment as part of your numbers
11 for preserving affordable housing?

12 MARIA TORRES-SPRINGER: So, if the goal
13 of the counting is to ensure that we approach the
14 issues with as much energy and, and rigor as we need
15 I don't think that the, the, the counting is the way
16 to do that because we already do and there's always
17 room to do more if there are instances of harassment
18 we take very seriously and we will continue to do... to
19 use every tool that we have to address those issues
20 and take each and every one of the success stories
21 there very, very seriously which is separate and
22 apart but doesn't diminish the previous work that I
23 mentioned from how we count the units as part of the
24 housing... [cross-talk]

COUNCIL MEMBER ROSENTHAL: That's right...

[cross-talk]

MARIA TORRES-SPRINGER: ...plan... [cross-talk]

COUNCIL MEMBER ROSENTHAL; ...and so what I'm suggesting is that there's a missing link and that we could be taking credit for as a city and be, be so determined to keep those homes that we count them and I understand by financing a building, refinancing a building that feels more permanent but in terms of people's lives and how they're being disrupted we're missing the boat on the ground, we're just missing the boat and I know how hard you're working and you know Vito's great, we're going to miss him but you have AnnMarie, you know you have great staff and... but unless we hold ourselves accountable about those units that's why groups that are fighting for affordable housing on the ground New York Communities for Change, CDF... CDH are, are frustrating because that's where we're missing it and until we hold ourselves accountable we're, we're, we're not really meeting the demands of people who are losing their homes everyday and, and not just losing their homes, losing years of life of strap

1 because they are in units that are susceptible to
2 eviction and I... you know I, I think we have to do
3 more.
4

5 MARIA TORRES-SPRINGER: Well we certainly
6 share your desire to do as much as the city can, I
7 want it to however be clear that we are... while it's
8 not part of the production goals we... most of our head
9 count, a lot of our energy because it's needed is
10 devoted to making sure that we are confronting any
11 actions that harass tenants in especially rent
12 regulated units of course and we have to hang on to
13 each one.

14 COUNCIL MEMBER ROSENTHAL: Last question
15 Chair, I appreciate your patience. Would you consider
16 exploring some sort of analytic measurement of that
17 success?

18 MARIA TORRES-SPRINGER: We're, we're
19 always open to finding ways to use data, use metrics,
20 use goals to ensure that we get jointly desired
21 outcomes and so we'd be happy to discuss that with
22 you to make sure that we are being as rigorous and
23 ambitious as we want to be in addressing those goals.

24 COUNCIL MEMBER ROSENTHAL: Thank you
25 Commissioner.

CHAIRPERSON CORNEGY: Thank you, Council Member Rivera.

COUNCIL MEMBER RIVERA: Hello.

MARIA TORRES-SPRINGER: Good morning.

COUNCIL MEMBER RIVERA: Okay, so I had a couple questions, I'll try to breeze through it because I'm sure there's other people on stack. I want to talk a little bit about housing connect and the... I guess some of the ambassadors that you have, I, I used to work at good ole Lower East Side and we were an ambassador in the pilot program and I want a little bit of information on, on how it's going, I know that HPD is in charge of the marketing and that the ads go up at about 60 percent of completion of construction but I want to know a little bit about the discretion that HPD has in terms of approving applications once people apply and how much discretion the management company has that is chosen by the developer?

MARIA TORRES-SPRINGER: Uh-huh. So, we are very proud of the system that we have established that both allows for a streamlined and accessible experience for applicants while at the same time making sure that we have good oversight and, and

1 compliance given the rules for marketing and so on
2 one hand and you mentioned them, so I'd just like to
3 ensure that its on the record. So, in terms of
4 accessibility and outreach there are about 35 housing
5 ambassadors who literally fan the city working with
6 us to ensure that New Yorkers are able... understand
7 what it means to go through the lottery system and
8 then we have for particular projects there are
9 marketing agents many not for profit who do a fair
10 share of the work in terms of the lottery process
11 however at the end of the day we have a lot of
12 oversight and we want to make sure that the process
13 has been fair and that includes many levels of review
14 and in particular as appeals come on board so if
15 either there are both in your experience certainly in
16 doing a lot of this work with us over the years are
17 gaps that you believe exist or specific instances of
18 organizations or people where you think there is room
19 to tighten up we'd be more than happy to address
20 that.

22 COUNCIL MEMBER RIVERA: Yeah, I've
23 received a number of I guess complaints from some of
24 the local organizations that they feel like
25 discrimination plays a big role in whether or not

they get the apartment and the financial guidelines are very strict and, and, and I respect that of, of us having guidelines but to be like 25 dollars over or 25 dollars under I know that we can't make exceptions for everyone but with that and everything else that happens when someone doesn't get an apartment it's been very difficult and I know there's also maybe a ten day window for the appeals process which is also very difficult when you're a working parent so I'd love to maybe discuss how we can improve the appeals process or just in general the approval process... the appeals process and the approval process because I do feel like some management companies, you know exercise their discretion in a way that is really harmful to some families.

MARIA TORRES-SPRINGER: We'd be happy to do that if there... discrimination however is something we cannot and should not tolerate and so if that is... if, if there is a use of that we'd certainly love to know about them as soon as possible so we can address it and as it relates to the balance it's both making sure that each step is fair and trying to have the process not be so long that we lose people but at the

1
2 same time provide the sufficient, sufficient time for
3 those key areas like the appeals and so if there's
4 room to improve there, we're happy to explore.

5 COUNCIL MEMBER RIVERA: Okay and you
6 mentioned the predatory equity watchlist launch, so...
7 she's excited too. So, this is great, I know that
8 we've had people who are... been working on this issue
9 for a long time, the public advocate does her own
10 like bad landlords watch lists so can you give me a
11 little bit more information on this specifically as
12 we know there are the big bad guys, right, they're...
13 I'm sorry but they're mostly men and there, there's
14 some women too that... no one's perfect, we had, you
15 know a, a terrible tragedy in our district that was...
16 that involved some poor managers and, and property
17 owners so can you tell us a little bit about it and
18 kind of what is your criteria because there are some
19 landlords who are terrible people who only own maybe
20 two buildings and then we have the Croman's of the
21 city who own this huge portfolio so if you can just
22 give me... [cross-talk]

23 MARIA TORRES-SPRINGER: Absolutely, first
24 I'd like to thank Council Member Ritchie Torres for
25 working with us so closely on... [cross-talk]

COUNCIL MEMBER RIVERA: Thank you
Ritchie... [cross-talk]

MARIA TORRES-SPRINGER: ...the predatory equity speculation watch list that was a, a very good collaboration of getting the, the program structure to a place where the goal is to, you know achieve the underlying objective of addressing those types of landlords while making sure it was something that was data, data driven and that we can operationalize so specifically and the, the, the watchlist will launch in late October of this year and it'll be updated quarterly. The idea is to publish a list which identifies essentially recently sold rent regulated buildings where tenants are at risk of displacement due to potentially predatory activities so what we're going to look for primarily are sales transactions of rent regulated buildings with low capitalization rates so buildings with sales prices higher than expected when compared to similar market transactions, in many ways it's kind of the canary in the coal mine that's the leading indicator that something... that there's a real threat here and that will allow us and other relevant agencies looking into these issues to keep an eye out and also of

1 course tenant advocates and local leaders for what is
2 going on with those particular buildings to ensure
3 that we can get ahead of any illegal behavior or
4 tactics by that landlord.
5

6 CHAIRPERSON CORNEGY: I, I want to thank
7 my colleagues for their very substantive and in-depth
8 questions, but we are in serious danger of running
9 over time, so I will ask that going forward we could
10 be as succinct as possible. Thank you, Barry. And
11 with that note we welcome Council Member Grodenchik
12 and Council Member Torres.

13 COUNCIL MEMBER RIVERA: Well it... do... can
14 I ask one more or should we move on, I'm willing to
15 just talk to the Commissioner afterwards, she's just...
16 you're, you're... you know you are very easy to work
17 with in my very humble experience here at the city
18 council. I can pass, I was going to ask about
19 Mitchell Lama but if you want to cover that... [cross-
20 talk]

21 CHAIRPERSON CORNEGY: If you... if you
22 would consider exercising an opportunity to meet
23 privately with the Commissioner... [cross-talk]

24 COUNCIL MEMBER RIVERA: I would love to...
25 [cross-talk]

CHAIRPERSON CORNEGY: ...if she... if she
obliges that... [cross-talk]

COUNCIL MEMBER RIVERA: ...exercise that...
let's do that, alright. Mitchell Lama's very
important to me period.

CHAIRPERSON CORNEGY: Thank you, Council...
[cross-talk]

MARIA TORRES-SPRINGER: Ditto... [cross-
talk]

CHAIRPERSON CORNEGY: ...Member Chin

COUNCIL MEMBER CHIN: Thank you Chair. I
have a couple of questions, but I can come back with
second round if it's possible but first I wanted to
personally thank you Commissioner and your team
coordinating also with the team of DOB, helping the
residents at 85 Bowery, I know that your staff has
been there every day making sure that they can go
back home as soon as possible and I really appreciate
that coordination effort and that is something that I
think that can be a model going forward when there
are buildings that seem vacated that if agency can
work together to really get tenants backs because we
have heard stories where people have to wait years to
back and if we can get people back as quickly as

1 possible that is something we should definitely
2 determine to do. My question is that relating to the
3 alternative enforcement program at HPD that city
4 council put in about 750,000 dollars and there's like
5 250 severely distressed multiple dwelling units,
6 apartment buildings that are in the program every
7 year, can you let us know what is the total budget,
8 city money, CDBG, CDBG money that's also in there and
9 how do you... do you think that program has been
10 successful in terms of getting buildings fixed up
11 back up to code and, and having tenants be able to
12 remain in those buildings?
13

14 MARIA TORRES-SPRINGER: Happy to, first
15 I, I want to thank you Council Member for all of your
16 leadership on 85 Bowery it has a, a very challenging
17 situation but we're committed to finding every way to
18 hold the landlord accountable to making the repairs
19 and more importantly getting the tenants back in
20 their homes. As it relates to AEP we're pulling the
21 specific breakdown in terms of the budget, no we've
22 done ten rounds of AEP, we are now in round 11 and
23 over the years we do believe that it has been
24 successful because it allows us not just to create
25 that list of the 250 most distressed buildings which

1
2 is in and of itself a way to ensure that publicly
3 the, the, the building owners are kind of made aware
4 even more than they already are of the issues with
5 the buildings but also provides us with very specific
6 tools in order to force them to correct those
7 violations and so just to give you an example of the
8 250 buildings in round ten so last year 154 are now
9 in compliance and are no longer on the list, the ones
10 who are not yet we are using every tool that is
11 provided to us through AEP to get them to comply and
12 that's what we will do every year. In terms of the
13 budget for AEP it's approximately nine million per
14 year [off-mic dialogue] and almost all of that is
15 CDBG, federally funded.

16 COUNCIL MEMBER CHIN: Great, that's,
17 that's... that is good. Also being the Chair of the
18 Aging Committee I got to ask senior questions so in
19 terms of the, the Mayor's announcement about new
20 programs, HPD's Senior First initiative, so can you
21 give us some updates on and how that program is going
22 to be rolled out because we have so many, you know
23 hundreds and thousands of seniors on waiting lists
24 for senior housing and this is really good news...

MARIA TORRES-SPRINGER: Yes, of course very familiar not just with your interest but your leadership on issues relating to our city's seniors and as part of Senior First when we... so when we revamp the housing plan as you mentioned we double down on our commitment to seniors, a previous goal was 15,000 over the course of the original plan that has been doubled to 30,000 seniors served over the course of the expanded plan. To date we financed more than 5,500 units for seniors that breaks up half and half in terms of... or 40 to 60 new construction and preservation. Moving forward we will continue to be as aggressive as possible in new construction senior units that we have a, a term sheet that we released last year called SARA, we hope to continue to use that to... in order to get new construction units on the preservation side. One of the areas that we're hoping to really tap the potential of are the former or current HUD 202's that might be end... nearing the end of the relevant contract as preservation opportunities into the future and then a whole new program where we are through our preservation projects going to make the types of enhancements so that seniors can age in place in their current homes

1 and what we found is that a lot of the home
2 modifications that can be made so that seniors can
3 age in dignity where they currently live are very
4 cost effective, the lever door handles, the slip
5 resistant floors, these are the types of, of, of
6 enhancements in our preservation programs where we
7 can use already all of the great literature that's
8 out there together with DFTA on aging in place, make
9 sure we include those scopes in preservation and so
10 all of that is underway because our commitment to
11 seniors in the city and making sure that they can age
12 with dignity and do... given fixed incomes and
13 incredible real estate pressures that they face is
14 very strong.

16 COUNCIL MEMBER CHIN: Thank you, Chair I
17 can come back for a second round so that other
18 colleagues can ask questions, thank you.

19 CHAIRPERSON CORNEGY: I believe Council
20 Member... Council Member Rivera has a quick comment.

21 COUNCIL MEMBER RIVERA: Yeah, I, I just
22 want to say, you know Margaret has been so great on,
23 on fighting for seniors and, and this is... this is
24 fantastic news to hear about the new units. When I
25 was providing housing services the average senior

1
2 that walked through the storefront that I was in on
3 Avenue B was on SSI... [cross-talk]

4 MARIA TORRES-SPRINGER: Uh-huh... [cross-
5 talk]

6 COUNCIL MEMBER RIVERA: ...which means they
7 made maybe ten or 11,000 dollars a year and that's
8 really no way to live in New York City but that was
9 their reality, that and, and SNAP so, you know when
10 we're thinking of seniors and where they live and the
11 five flights that they're walking up and the fact
12 that they're there and they're 80 years old with this
13 new construction and giving the community board
14 benefit which is great just really considering the
15 very, very, very low income seniors that are all over
16 our neighborhoods and that have really made these
17 communities so wonderful, I just wanted to say that,
18 you know making 11,000 dollars a year is already
19 tough so being able to not have to walk up five
20 flights and not being an able bodied person and
21 having a city that is looking out for that is really
22 important to us.

23 MARIA TORRES-SPRINGER: Understood and
24 its partly the, the reason why we make sure that for
25 the senior projects having project-based vouchers is...

has been so critical, we'll continue to do that in our work moving forward.

CHAIRPERSON CORNEGY: Thank you, Council Member Gjonaj.

COUNCIL MEMBER GJONAJ: Thank you Chair. Good morning Commissioner.

MARIA TORRES-SPRINGER: Good morning.

COUNCIL MEMBER GJONAJ: Just as a follow up on the legalizing of the basement apartments, can you be a bit more specific on the approach, is this a C of O change or is this going to be a license or a temporary permit that will allow them to rent out these units and are we taking into consideration the zoning requirements, parking, sprinkler updates to bring these homes up to... these homes up to code and will this also alleviate some of the additional expenses from engineering and architects which have virtually made it impossible for many of these homeowners to convert these apartments into legal apartments?

MARIA TORRES-SPRINGER: Great, so I'll start and our Deputy Commissioner Matt Murphy who's been the point on this pilot should supplement the, the areas that, that I miss. So, we're working very..

1
2 a few things, we're working very closely with the
3 Department of Buildings and the Fire Department to
4 understand what are those code changes that need to
5 be made, can be made in a streamlined fashion and
6 that's the legislation that I discussed earlier in
7 order to allow for the safe... for habitability of
8 basements and cellars and so Matt will, will speak in
9 a second about what the, the specifics are that have
10 been contemplated for that. Our financing program
11 certainly does take into consideration that for a lot
12 of the homeowners and the residents that making those
13 types of changes can be prohibitive in terms of the
14 cost not just the actual construction costs but also
15 the soft cost available, all of the professionals
16 that you mentioned and so we're structuring financing
17 programs that will provide subsidy in order for this
18 to be a financially viable program and what happens
19 then is in exchange for making that type of subsidy
20 then the, the tenants in the, the basement apartments
21 it'll be a regulated apartment and that's what
22 ensures affordability over time. Matt is... what would
23 you add to that in terms of some of the major
24 contours of the program?

1
2 MATTHEW MURPHY: Sure, so I think that
3 was a very thorough answer, I'd just add that the...
4 [cross-talk]

5 COUNCIL MEMBER GJONAJ: I'm, I'm sorry,
6 would you just for the record identify yourself?

7 MATTHEW MURPHY: Oh yes, Matt Murphy,
8 Deputy Commissioner for Policy and Strategy at HPD.
9 So, the only thing I would add is that the reason...
10 the issues you brought up are also why we're
11 approaching this with a pilot program, there's a lot
12 to learn about the various issues that owners are
13 likely to face and also operationally for the
14 agencies so things like whether or not there will be
15 a, a certificate of occupancy or a special type of
16 alt... modified Alt1 or something like that, that is
17 going to be part of the, the pilot program and part
18 of the learning.

19 COUNCIL MEMBER GJONAJ: And what about
20 zoning and up... bringing up... properties up to code,
21 the sprinkler requirements and parking requirements
22 that... [cross-talk]

23 MATTHEW MURPHY: That's... [cross-talk]

24 COUNCIL MEMBER GJONAJ: ...make it very
25 difficult for these homes or these properties to even

1
2 be able to become legal apartments or increase the
3 number of units?

4 MATTHEW MURPHY: Yeah, so that's, that's
5 exactly the goal of the pilot is to do that learning.
6 So, things like sprinkler requirements, light
7 requirements, second egress requirements, all the
8 thing... our, our primary goal for this program is to
9 make sure that these are safe units but also to do
10 everything we can to create an affordable stock in...
11 and this is an opportunity to do that.

12 COUNCIL MEMBER GJONAJ: And understand
13 and this will lead into my next question that
14 certainly the more homes is about supply versus
15 demand and obviously we... the more supply we have the
16 state... the more stable rents will be, and I credit
17 you with thinking outside of the box on how we can
18 help bring more affordable units onto the market, but
19 I do... I do hope that the homeowners that participate
20 in this program will be well advised in advance that
21 this apartment will be a regulated apartment. Many of
22 these homeowners are unfamiliar with our rent
23 stabilization laws and will be subjecting themselves
24 to some regulations that they were not experiencing
25 or had to deal with in the past which leads me into

1
2 the next questions in preserving and making sure that
3 affordable remain affordable in expansion of SCRIE
4 and DRIE. There was a... I had introduced a bill in
5 Albany and I know there's a bill currently working
6 its way through the city council that would be known
7 as the TREE bill, Tenant Rent Increase Exemption
8 program, similar requirements, less than 50,000 but
9 in this regard half the income would have to go to
10 rent and prevent... or it would give a rent cap to
11 those families to help them get through this
12 difficult time, these are the most needy of the
13 families, affordability is the goal, making sure that
14 they remain in their homes. The question is would you
15 be supportive of a similar program for families
16 across New York City earning under 50,000 dollars
17 similar to DRIE and SCRIE where there would be a rent
18 cap, they wouldn't have to be subject to future rent
19 increases?

20 MARIA TORRES-SPRINGER: So, we are
21 supportive of any new idea that allows us to confront
22 the affordability crisis in this city, SCRIE and DRIE
23 as I mentioned have been great successes and we have
24 increased enrollment in those programs. Specifically
25 as it relates to this proposal and be, be more than

1
2 happy to take a closer look, what we're always trying
3 to balance and... what it, it... our... the goals of
4 ensuring that it addresses the needs of tenants, well
5 of course it also has to be financially sound and has
6 to make sense given the city's overall budget
7 position but with that idea and any others it's
8 something that we have... we're, we're more than happy
9 to take a look at.

10 COUNCIL MEMBER GJONAJ: Well financially
11 sound is a concern of mine as well and it should be
12 for all of us but this would make... assure that
13 society's most vulnerable families, those that are
14 actually living paycheck to paycheck and month to
15 month and at anytime can find themselves homeless and
16 on the streets, this would be a way to make sure that
17 we don't allow their lives... we don't allow it to
18 become more difficult as they deal with the hurdles
19 and obstacles but I'll continue to work on this with
20 you and my last question, because of the significant
21 role that HPD plays in supportive housing units and
22 one of the concerns of mine is that the borough of
23 the Bronx has been inundated by supportive housing
24 units, we have 41 percent more than Brooklyn, 13
25 percent more than Manhattan, 100 percent more than

1
2 Queens and 99 percent more than Staten Island
3 compared to the number of residents that we have. Now
4 we know that supportive housing units are necessary,
5 we want to share that responsibility but what is HPD
6 going to do to prevent the borough of the Bronx from
7 continuing to be inundated by supportive housing and
8 we know that it effects our... it strains our
9 educational system, it... our health care systems, our
10 police force but more importantly it takes affordable
11 housing units that would be readily available to
12 Bronx sites by converting them to supportive housing
13 and allowing anyone from the city or the state for
14 that matter to live in?

15 MARIA TORRES-SPRINGER: Council Member I
16 understand all of your concerns, it's certainly a
17 conversation and comments and, and, and concerns that
18 we've heard through the course of doing this work, I
19 do have to mention a few things. One is that
20 supportive housing has been... is a proven model for
21 creating permanent housing for those who are the most
22 vulnerable... [cross-talk]

23 COUNCIL MEMBER GJONAJ: I'm fully
24 supportive... [cross-talk]
25

MARIA TORRES-SPRINGER: ...because... [cross-talk]

COUNCIL MEMBER GJONAJ: ...of it, no, no, please don't misunderstand me, we need to continue to build supportive housing units my concern is the borough of the Bronx that has an unfair share of those units compared to the rest of the city.

MARIA TORRES-SPRINGER: Well I would... I'll say that our... in looking at the, the pipeline and also the, the work... our supportive housing work that's to date one key statistic that I'd just like everyone to, to take note of is that 43 percent of the 20,000 or so units announced over the course of 30 years of doing this work actually located in Manhattan even though the borough only contains about 19 percent of the city's total population and 30 percent of those units are in Manhattan South of 96th Street and so while we work very closely with individual Council Members and communities because there is... there are concerns about what is saturation but our commitment to making sure that we're providing permanent housing to the most vulnerable is, is incredibly strong and we want to make sure that we do that across the city.

1
2 COUNCIL MEMBER GJONAJ: Commissioner I
3 agree with you but to the detriment of a borough and
4 those numbers come out of the fair share plan that
5 came out of this council and this body in 2017, those
6 statistics are the council's and New York City
7 statistics, 41 percent more than Brooklyn per capita,
8 13 percent more than Manhattan per capita, 100
9 percent more than Queens per capita and 99 percent
10 more than Staten Island that is an inundation over
11 saturation of a borough, what can we do to prevent
12 that from continuing to, to occur in the great
13 borough of the Bronx, we want to share the
14 responsibility, we need to be fighting this
15 collectively and this should not be born by a single
16 borough over the rest of the city and although it's
17 well intended and needed a fair approach to this is
18 what I'm asking?

19 MARIA TORRES-SPRINGER: Yeah, well the
20 other critical fact about supportive housing projects
21 is that a large percentage or 40 percent, 40 to 50
22 are for non-supportive tenants and so even if the...
23 there are more supportive units in any... supportive
24 housing projects in any particular area those are
25 units that both help with very vulnerable populations

1
2 as well as other residents who may not need those
3 services that's, I think one important piece that
4 sometimes gets lost in, in the discussion about
5 supportive housing. I do take your point though
6 Councilman generally about making sure that we're
7 working together as all of these projects move
8 forward so that there is equity and fairness in, in
9 all of that work.

10 COUNCIL MEMBER GJONAJ: Alright and I
11 know that I'm considered over the time constraints,
12 but I just want to continue this. The borough of the
13 Bronx has the least expensive land, the revenue that
14 is being received by supportive housing shelters
15 across the city is consistent, the same regardless if
16 they're building in Queens, Brooklyn, Manhattan or
17 the borough of the Bronx so contractors and these
18 developers that specialize in this sort of
19 development have targeted the borough of the Bronx
20 because of the low construction cost understanding
21 that whenever they built this development they'll
22 receive the same revenue, we need to start discussing
23 the stages and a very... a revenue that will be paid
24 for these supportive housing units by borough on
25 demand as compared to land acquisition otherwise this

will continue to happen in the borough of the Bronx and I can't see us stopping it or slowing it down any time in the near future. So, thank you.

CHAIRPERSON CORNEGY: Thank you Council Member, Council Member Torres.

COUNCIL MEMBER TORRES: Thank you Mr. Chairman and Commissioner it's always a pleasure to partner with you, your team I think Francesc, Matt Murphy, everyone on your team is exceptional so I just want to... I've enjoyed... [cross-talk]

MARIA TORRES-SPRINGER: Thank you, I... [cross-talk]

COUNCIL MEMBER TORRES: ...the collaborations... [cross-talk]

MARIA TORRES-SPRINGER: ...agree for the record.

COUNCIL MEMBER TORRES: And I'm notoriously critical so that... so, your administration has the challenge of creating substantially more affordable housing than your predecessors did with substantially fewer resources, right, you're grappling with the declining value of LIHTC, the rising cost of construction, the city's revenue shows signs of declining, the Mayor committed in, in

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2 October to creating 300,000 units of affordable
3 housing, creating and preserving but then in December
4 the Congress enacted tax reform which is likely to
5 have an impact on the value of LIHTC if it hasn't
6 already, do you think the 300,000 goal is... remains
7 feasible in light of tax reform and in light of all
8 the forces that are conspiring against cost efficient
9 affordable housing development and preservation?

10 MARIA TORRES-SPRINGER: Yes, I do which
11 isn't to diminish the threats that are coming from
12 Washington D.C. certainly with the expanded plan, you
13 know the city has made an unprecedented allocation of
14 resources on the city capital side with the cut in
15 the corporate tax rates we had... have already seen
16 drops in LIHTC pricing however we're... we are being as
17 creative as possible in dealing with any gaps that
18 might have arisen on a project by project basis and
19 then in general because affordable housing continues
20 to leverage other, other dollars in a way that really
21 in any other industry you really don't see we hope to
22 continue to exploit that in the best possible
23 fashion. I'll also mention that while there are
24 threats coming from D.C. that there has been and much
25 because of the local leadership including yourself

1
2 Councilman, there's been so much bipartisan support
3 for a lot of the programs and even after the tax
4 reform key components like private activity bonds
5 were preserved and there's already tremendous amount
6 of energy around the affordable housing improvement
7 credit act which for the first time in a long time
8 will hopefully bring hundreds of millions of dollars
9 in... back into the system in order to mitigate against
10 any, any gaps that may arise because of the drop in
11 the corporate tax rate. So, the plan that we have I
12 believe is still feasible but requires all of us to
13 be as vigilant as possible in protecting those pieces
14 that make it feasible over the long run.

15 COUNCIL MEMBER TORRES: Have you
16 quantified the loss of affordable housing funding
17 from the declining value of LIHTC?

18 MARIA TORRES-SPRINGER: So, the, the
19 estimates are that because of the, the, the drop in
20 the corporate tax rate that that likely will result
21 in about 200 million as a loss to... in any given year
22 but we are and thus far and will continue to do this
23 kind of manage those potential reductions on a
24 project by project basis. So, even with the rumor of
25

the corporate tax rate dropping and, and tax reform...

[cross-talk]

COUNCIL MEMBER TORRES: Yeah... [cross-talk]

MARIA TORRES-SPRINGER: ...we already saw drops in pricing, right, that started around this time last year... [cross-talk]

COUNCIL MEMBER TORRES: Do, do you expect it to decline even further?

MARIA TORRES-SPRINGER: Well we, we work very hard in negotiating each deal... [cross-talk]

COUNCIL MEMBER TORRES: Yeah... [cross-talk]

MARIA TORRES-SPRINGER: ...to make sure we're getting good pricing, but I mentioned that point because the rumor started, we started to see drops... [cross-talk]

COUNCIL MEMBER TORRES: Right... [cross-talk]

MARIA TORRES-SPRINGER: ...but we made record numbers in terms of production for the calendar year and so even with those... with the threats out there we were able to find a way managing

the budget in striking good deals to get to a level of production since the beginning of time at HPD.

COUNCIL MEMBER TORRES: I mean it would... it would seem to me the... just the loss of 200 million dollars every year would seem to seriously undercut the goal of 300,000 units but, but I'm... I, I don't know for sure, you said there was legislation that would bolster the tax credit?

MARIA TORRES-SPRINGER: Yes, on the federal side...

COUNCIL MEMBER TORRES: So, would it generate enough... [cross-talk]

MARIA TORRES-SPRINGER: Yes... [cross-talk]

COUNCIL MEMBER TORRES: ...funding, okay, what, what are the estimates... [cross-talk]

MARIA TORRES-SPRINGER: Yeah, the, the estimate is that it would generate 500 million that would... [cross-talk]

COUNCIL MEMBER TORRES: So, a net increase... [cross-talk]

MARIA TORRES-SPRINGER: ...bring it back to the... [cross-talk]

COUNCIL MEMBER TORRES: ...of 300 million... [cross-talk]

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MARIA TORRES-SPRINGER: ...city... that's...

3

[cross-talk]

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COUNCIL MEMBER TORRES: Okay... [cross-talk]

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MARIA TORRES-SPRINGER: ...correct and it would be, and it currently has quite a bit of

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bipartisan support, it's one of the... [cross-talk]

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COUNCIL MEMBER TORRES: So, what are the... what are the prospects for passage?

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MARIA TORRES-SPRINGER: Well as part of the omnibus spending bill it's being negotiated right now, there are, you know signs that are positive that this is back in the equation, it has support from both sides of the aisle, the same was true as part of the tax reform and so it's hard to count your chickens before they hatch, right and we all... but there is tremendous support across the country and any support that the council can provide in supporting the affordable housing improvement credit act would be much appreciated so that we know that there's much more certainty about the fund.

23

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COUNCIL MEMBER TORRES: Right, so your goals remain the same but when we lose funding from the federal government we have to make up the

1
2 difference with city subsidy so we're putting in more
3 and more subsidy to create the same level of
4 affordable housing, has, has... does HPD track the
5 amount of city subsidy per unit that we have spent
6 from year to year to see the increase?

7 MARIA TORRES-SPRINGER: Well I wouldn't...
8 one I wouldn't say that we're making up for it just...
9 for all of the changes just by adding additional city
10 capital, we are finding ways in each project to be
11 as... to stretch the dollars much as we can in order to
12 get the same number of units with the resources that
13 we have. We, you know certainly monitor and track the
14 spending in any given... [cross-talk]

15 COUNCIL MEMBER TORRES: But, but I just
16 want to be... [cross-talk]

17 MARIA TORRES-SPRINGER: ...across the
18 program... [cross-talk]

19 COUNCIL MEMBER TORRES: ...we, we're
20 spending more per unit than we have historically, is
21 that... [cross-talk]

22 MARIA TORRES-SPRINGER: Well it, it
23 depends on the program, the average... you're looking...
24 spending more per unit given that our programs run
25 the gambit from first time homebuyer down payment

1 assistance to new construction projects that are of
2 course much more costly, it is not very easy to say
3 we're spending more per unit, we have seen... there...
4 more was committed, more was spent in the last fiscal
5 year but that's partly because we had record breaking
6 numbers. There have been rising costs and we'll,
7 we'll address them but I, I think the sustainability
8 of the plan in the long term... [cross-talk]

9
10 COUNCIL MEMBER TORRES: Have you... but
11 have you done the cost per unit analysis that I
12 described earlier?

13 MARIA TORRES-SPRINGER: Well it, it...
14 based on each program we certainly... [cross-talk]

15 COUNCIL MEMBER TORRES: Any, any program...
16 [cross-talk]

17 MARIA TORRES-SPRINGER: ...know... [cross-
18 talk]

19 COUNCIL MEMBER TORRES: ...apples to apples
20 from year to year?

21 MARIA TORRES-SPRINGER: Well we, we
22 certainly know what is, is spent per program and, and
23 track that and understand and understand trends. Two
24 other things worth noting in the past year to the
25 extent that, that more was, was spent is the addition

1
2 of the 1.5... 1.9 billion because we as a city wanted
3 to make sure that we reached deeper levels of
4 affordability.

5 COUNCIL MEMBER TORRES: So, I, I suspect
6 you read the New York Times article, I believe the
7 heading was De Blasio Bolsters Affordable Housing but
8 at What Price, and it was a startling... I was not
9 aware of this data point in the article indicating
10 that we have spent like 3.4 billion dollars in
11 foregone tax revenue relating to affordable housing
12 or residential housing, what are... what are the
13 variables that account for it, the 3.4 billion
14 dollars that we spent and is that mostly 421A, is
15 that Article 11, what's, what's the lion share of
16 the... [cross-talk]

17 MARIA TORRES-SPRINGER: Yeah... [cross-
18 talk]

19 COUNCIL MEMBER TORRES: ...3.4 billion...
20 [cross-talk]

21 MARIA TORRES-SPRINGER: We'll, we'll...
22 [cross-talk]

23 COUNCIL MEMBER TORRES: ...dollars?

24 MARIA TORRES-SPRINGER: We'll, we'll
25 follow up with a specific breakdown of, of that

1
2 number. Of course, I did read the article and, and
3 what I'll say is that we are making sure that we're
4 not just talking the talk about addressing the
5 affordable housing crisis, we are walking the walk
6 and we've made historic commitments because the
7 affordability crisis in this city is so dire. We've
8 also collectively as a city made a commitment to
9 making sure that we're addressing the most
10 vulnerable, the lowest income New Yorkers and doing
11 so in an environment where there are rising
12 construction costs, where pricing has, has gone down
13 and so we're creating at a record pace and the, the
14 investment that we're making, we don't think of it
15 just... but investment we're making... [cross-talk]

16 MARIA TORRES-SPRINGER: Right, no I
17 understand the question, I'd like to follow up..
18 [cross-talk]

19 COUNCIL MEMBER TORRES: Okay... [cross-
20 talk]

21 MARIA TORRES-SPRINGER: ...after scrubbing,
22 I haven't... I did not calculate that number myself and
23 so we'd be happy to dig into it but the, the, the tax
24 exemption programs are the ones that you mentioned
25 that are typically used... [cross-talk]

COUNCIL MEMBER TORRES: 421A and... [cross-talk]

MARIA TORRES-SPRINGER: ...for our... [cross-talk]

COUNCIL MEMBER TORRES: ...Article 11 are the largest or...

MARIA TORRES-SPRINGER: They are... they are some but I... we will clarify what percentage they make up of a typical project.

COUNCIL MEMBER TORRES: Would H... and this would be my final question on Article 11, does HPD provide Article 11's to affordable housing developments whose targeted incomes are higher than the median incomes of the community district?

MARIA TORRES-SPRINGER: That's a good question and if, if Molly our Deputy Commissioner Molly Park our Deputy Commissioner for Development can provide clarity on it.

MOLLY PARK: Hi, Molly Park, Deputy Commissioner for Development. We use Article 11 as a very important housing preservation tool that includes where... so there are buildings that are there with occupied tenants, the building may look representative of the community district that it's

1 in, it may sometimes look somewhat different than the
2 community district but if the building is there we
3 certainly want to preserve it, we want to preserve
4 the people who are in place. We also use Article 11
5 in our mixed income new construction programs in
6 those where we are actively trying to get a wide
7 array of income bands into a building, right, so a
8 mix and match project that goes from a homeless set
9 aside plus a 30 percent AMI tier all the way up
10 through a moderate income, it's not going to qualify
11 for a 420C which is the exemption that we use for
12 projects that are at least 70 percent low income
13 housing tax credit eligible. In some cases those may
14 or may, may not look exactly like the neighborhood
15 that the building... that the building is going into,
16 we think income... providing income diversity,
17 providing opportunities for people to stay,
18 opportunities for people to move is consistent with
19 our housing policy, it's consistent with our fair
20 housing policy and, and it is a valuable asset to the
21 community.
22

23 COUNCIL MEMBER TORRES: So, I take it
24 that's a yes that you might be?

25 MOLLY PARK: Yes.

COUNCIL MEMBER TORRES: Okay, so... and I understand the value of mixed income but, but are there developments where a majority of the units might be higher than the median income of a community district and are... because I, I, I would have some concerns about subsidizing, subsidizing that if we're... if we're spending hundreds of millions of dollars a, a year subsidizing affordable housing units that are less affordable than the median income in the community district that seems a questionable use of public resources to me?

MOLLY PARK: So, the concept of median income in the community districts I think is... it's an important one but it also is very nuanced, in a district where you have a lot of public housing for example, I'm not going to get into some of the NYCHA issues but those... but that is a population that is largely extremely low income but also from a rent burden perspective they're not facing rent burden issues, right, so there are... again I'm not touching the larger NYCHA issues but, but from a rent burden and a housing affordability perspective that is not their particular challenge. Same thing if you have a population, you have a district that has had a lot of

1
2 affordable housing development already, if you've had
3 a, a neighborhood where there has been a lot of...
4 there... a number of naturally occurring retirement
5 communities where people have been in place, they are
6 there but they may have very low incomes today. We
7 want to be able to bring in a development that may
8 not look exactly like that. The other thing and I, I
9 think the fair housing concept one, is very
10 important, if we only build to mimic exactly what's
11 there today, I, I think that... [cross-talk]

12 COUNCIL MEMBER TORRES: No, I'm not
13 proposing it but I'm, I'm wondering whether the
14 market can finance those developments on their own,
15 right, if you're... I'm, I'm not clear why we have to
16 subsidize units at 165 percent AMI, right, shouldn't...
17 [cross-talk]

18 MOLLY PARK: That... [cross-talk]

19 COUNCIL MEMBER TORRES: ...the market
20 should be able to do it on its own I... [cross-talk]

21 MOLLY PARK: That's an easy one, we do
22 not subsidize... [cross-talk]

23 COUNCIL MEMBER TORRES: So, how, how...
24 [cross-talk]

25 MOLLY PARK: ...to 165... [cross-talk]

COUNCIL MEMBER TORRES: ...high do you...
when it comes to Article 11 how high do you go?

MOLLY PARK: We... Article 11 the...
legislatively can go to 165, we... the city of New York
subsidizes with... our capital subsidy caps out subsidy
at 130 percent of AMI and we are doing units,
subsidizing units at 130 percent of AMI we are doing
that generally, so we can get a cross subsidization
opportunity or in some of the homeownership projects
that are primarily moderate income.

COUNCIL MEMBER TORRES: Okay, that's the
extent of my questioning, thank you so much
Commissioner.

CHAIRPERSON CORNEGY: Thank you, Council
Member Grodenchik.

COUNCIL MEMBER GRODENCHIK: Thank you Mr.
Chair. Two fairly quick questions, with regard
Commissioner to basement apartments and I know it's
an experimental idea in Councilman Espinal's district
I believe, does that require any changes to zoning,
does it...

MARIA TORRES-SPRINGER: Well part of... in
doing the pilot the, the idea is to identify those
changes, we know on the code side there are targeted

1
2 changes that will need to be made but on zoning have
3 those been identified, I think Matt can clarify...
4 [cross-talk]

5 COUNCIL MEMBER GRODENCHIK: I wouldn't
6 think it would because, you know the zoning generally
7 is the same for one and two-family homes, it's not
8 until you get to multiple level.

9 MATTHEW MURPHY: Yeah, our goal is to not
10 change the zoning for the basement pilot, our goal is
11 to work within the housing maintenance code, the
12 building code and the fire code.

13 COUNCIL MEMBER GRODENCHIK: I have a
14 district that consists of largely single family
15 homes, I'm going to watch this experiment very
16 carefully because our schools are bursting at the
17 seams and I do not know where we would put those
18 additional children and there are other questions
19 that go along; electricity, sewer, water, all those
20 kind of things so we'll be watching that very
21 carefully. Secondly, because I know we're going
22 quickly here, with regard to all the billions of
23 dollars that are being expended I, I asked this
24 question of... at the recent hearing we had on, on
25 NYCHA of Chair... of the Chair of NYCHA and I had asked

1 COMMITTEE ON HOUSING AND BUILDINGS 86
2 whether or not some of the monies that we are
3 expending to build affordable housing in this city
4 its, it's the most ambitious project since the Koch
5 administration and I'm old enough to remember when
6 driving along the, the Cross Bronx Expressway it
7 looked like a war zone, I can remember those
8 buildings, it was quite ugly and, and very, very sad
9 but I'm also concerned that we are not devoting
10 enough resources to NYCHA, I know you are not the
11 Commissioner for NYCHA but NYCHA is a huge source of
12 affordable housing, I'm a NYCHA alum as is Councilman
13 Torres and several other members of this council, my
14 simple question is have you and I know you haven't
15 been the HPD Commissioner since the beginning of
16 Mayor De Blasio's term, are you aware of any
17 conversations that have taken place where some of the
18 monies that are being expended to create newly
19 affordable housing, new housing would be diverted to
20 NYCHA to repair what we already have so that those
21 apartments don't become uninhabitable therefore
22 worsening an already egregious homeless problem that
23 we have?

24 MARIA TORRES-SPRINGER: Well I'm of the
25 use sir and I know that's shared by many that we have

1
2 to do both, and we have done both, the administration
3 has made unprecedented capital commitments to NYCHA
4 and has made an unprecedented set of commitments to
5 affordable housing. The need exists for both the one
6 in 14 New Yorkers who live in NYCHA, the need
7 certainly exists for renters in the city many of who...
8 [cross-talk]

9 COUNCIL MEMBER GRODENCHIK: I'm, I'm
10 aware of the need, I know it's a great need I'm just
11 concerned that we're not devoting for the record my
12 record, enough of our resources to NYCHA to make sure
13 that they have what they need, I won't ask you to
14 answer any more questions now, I know we're a little
15 short on time but I just wanted to put that on the
16 record. Thank you, Mr. Chairman, thank you
17 Commissioner.

18 MARIA TORRES-SPRINGER: Thank you.

19 CHAIRPERSON CORNEGY: Thank you Council
20 Member, Council Member Williams.

21 COUNCIL MEMBER WILLIAMS: Thank you Mr.
22 Chair. Commissioner always a pleasure to see you.

23 MARIA TORRES-SPRINGER: You too.

24 COUNCIL MEMBER WILLIAMS: Looking forward
25 to continuing a great working relationship on a whole

1 bunch of issues. I do also want to just mention the
2 Chair of Public Housing, Council Member Alicka Samuel
3 for the work she's doing on NYCHA as well. Of course,
4 there's a huge concern, I do also just want to piggy
5 back on Council Member Torres, I... that is a very
6 shocking number, my hope is that the committee will
7 try to dig into the 3.4 billion dollars annually
8 that's going on its... [cross-talk]

10 MARIA TORRES-SPRINGER: That just... my
11 under... that is not an annual number and we'll follow
12 up with what that is but before... it, it provides more
13 concern to... [cross-talk]

14 COUNCIL MEMBER WILLIAMS: Yes... [cross-
15 talk]

16 MARIA TORRES-SPRINGER: ...members of this
17 committee, not a number that we generated but we'll,
18 we'll provide clarity on what exactly it is.

19 COUNCIL MEMBER WILLIAMS: That will be
20 excellent, it sounds... it sounds a bit high. I also...
21 well a few things, one, you know and last year we...
22 there was some changes in the housing plan which were
23 exciting changes, upped the amount that we're going
24 to try to build and preserve and mandated some
25 affordability in the term sheets, this body has been

1 a lot to pushing that direction sometimes pushed a
2 little harder than we thought we had to but I'm glad
3 that it's happening now. I did want to point out, my
4 hope is still particularly on the extremely low and
5 very low where you have exceeded what the plan was on
6 extremely low, 15 percent very low, 17 percent, the
7 population of extremely low is 25 percent so my hope
8 is that we can still... can... or roughly 25 percent,
9 still kind of push deeper and I know it's more
10 expensive but that's where the population is and
11 that's where the highest... the smallest vacancy rate
12 is and my hope is that we continue to keep pushing
13 down. Just to piggy back on another question, I, I am
14 concerned that with the, the changes that might come
15 down from the orange man, are we still just dedicated
16 to making sure those numbers get reached in
17 respective of what occurs?

19 MARIA TORRES-SPRINGER: Well we are...
20 given that we are in a continuing resolution the
21 funding levels thus far based on that are positive
22 and I remember very vividly when we had this hearing
23 last year there was a lot of anxiety over what was
24 too occur given the proposed cuts but a lot of great
25 work across the country the funding levels for all of

1
2 those major programs have remained flat, we will
3 fight as hard as we can to ensure it happens again
4 this time and to the extent that the situation is
5 different and we'll certainly work with the council,
6 with OMB and others based on the magnitude and timing
7 of any change to minimize, minimize the impact of any
8 potential cuts.

9 COUNCIL MEMBER WILLIAMS: Congratulations
10 on the 421A progress and the, the revocations that
11 occurred in terms of the tax breaks that were
12 happening without the... commissary affordability, I'm
13 proud to have been one of the voices in helping give
14 you some tools to get that done but thank you for
15 that partnership and thank you for, for, for it
16 happening because a lot of money being wasted. Is
17 there a projected amount the city expects to recoup
18 if the properties fail to be reinstated?

19 MOLLY PARK: We do have that and for
20 about 66 million, thank you Francesc. We expect to be
21 recouped due to those efforts and, and thank you of
22 course for all of the advocacy and the, the support
23 in, in being able to stand up and have the additional
24 staff for the enforcement unit that has resulted in
25 the pipes of changes where we are more assured that

1
2 those property owners comply with the 421A
3 requirements that they get their certificates of
4 eligibility, that they register with HCR in doing
5 what they need to do but 66 million is the projected
6 amount.

7 COUNCIL MEMBER WILLIAMS: Thank you and
8 shout out to Council Member Levin who had the bill
9 with me as well. Would any such money go to a general
10 fund or would it be dedicated to help fund
11 development of income target housing?

12 MOLLY PARK: It goes to the general fund.

13 COUNCIL MEMBER WILLIAMS: Okay, is there
14 any way we can get some message back to the, the
15 Mayor, I know HPD doesn't have the power to do it,
16 but it'd be great if that money recouped, goes into a
17 fund that would directly impact either building or
18 preserving income targeted housing otherwise... [cross-
19 talk]

20 MARIA TORRES-SPRINGER: Sure... [cross-
21 talk]

22 COUNCIL MEMBER WILLIAMS: ...you know we're
23 saying that this money was supposed to do that, it
24 didn't so I think it makes sense to try to get it to
25 a dedicated fund.

MARIA TORRES-SPRINGER: We'd be happy to share that feedback.

COUNCIL MEMBER WILLIAMS: Okay, do you share my desire to see it happen?

MARIA TORRES-SPRINGER: Yeah.

COUNCIL MEMBER WILLIAMS: Okay, that's a yes, I didn't... [cross-talk]

MARIA TORRES-SPRINGER: I, I will certainly share your desire to make it happen.

COUNCIL MEMBER WILLIAMS: Okay, thank you. Lastly at social services, HRA, DHS announced their plan to acquire through purchase of imminent domain 20 to 30 cluster sites to convert into low income housing, is there any coordination with HPD on that plan?

MARIA TORRES-SPRINGER: Yes, there is extraordinary coordination with HPD on this as, as everyone knows DSS as part of the turning the tide plan has been very committed to getting out of cluster buildings and so this... we've been working with them in partnership to identify those set of buildings for which the acquisition buy a not-for-profit and or as a last resort imminent domain can be used in order to create permanent housing for, for

1
2 residents and so nearly daily conversations on this
3 program.

4 COUNCIL MEMBER WILLIAMS: Alright and
5 just if you can explain a little more because all we...
6 this is always an issue to me of how obviously HPD
7 and the housing plans, working with the homelessness
8 plan, I always kind of see, you know fissure there so
9 is this... can you... in general can you speak about
10 communication with the other agencies that deal with
11 homelessness and how the two plans are, are working
12 together?

13 MARIA TORRES-SPRINGER: Right and I...
14 there has been and continues to be extraordinary
15 collaboration because we need them to work together
16 and in fact they do, the turning the tide plan an
17 entire section of that talks about permanent housing
18 and then has all of the elements of the Mayor's
19 Housing New York plan so they are intertwined not
20 just in the language but in the work that we do and
21 my meetings, conversations with Commissioner Banks
22 happened nearly daily, the coordination on the staff
23 level happens daily and that has resulted in the
24 production of how permanent housing for formerly
25 homeless at a faster clip than we've seen before

almost... more than 7,200 units financed since the start of the administration.

COUNCIL MEMBER WILLIAMS: Well thank you, I hope the coordination continues I'm glad to hear there's... I hope its true, daily discussions, I hope that's also true on the deputy... the Deputy Mayor level. Of course, now we're back up to record numbers when it comes to homelessness and so we have to do obviously more. Lastly, I think NYCHA residents might accidentally get assistance because of the craziness that's going on with our Mayor and Governor on the one, one up man ship, hopefully we can figure out how to do that trick with affordable housing in general so if we can figure some ideas that... these two men are fortunately going to compete against each other someone else might accidentally get some assistance there as well. Thank you very much, thank you Mr. Chair.

CHAIRPERSON CORNEGY: Council Member Menchaca.

COUNCIL MEMBER MENCHACA: Thank you Chair and committee and hello Commissioner.

MARIA TORRES-SPRINGER: Hello.

COUNCIL MEMBER MENCHACA: ...Torres-

Springer. So, I have a couple questions that are I think relevant citywide and have a life in the district, the, the Brooklyn Public Library recently went through a really beautiful I think conversation about how to redo a library and get incredible and affordable at multiple range AMI apartments, that was... that served as a model I think citywide and I just want to... want to get a sense because there was a lot of creative, creative financing that came in to make this, this happen, what is HPD doing to really think about this model and extending it citywide, one for the, the members to hear but also about how, how we can kind of promote that at the... at the district level for either city owned property, this was a city owned property and our partnerships with non-profits?

MARIA TORRES-SPRINGER: Right, thank you for that questions, of course the Sunset Park Library and the development that will come to fruition there is a... I think a great success story both in terms of engagement and in terms of the actual project that will rise. It is a model and... that we are in the middle of actually in the Inwood neighborhood of Manhattan having released an RFP and just made a

1 designation for the Inwood Library in partnership
2 with the New York Public Library, those are the types
3 of projects that both allow for growth and
4 enhancement of these tremendous community assets that
5 are the libraries, an opportunity to build affordable
6 housing and also to accomplish other goals as stated
7 by the community through the engagement process and
8 so I think for both of those and they, they haven't
9 happen to quite the same way, right, each one is
10 different, there are in fact lessons learned about
11 how financing can be braided together, how we can
12 bring in for lack of a better term, non-traditional
13 partners to... and philanthropic dollars to our
14 affordable housing work how we can run community
15 engagement so that it accomplishes affordable
16 housing, library and other important goals and, and
17 to the... and the hope is to be able to do that in a
18 more... in a more prolific way and so I'd be very
19 interested in hearing your specific thoughts about
20 what, what, what right and what you think can be
21 transported to others in working with the rest of
22 the... of the city council and the three public library
23 systems to do more of this as is needed or desired by
24 the community.
25

COUNCIL MEMBER MENCHACA: And I think that's a Segway to the next question which is there are only so many libraries and not all of them make sense to, to redevelop as sites and so where else is HPD looking for this kind of non-traditional financing model, are there other police precincts for example, are there other places that you're looking at right now actively looking at?

MARIA TORRES-SPRINGER: Well I'd say that there's no place we're not looking... [cross-talk]

COUNCIL MEMBER MENCHACA: Okay... [cross-talk]

MARIA TORRES-SPRINGER: ...in order to... [cross-talk]

COUNCIL MEMBER MENCHACA: That's fair...

MARIA TORRES-SPRINGER: ...identify opportunities for affordable housing. The, the properties that are in our inventory right now... [cross-talk]

COUNCIL MEMBER MENCHACA: Except M zones, right?

MARIA TORRES-SPRINGER: Except M zones.

COUNCIL MEMBER MENCHACA: Okay, that's on record... [cross-talk]

1

2

MARIA TORRES-SPRINGER: Is that... the...

3

[cross-talk]

4

COUNCIL MEMBER MENCHACA: ...that's on

5

record... [cross-talk]

6

MARIA TORRES-SPRINGER: ...question mark,

7

I... well I... we're always... [cross-talk]

8

COUNCIL MEMBER MENCHACA: Question mark...

9

[cross-talk]

10

MARIA TORRES-SPRINGER: ...trying to

11

balance, in all seriousness I think that in, in

12

different communities and I feel like I can say this

13

given previous roles that I've served it's always a

14

balance of making sure that we are protecting,

15

protecting... [cross-talk]

16

COUNCIL MEMBER MENCHACA: Uh-huh... [cross-

17

talk]

18

MARIA TORRES-SPRINGER: ...and allowing for

19

growth of critical industrial businesses, we've made

20

very clear for IBZs that there will be no residential

21

development, other M zones outside of IBZs and I

22

won't talk about specific, specific areas but it is

23

always a very, very careful and rigorous balancing

24

act and discussion with the community about how best

25

to accomplish the dual goals of economic development

1 and affordable housing but back to vacant... city
2 owned... city owned lots and or underutilized lots, we
3 left in my opinion no stone unturned about how to use
4 sites many of which are challenging to create
5 affordable housing and so whether that is sites that
6 are in our... still in our portfolio and they might be
7 small so we have to cluster them in order to make
8 them work, sites that might be in other agency's
9 jurisdiction where we of course are respectful of
10 their municipal needs but to the extent that it... the
11 better use is housing we've worked very
12 collaboratively to turn that into housing and for
13 those sites not even within our inventory but real
14 estate owned by houses of worship, faith based
15 organizations, finding creative ways to build there
16 and then a whole bunch of new programs including a
17 very important one called Neighborhood Pillars
18 because there's only so much land that the city owns
19 where we're putting... we're establishing a fund so
20 that not for profit organizations can purchase
21 buildings with rent stabilized but unregulated units
22 for long term affordability so... just to name a few
23 examples.
24
25

COUNCIL MEMBER MENCHACA: Yeah and, and that's I think a really good overview of the, the multiple kind of programs and some... I'm thankful for that and I think hopefully we can... we can as council members lead some of that discussion from the ground up through community board and community engagement. Switching over to your relationship with DOB and resources that you may or may not be asking for right now in this budget process, I know my district office is experiencing some issues with addressing violations within buildings and the connection between DOB and HPD and so there's a... sometimes these things last for months and a lot happens in that time that causes a lot of concern and impact through... to our... to our residents and so is that something that HPD is, is, is focused on now in the budget that we can look at to demonstrate a change in that?

MARIA TORRES-SPRINGER: So... [cross-talk]

COUNCIL MEMBER MENCHACA: ...issue... [cross-talk]

MARIA TORRES-SPRINGER: ...we are... we're very focused in making sure that for the programs and tools and authority that we and or DOB currently has that we're better coordinated. We're also focused on

1 making sure that the implementation of the package of
2 bills passed last year, right standing for tenant
3 safety that as those get implemented that we are
4 working very, very closely with DOB including being
5 active participants in the construction is harassment
6 task force, those are a few different areas in... and
7 order... to the extent that there are specific
8 additional needs on the HPD end we are not shy about
9 communicating those to OMB and so that's an ongoing,
10 ongoing conversation. I would like to though invite
11 our Acting Deputy Commissioner AnnMarie Santiago, if
12 there are critical points related to our partnership
13 with DOB or areas for addressing the issues that have
14 been discussed today that you think are, are
15 important to add please to so.

17 ANNMARIE SANTIAGO: No, I, I think the..
18 I'm sorry, AnnMarie Santiago, Acting Deputy
19 Commissioner for Office of Enforcement Neighborhood
20 Services. I think the Commissioner covered it, we are
21 going carefully over the bills that were passed last
22 year because there's a lot there for both agencies
23 and the coordination is going to be very close and we
24 will, you know as we have needs we can bring those to
25

1
2 the Commissioner's attention and seek the appropriate
3 support.

4 COUNCIL MEMBER MENCHACA: So, what I
5 heard here was vision is pretty clear, you want to
6 coordinate better, how?

7 ANNMARIE SANTIAGO: So, I think part of
8 it will be looking at the resources we already use to
9 coordinate. As the Commissioner mentioned before we
10 have the tenant harassment protection task force and
11 there is a division of our office already that works
12 closely with DOB on these issues so as they kind of
13 roll out their new enforcement program around those
14 bills I think we'll see where HPD fits best and again
15 kind of look at what resources we might need to make
16 that a more effective and efficient program.

17 COUNCIL MEMBER MENCHACA: Last question
18 which kind of continues with this question but really
19 looks at all... the incredible comprehensive bills that
20 we passed, you're looking and reviewing, there's
21 agency coordination, residents in, in a lot of our
22 districts don't speak English and there's language
23 access issues for a lot of what's happening on the
24 ground and... with the changes, we're doing our best on
25 the ground with our, our constituent engagement but

1
2 we're going to need you to come in with resources and
3 one thing we keep learning over and over again it's,
4 it's a massive resource intensive thing for us to be
5 able to communicate very simple but very important
6 critical messages; know your rights, I saw that in
7 your testimony and beyond and so what resources are
8 we seeing in the budget requested this year that can
9 address the language access issue for what we just
10 talked about for all the tenant safety work and
11 beyond, how, how are you addressing that and, and
12 really making a difference in this next fiscal year?

13 MARIA TORRES-SPRINGER: Right, so
14 language access in, in this work given the, the very
15 direct contact we have with New Yorkers in providing
16 the services is extraordinary critical, for the
17 information of the committee we have of course some
18 of the basics, contracts in place for telephone
19 services, document translation, in person
20 interpretation services, we also have housing
21 ambassadors who offer services in 14 different
22 languages so that's on the lottery side in terms of
23 providing information about how to access affordable
24 units that have come online, through city council
25 funding we've been able to increase translations in

1
2 printed versions of applicant guides, you mentioned
3 ready, set apply which... and a number of our other
4 collateral translated into 17 languages distributed
5 via the housing ambassadors community partners upon
6 request. We also have... we just launched a new
7 outreach van with... due to the support of borough
8 President Ruben Diaz as well as Eric Adams we will
9 have three by the end of the year but those... the, the
10 boots on the ground through that effort will also
11 have of course access to materials in different
12 languages. There, there's always, always room to do
13 better in, in this work and so while we have
14 sufficient resources we believe for the major aspects
15 of our work to the extent you councilmen are seeing
16 where there are still gaps either in particular
17 instances whether it's community engagement or how
18 enforcement happens on the ground of course we, we
19 want to address that.

20 COUNCIL MEMBER MENCHACA: Is there number
21 of increase in dollars for everything you just laid
22 out when you compare it to this fiscal year and next
23 fiscal year, I just want to see if there's an
24 increase... [cross-talk]

MARIA TORRES-SPRINGER: It's roughly...
it's, it's roughly, roughly the same... [cross-talk]

COUNCIL MEMBER MENCHACA: Okay... [cross-talk]

MARIA TORRES-SPRINGER: ...and... but if
there... [cross-talk]

COUNCIL MEMBER MENCHACA: So, you're just
saying you can do it better and focused... [cross-talk]

MARIA TORRES-SPRINGER: Well... [cross-talk]

COUNCIL MEMBER MENCHACA: Okay, so I'm,
I'm hoping that through the conversations I'm pushing
you all to think about how we can actually increase
more dollars... [cross-talk]

MARIA TORRES-SPRINGER: Understood...
[cross-talk]

COUNCIL MEMBER MENCHACA: ...it's just
going to... it's going to take a lot more money and
what I don't want to do is, is not have that
conversation now and then later say you know what we,
we, we could have used some more dollars for this
piece... [cross-talk]

MARIA TORRES-SPRINGER: Understood...
[cross-talk]

1
2 COUNCIL MEMBER MENCHACA: So, I'm hoping
3 that for the next time we come back in the executive
4 budget hearings we can kind of see either maybe an
5 increase, I'm hoping for an increase and, and a
6 thoughtful kind of response to the, the growing
7 nature of that very difficult complex, high resource
8 intensive objective. Okay, that's it and thank you so
9 much for your team including your Deputy Commissioner
10 Eva Trimble, thank you.

11 CHAIRPERSON CORNEGY: Thank you Council
12 Member. Before I go back for the second round of
13 questions starting with Margaret Chin I just wanted
14 to flag an internal conversation that you and I have
15 had about a potential housing stock that's available
16 for low income housing in my district, there are many
17 brownstone owners who have unfortunately had not
18 great relationships with H, HPD as it related to
19 programs decades ago and have voiced an unwillingness
20 to enter into contracts with HPD based on the prior
21 relationships and now those units are becoming a
22 little bit in jeopardy to the shared economy which,
23 which I think is unfortunate while it's legal to use
24 the shared economy in that instance with three and
25 under in my brownstone and limestone communities I

1 think there's an excellent opportunity for some
2 people who really would like to see and do their
3 share for affordability in districts that are
4 changing rapidly, I'd hate to miss that orotundity so
5 I'd like to revisit that at some point about some
6 very viable programs that could be used, we talked
7 about them, you know there were... there were programs
8 all through the early 2000s, late 90's that allowed
9 for those units that were in private homes to be
10 accessed for either people coming out of the shelters
11 or people... you know the vulnerable populations and,
12 and I think it's worth reviewing as a potential for
13 affordable housing.
14

15 MARIA TORRES-SPRINGER: We agree sir.

16 CHAIRPERSON CORNEGY: Thank you, Margaret
17 Chin.

18 COUNCIL MEMBER CHIN: Thank you Chair. I
19 have a couple of follow up questions, one of them is
20 I'm very excited to see one of these new programs
21 besides Senior First. On the list is this
22 Neighborhood Pillars, so there's going to be 275
23 million dollars set aside, a new fund to help non-
24 profits purchase and protect rent regulated and other
25 buildings. So, when is that funding going to be

1
2 available so this program... when is this program going
3 to be started, right after the budget is passed?

4 MARIA TORRES-SPRINGER: So, we have...
5 we're... we are... we have been busy at work since we
6 announced the program as part of the... of HNY 2.0 last
7 fall, I think we've met with over 100 different
8 organizations making sure that we structure it
9 properly because we do share your enthusiasm Council
10 Member that there's an opportunity here with the
11 unregulated stock but for which there, you know
12 still... there, there are rent stabilized units to have
13 not for profits be able to compete in the private
14 market in the acquisition of those buildings so that
15 we can put them into a regulatory environment. The
16 good news in terms of standing it up is that we're
17 essentially going to use the infrastructure of the
18 New York City acquisition fund which has been around
19 for a while... [cross-talk]

20 COUNCIL MEMBER CHIN: Uh-huh... [cross-
21 talk]

22 MARIA TORRES-SPRINGER: ...as you know,
23 been very helpful in providing the type of
24 assistance... nimble assistance for the acquisition of
25 sites by private parties for affordable housing

1 development and so with that infrastructure we've
2 already actually, you know started to speak
3 individually with certain not for profits not just to
4 get there, their feedback about how the program can
5 get structured but for what they might already know
6 and see in the market. Over the course of the next
7 few weeks we'll be releasing a request for
8 qualifications so that we can essentially start the
9 screening process, vetting process for potential
10 participants with the goal of over the course of the
11 next year really starting to make our first
12 transactions and ultimately we believe that this
13 particular program will be able to... will be able to
14 acquire about 1,000 units per year and so this is...
15 we'd be more than happy to provide a specific
16 briefing on this but is, I think is going to be a
17 powerful tool as we move forward with the housing
18 plan.

19
20 COUNCIL MEMBER CHIN: Definitely, I would
21 love to have more information, I think... I also talked
22 with your staff about a particular building that
23 we've working with in the... in the community that
24 might be able to benefit from this program, funding
25 available... [cross-talk]

MARIA TORRES-SPRINGER: I think I know which one that is, okay.

COUNCIL MEMBER CHIN: Yeah, so that's great. Following up the comment that Council Member Rivera made earlier about deeper affordability, in the project in my district Essex Crossing we were able to work with the south at HPD to get some project based voucher and that enabled us to I guess get at least eight tenants with very, very low incomes seniors, they were lucky enough to get selected because we had that option so that we, we had some units that were set aside for income from zero and a lot of those... I think quite a number of those were former site tenants so having project based subsidy is really vital and I was just looking at a testimony that was provided by Enterprise community partners so they were talking about creating of a 15 year project based rental subsidy, I, I just want to, you know get your take on that because what they're saying in their testimony is that that can help developer to underwrite deeper affordability and that might be something that can help place homeless families into affordable housing and very, very low income tenants so I think... I just

1
2 want to see if HPD has done some research into this
3 and what is the possibility of the city creating a
4 rental subsidy program of our own?

5 MARIA TORRES-SPRINGER: Right and so we
6 have... I, I don't know the report chapter and verse
7 but we certainly through our work on... with DSS and
8 with supportive housing actually have a new program
9 on the rental assistance side that addresses these
10 very issues so that we can do as much as we can for
11 the formally homeless. Our Deputy Commissioner might
12 have some additional facts about that specific
13 proposal by Enterprise and what we've done or the
14 constraints thereof.

15 MOLLY PARK: Sure, so we have rolled out
16 the New York 15/15 program which is the rental
17 subsidy compliment to our supportive housing program,
18 it is very innovative vision that is exactly what
19 you're talking about, it is the first city funded
20 project based rental assistance program certainly
21 that I know of in New York's history and as far as I
22 know anywhere. It is specifically for supportive
23 housing, but I think it's actually useful on the
24 family side as well because traditionally supportive
25 housing has been entirely funded with Section 8 so

1
2 with a city rental subsidy program for the supportive
3 housing that allows the vouchers that we have to go
4 into other programs. I'm certainly aware that
5 Enterprise is interested in getting city funded
6 rental... project based rental assistance for a broader
7 array of buildings, I think it's something that we
8 are happy to look at, it is... it's a nontrivial cost so
9 it's something that we do have to look at very
10 closely.

11 COUNCIL MEMBER CHIN: But I, I think
12 it's, it's great that the city on its own is creating
13 these programs because we have to kind of think out
14 of the box and be creative, we just can't rely on
15 federal government it's so unstable there but we need
16 permanent affordable housing, I know that we're
17 developing units that are much smaller, fine, you
18 know but it's just got to be affordable so I think
19 that is really exciting and I really wanted to follow
20 up with you more on that and also on the acquisition
21 to see how we can convert some of the buildings that
22 we have in our community to permanent affordable
23 housing. So, the last question I have is on
24 organizing, even though... you know often times when we
25 hear about a problem at a building, one unit called

1 3-1-1 or they call our office and I... historically,
2 you know talking to legal aid and, and HPD, HP action
3 is a very important tool that we can use to help the
4 whole building because often times when you help one
5 unit complaining, lack of repair that's probably a
6 problem in the whole building so I wanted to see if
7 there's a way working with HPD and also tenants often
8 times ask why couldn't HPD just do the repair, right,
9 because if you rely on the landlord it takes a longer
10 time because we still have one building in my
11 district that still has a temporary boiler outside
12 the building and their reason to HPD I remember a
13 couple months back was it's very expensive but give
14 us time, if HPD comes in we have to pay all that
15 money but if H... if there are instances where HPD can
16 do the repair as quickly as possible why not, right,
17 you can put a lien on the building and then force the
18 landlord to pay but if there's ways that we can work
19 together with the tenants, with organizers, with
20 council member's office and utilize HP action to get
21 a court order repair and then HPD coming in and do
22 the repair as quickly as possible I think that can
23 really help us preserve a lot more of the rent
24 regulated apartments in our community and, and really

1 helping people get repair and often times there are
2 immigrants, there are seniors, they really don't know
3 where to go but if they are in a building where one
4 person is complaining then maybe we can get everybody
5 together.
6

7 MARIA TORRES-SPRINGER: Yeah, I'll
8 mention a couple of things and AnnMarie if there are
9 points, points to add please do. So, we agree with
10 you Council Member that there... we should find and
11 continue to use every tool that we have to hold
12 landlords accountable, we have of course in any given
13 year our major programs whether it's bringing housing
14 court cases the... AEP that was mentioned we use every
15 tool that we have to make sure that our enforcement
16 is strong. The emergency repair program as you know
17 has also been an important tool for us and, and we've
18 used both because of the authority given to us as
19 well as funding that's associated as well as trying
20 to get the desired action in the most judicious way
21 and so it has traditionally been used of course to
22 address emergency conditions when property owners
23 fail to address the most immediately hazardous...
24 immediately hazardous conditions and has been a
25 successful one. The instances where we have at times

1
2 been called to use emergency repair but don't quite
3 fit or when there are major systems level changes
4 that really one make more sense for the owner to do
5 and would... and would and in most cases take... will be
6 faster and can be cost prohibitive of the city, I say
7 that not to say that there aren't other ways and
8 you've been such a champion on very specific
9 buildings and instances where there might be gaps
10 ways we can make sure that the tools work best in
11 tandem and, and finding ways to address gaps that
12 might exist in the current system that we have.

13 ANNMARIE SANTIAGO: Hi and I would just...
14 again AnnMarie Santiago again, I would just add that
15 for those cases where, you know tenants do... are
16 working with a community group those community groups
17 do... are able to come to HPD and bring it to our
18 attention and we will look at the whole building not
19 just the one unit and we will bring litigation as
20 warranted and we will do emergency repairs warranted
21 so even if it's just one tenant complaining that
22 tenant shouldn't feel like HPD isn't going to do
23 everything possible to get those repairs done should
24 an owner be negligent in responding.
25

1
2 COUNCIL MEMBER CHIN: I guess what I'm
3 really asking for is like if there's a way to... for
4 all of us to work together on a proactive approach,
5 you know when a, a tenant calls in and an inspector
6 goes there if there's a way to really connect that
7 tenant, you know to a community organization or the
8 local elected official's office so that we can all
9 work together to see if we can fix the whole building
10 or organize the whole building and not just, you know
11 individual cases, yes those are important but often
12 times if we can connect that one case with the whole
13 building then we can solve, you know more problems
14 quicker... [cross-talk]

15 MARIA TORRES-SPRINGER: Uh-huh... [cross-
16 talk]

17 COUNCIL MEMBER CHIN: ...and really help
18 improve the condition in the whole building so we
19 definitely should look at a more proactive approach
20 and how we can all work together.

21 MARIA TORRES-SPRINGER: And we're
22 certainly open to working with you, your, your staff
23 on that Council Member.

24 COUNCIL MEMBER CHIN: Thank you, thank
25 you Chair.

CHAIRPERSON CORNEGY: So, I want to thank you so much for testifying today, I look forward to continuing to work with your office, it's been so far a tremendously rewarding experience not only for myself and for the committee but for the constituents of the city of New York so thank you.

MARIA TORRES-SPRINGER: Thank you.

CHAIRPERSON CORNEGY: So, we'll call up DOB and then we'll have our public portion. So, now that all the members of DOB are here we're going to go ahead and get started. And just for the record in the interest of time I'm going to waive my very lengthy and in depth opening statement and I suggest that where that can be done for others we do the same, so I'm trying to lead by example. So, we'll just take this opportunity to affirm your testimony, if you could just raise your right hands for me, do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to council member questions?

RICK CHANDLER: I do.

THOMAS: I do.

CHAIRPERSON CORNEGY: Okay... [cross-talk]

SHARON: Yes.

CHAIRPERSON CORNEGY: Thank you so much.

You can... you can begin Mr... Commissioner Chandler.

RICK CHANDLER: Good afternoon Chair

Cornegy and members of the Housing and Buildings

Committee. I'm Rick Chandler, Commissioner of the New

York City Department of Buildings and I'm joined by

First Deputy Commissioner Thomas Fariello, Deputy

Commissioner of Finance Administration Sharon Neill

and other members of my senior staff. Before I

discuss the department's fiscal Year 2019 preliminary

budget and highlight the significant progress we've

made in achieving our building one city objectives

I'd like to take a moment to welcome the Chair and

new members to the committee. I'd also like to

welcome back some familiar faces, I'm looking forward

to working with all of you as we continue to

modernize the department to better serve and protect

New Yorkers. The department is the primary... is the

primary regulator of an industry that is expected to

spend 52 billion dollars in 2018. Our role in

supporting the city's economy cannot be overstated by

enforcing the construction codes, rules and other

regulations that govern nearly 1.1 million buildings

1 and 45,000 active construction sites. We facilitate
2 job creation, spur the development of affordable
3 housing and uphold high standards in energy
4 efficiency all while adhering to our principal
5 mandate to promote the safety of everyone who lives,
6 works and builds in New York City. We are making
7 significant progress on our plan for fundamental
8 reform building one city which includes numerous
9 initiatives to enhance public and work site safety,
10 reduce wait times and delays and modernize all
11 aspects of the department's operations. Through an
12 unprecedented commitment of resources from the Mayor
13 and the city council and the hard work of our
14 employees we are working in lockstep with the Mayor's
15 goals to increase affordable housing, support small
16 businesses, advance the culture of public safety and
17 build a thriving, equitable, sustainable and
18 resilient city across the five boroughs. I'm pleased
19 to be here to discuss the department's preliminary
20 budget, the preliminary budget allocates
21 approximately 183 million dollars in expense funds to
22 the department of this approximately 149 million is
23 for personal services funding 1,870 budgeted
24 employees and 34 million is for the other than
25

personal services. The preliminary budget provides funding of 18.5 million and 221 positions to support three initiatives including construction site safety and training compliance, tenant protection and basement apartment pilot program. The department is a revenue producing agency, the revenue forecast for the department is approximately 298 million dollars which does not include an estimated 66 million dollars in penalties collected resulting from department issued violations adjudicated before the office of administrative trials and hearings. The department has made significant progress in improving services to it's customers all while facing a scale of construction unparalleled in the city's history. In fiscal year 2017 the department issued nearly 166,000 initial and renewal permits combined, a three percent increase from fiscal 2016 and a 12 percent increase from fiscal year 2015, of those permits 109,700 were initial building permits including 2,100 new building permits and 107,000 alteration permits, the remaining 56,000 were renewals. It should also be noted that the department issued 2,030 demolition permits last year which shows that construction activity throughout the city has shown little signs

of abating. Despite the uptick in construction activity I'm proud to report that our service levels continue to improve. Our plan review times have decreased significantly across the board since fiscal year 2015 to fiscal year 2017, the average time to complete a first plan review for new buildings and major alterations has decreased by more than nine days from 15... from 15 days to six days. The average time complete first plan reviews for new building applications filed through our hub which allows for electronic filing of the plans decreased by 13 days from 18 days to five days. The average time to complete first plan reviews for major alteration applications also filed through the hub decreased from 16 days to five days. The department is also responding to complaints expeditiously, we received 16,600 priority A complaints in fiscal year 2017. A complaints capture violating conditions that if occurring present an immediate threat to the public and include unsafe demolitions, building instability and improper egress. While our target to respond to these complaints is 24 hours, we respond within 14 hours of receipt and within two hours for the most serious cases. We received 73,000 priority B

1 complaints in fiscal year 2017, B complaints capture
2 violating conditions that if occurring while serious
3 do not present an immediate threat to the public.
4 These include complaints of excessive construction
5 debris, cracked retaining walls and tampering with
6 posted notices. Our target to respond to these
7 complaints is 40 days, these complaints which were
8 responded to in over 40 days just a few years ago are
9 as of last month now responded to within nine days.
10 These tremendous gains are the result of the hard
11 work and dedication of our inspectors and the use of
12 data analytics to better target our resources and DOB
13 now inspections which is a platform that provides
14 online scheduling for virtually all inspections
15 making, making it easier to schedule inspection
16 appointments and improve inspection traffic... tracking
17 and notifications. One of the most important outcomes
18 of the Mayor's increased investment in the department
19 is the increased capacity to analyze and use data.
20 The department has always collected data but now we
21 are able to marshal this information to improve
22 operations and better inform the public about our
23 work. In November 2017 we launched the New York City
24 construction dashboard which is a data rich
25

1 interactive quarterly report on construction and real
2 estate development in every neighborhood of the city.
3 In addition to the dashboard our data analytics team
4 is also providing the public with a series of topical
5 subject area reports the first of which is our
6 citywide façade safety and sidewalk shed report. The
7 department is committed to promoting safe and
8 compliant construction and improving quality of life
9 for all New Yorkers. In 2018 the construction... in
10 2018 construction safety week will be the week of May
11 7th and the department will be engaging in a number
12 of initiatives to promote safe construction. This
13 includes department staff visiting construction sites
14 to promote safety during our multilingual experience
15 is not enough campaign. The campaign emphasizes the
16 importance of safety and is intended to remind
17 workers that they must use proper fall protections
18 such as safety harnesses, guard rails and netting
19 regardless of how much experience they possess.
20 During construction safety week the department will
21 also be hosting its annual build safe live safe
22 conference on May 10th, hundreds of construction
23 professionals are expected to attend department led
24 seminars where they will learn about the latest
25

1
2 accident trends and best practices for improving
3 safety. There were 12 fatalities on building
4 construction sites last year, a number that has
5 remained constant over the past three years even one
6 death is too many and any loss of life is
7 unacceptable. Injuries have increased by nearly 40
8 percent from 472 in 2015 to 666 in 2017. There are
9 several explanations for the increase in injuries
10 including increased construction activity and
11 required safety professionals on more construction
12 sites reporting accidents that have previously gone
13 unreported. However, a lack of safety training for
14 construction workers could also be a cause of
15 accidents. Last year 16 local laws were enacted
16 focusing on the issue of construction safety. I would
17 like to thank this committee for it's partnership in
18 advancing this important issue. Certainly, the most
19 impactful of these laws is Local Law 196 which when
20 fully phased in will require that workers at many job
21 sites receive a minimum of 40 hours of safety
22 training and that supervisors at job sites receive a
23 minimum of 50 hours of safety training. The
24 department has been hard at work leading up to the
25 first major milestone in the law March 1st when a

1 minimum of ten hours of safety became mandatory for
2 workers. Since the enactment of the law the
3 department has been hosting bi-weekly information
4 sessions for all facades of the construction
5 industry. The department has also been providing
6 regular updates concerning the laws implementation
7 through a number of different channels reaching many
8 thousands of stakeholders. In conjunction with the
9 Mayor's Office and our partner agencies including the
10 Mayor's Office of Immigrant Affairs and the
11 Department of Small Business Services a day of action
12 was held last month where fliers and palm cards in
13 multiple languages were distributed to workers
14 throughout the city. There are also advertisements
15 running or soon to come on Link NYC kiosks, bus stop
16 shelters, social media and on 3-1-1 to inform workers
17 of the new training requirement. The site safety
18 training task force which the law mandated convened
19 last month to, to discuss the training curriculum,
20 recommendations from the task force were submitted to
21 me by March 1st in accordance with the law, I am
22 currently reviewing the task force recommendations
23 and expect to issue a determination on the training
24 curriculum including the content and number of hours
25

of required training in short order. As soon as the curriculum is finalized it will be shared broadly so course providers can submit their curriculum to us for approval and the important work of providing safety training for workers can continue. Also, we're highlighting our number of laws that will improve crane safety among these are laws that will require that anemometers capable of measuring wind speed be installed on cranes, hoisting machine operators of large cranes obtain a license rating to operate such cranes and require the certain cranes be retired on... once they have reached a certain age. The department also sends out regular weather advisories to inform property owners, contractors, and crane operators to take appropriate precautionary measures during inclement weather. Together these laws and practices will help ensure that crane operations in the city are safe. The department received and responded to nearly 90,000 complaints from the public in fiscal year 2017 and together with the 156,000 development inspections completed in that time frame the department issued approximately 66,000 ECB violations an increase of almost 27 percent from fiscal year 2015 when the department issued approximately 52,000

ECB violations. Behind these numbers is our commitment to all New Yorkers that we will vigorously discipline bad actors in the construction industry. Our enhanced enforcement... information technology and data analytics capabilities have improved our ability to target resources where the greatest risk exists and to identify bad actors. In February the department issued its first monthly enforcement action report, this report which has been well received details the department's actions to sanction and deter bad actors in the construction industry through the enforcement of safety laws and codes of conduct for construction professionals. In the March 2018 enforcement action report the following actions are highlighted; 127,000 dollars in fines including daily penalties were issued for illegal building alterations at eight different locations, 90,000 dollars in fines including daily penalties were issued for illegal transit use of buildings at ten different locations, 140,000 dollars in fines for failure to safeguard constructions at 14 different locations, and 50,000 in fines were issued to five different individuals for failure to carry out duties as construction superintendents. Keep in mind that these are just the

1 highlights of adjudicated actions and do not include
2 the thousands of violations we issue routinely each
3 month. The department has also been quite active
4 issuing more licenses to construction professionals
5 representing the 25 trades we license or register.
6 The department issued 3,100 licenses in 2016 and
7 4,300 licenses in 2017, the increases can be
8 attributed in part to an increase in construction
9 superintendent and journeyman plumber licenses. We
10 expect this number to continue to grow as we add
11 three license types over 2018 and 2019 including lift
12 director, limited gas use and journeyman gas use. In
13 an effort to improve the city's collection of
14 penalties associated with the violations the
15 department is requiring that all applicants for a
16 license pay any outstanding penalties before it...
17 being issued a license. This effort has resulted in
18 the collection of 3.7 million dollars over the last
19 two years. We are also regularly taking action to
20 suspend or revoke the licenses, registrations or
21 filing privileges of professionals who work unsafely
22 and put their lives and the lives of others at risk.
23 In 2017 the department took disciplinary action
24 against 77 licensees including revoking or suspending
25

the licenses of 19 individuals or corporations and 22 design professionals either surrendered filing privileges or had them revoked. Notable disciplinary actions taken against licensees and design professionals last year include Faisal, Faisal Hassan, a general contractor and registered construction superintendent surrendered both registrations after three workers were injured when a roof collapsed on them at 31-25 28th Road in Long Island City; Alfonso Prestia, a registered construction superintendent surrendered his registration after he was convicted of manslaughter for his role in the death of a worker at a construction site located at 9th Avenue in Manhattan; Robert Lenihan, a registered architect had his directive 14 and professional certification privileges revoked for knowingly including false statements on multiple technical reports submitted to the department; Daniel Odigie, a professional engineer surrendered all directive 14 and professional certification privileges for submitting multiple defective sidewalk shed applications to the department including for a sidewalk shed that collapsed on November 19th, 2017 in Manhattan. Tenant

1 protection continues to be the focus of the
2 department, the department participates in the city's
3 tenant harassment prevention task force, a
4 partnership between multiple city and state agencies
5 in which cellar to roof inspections are performed,
6 investigations identify bad actors and the
7 appropriate enforcement actions are taken. Separately
8 the department also partners with the Department of
9 Housing Preservation and Development in performing
10 inspections. Over the past two years the task force
11 has conducted over 1,800 inspections resulting in the
12 issuance of 1,300 violations, 47 partial or full stop
13 work orders and 30 partial or full vacate orders.
14 Resulting from our investigation several owners have
15 been referred to the state attorney general's office
16 and are in various stages of prosecution and
17 settlement negotiations. Notably in September of 2017
18 the attorney general, the governor, and the Mayor
19 announced the first of it's kind settlement between
20 the task force and Icon realty management, the
21 settlement requires Icon to adopt policies and
22 procedures to prevent future violations and safety
23 risks, correct all outstanding violations, establish
24 safe construction practices, provide rent abatements
25

1 to tenants during disruption of essential services,
2 appoint a tenant liaison to immediately address
3 tenant concerns and establish an independent monitor
4 to ensure Icon's compliance with this agreement. The
5 settlement also requires Icon to pay 300,000 dollars
6 to the state of New York on behalf of the task force
7 and over 200,000 in penalties, fees, and costs to the
8 city. Twelve local laws that seek to address the use
9 of construction to harass tenants were enacted last
10 year, the department is hard at work implementing
11 these laws. When fully implemented these laws will
12 require among other things that tenant protection
13 plans include detailed information regarding the
14 measures to... the measures in place to protect tenants
15 and that the department inspect five percent of
16 occupied buildings undergoing construction. Greater
17 scrutiny of contractors who've been found to conduct
18 work without a required permit and increases in civil
19 penalties for work without a permit and for violating
20 a stop work order. The department received 5.2
21 million dollars in funding to strengthen its ability
22 to protect tenants from construction harassment, the
23 additional 75 positions providing, provided relating
24 to tenant protection legislation include
25

1 inspectorial, administrative, and technical staff. We
2 recently received approval for this funding and are
3 actively advertising and recruiting to fill these
4 lines. I'd now like to turn your attention to the
5 department's work in connection with the development
6 process. There's been substantial improvements in
7 wait times for development inspection despite
8 increases in the number of inspection requests. In
9 fiscal year 2017 the department conducted 156,000
10 development inspections up over 12 percent from
11 139,000 inspections in fiscal year 2015. The average
12 wait time for development inspections since fiscal
13 year 2015 fell by a day from four days to three days.
14 The department has deployed a number of strategies to
15 further improve upon these planned review service
16 levels including increasing it's plan examiner work
17 force. The department also created a supervisory
18 position, assistant chief plan examiner to monitor
19 productivity and the quality of plan reviews. In
20 addition to hiring more examiners the department
21 published on it's website project guidelines, the
22 common refrain from the industry has been that the
23 plan exam process was too unpredictable varying
24 widely from borough to borough and project to
25

1 project. In order to ensure our customers, receive
2 consistent answers the department developed and is
3 publishing a series of plan examine guidelines for a
4 wide variety of projects. These guidelines which with
5 specific versions for property owners and design
6 professionals detail the items that must be provided
7 when submitting construction documents and filing for
8 permits. We also use these same guidelines to train
9 our staff helping to ensure predictable and
10 consistent reviews. The department has also hired
11 more project advocates to assist customers in
12 navigating the, the project planning and construction
13 processes free of charge. The multiyear replacement
14 of this departments core information system is
15 progressing as we continue to shift additional filing
16 types off the main frame system that the department
17 has relied on for over 30 years to a new browser-
18 based system called DOB now. Upon completion
19 customers will be able to perform virtually all
20 interactions with the department online and the
21 system will also result in increased transparency
22 both externally and internally. In the second half of
23 2017 we added a number of permit types to DOB now,
24 Build including antenna, curb cut, fence, elevators,
25

scaffolds, sidewalk sheds, sign and electrical with which over 60,000 annual applications is the largest of the 33 different types of build permits that the department issues. In the DOB now, safety module we added filings of annual boiler inspections. At the beginning of this year we added the ability in DOB now inspections for applicants to request certificate of occupancy sign offs for electrical and plumbing work on new building and major alterations. This new functionality has in just a few weeks already served over 400 applicants from having to visit a borough office to make this request in person and the checks were embedded in the online system have also add the added effect of reducing the number of incorrect submissions thereby also improving the departments response time to these requests. By the end of this year we expect to complete the second of three phases in the roll out of DOB now at that point nearly two thirds of the transactions that the department processes; applications, filings, inspections, licenses and permit issuances will all be going through DOB now. This summer we will be adding elevator compliance filings which consist of more than 100,000 annual inspections and tests. Later on,

1 we will add permits for general construction,
2 mechanical, and structural as well limited alteration
3 applications, we will also be beginning the roll out
4 of licensing which is the last of our four modules of
5 DOB now and which upon completion will handle the
6 issuance and renewal of more than two dozen different
7 license types that the department currently
8 administers. Concerning our construction codes, the
9 department is not only embarking on it's periodic
10 revision which will involve the hard work of over 500
11 industry and agency participants, we're also moving
12 forward with the creating... with creating two entirely
13 new codes. The construction codes which include
14 building, plumbing, mechanical, fuel, gas and
15 electrical codes are periodically updated to ensure
16 they incorporate the latest technologies and national
17 standards along with local modifications to fit the
18 city's dense urban environment. Following the Mayor's
19 directions to simplify the codes to make compliance
20 easier the department has also kicked off a research
21 effort with the goal of developing recommendations
22 for a code to specifically address work on existing
23 buildings. Currently when performing construction in
24 an existing building one or all of the myriad of
25

1 local and state codes need to be adhered to, an
2 existing building code will improve ease of use by
3 consolidating all of the requirements in one place.
4 To address the need for regulation on water front
5 properties the department is undertaking an effort to
6 develop code requirements for waterfront structures.
7 While current construction code and national code
8 requirements address building construction generally
9 current regulations do not specifically address
10 design and construction requirements for waterfront
11 structures such as piers, wharfs and sea walls which
12 can serve as the foundation for new building
13 construction on water. While we are proud of our
14 progress thus far there is more work to... still to be
15 done. We thank the council for its support and look
16 forward to continuing our work together to improve
17 the department for the benefit of all New Yorkers.
18 Thank you.

19 CHAIRPERSON CORNEGY: Thank you
20 Commissioner for your testimony, I regret to inform
21 you that this hearing will be moved to the 16th floor
22 at 250 Broadway immediately we have been supplanted
23 by a larger more in-depth hearing, anyone who has
24 signed up to testify is welcome to join me across the
25

1 street at 250 Broadway, the, the que still remains
2 the same, if you signed up to testify I have your
3 slip and you'll be allowed to testify. We will be
4 reconvening in seven minutes across the street so
5 that means if you would indulge me by hustling up a
6 little bit to the 16th floor so that we can continue
7 this hearing. Thank you so much, I'm sorry for the
8 inconvenience.
9

10 [gavel]

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C E R T I F I C A T E

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



Date

April 14, 2018