



**Department of
Housing Preservation
& Development**

**Testimony of the Department of Housing Preservation and Development to the New
York City Council Committees on Housing and Buildings and Finance
Fiscal Year 2014 Executive Budget
Monday, May 20th – 10:00am**

Good Morning Chairmen Dilan and Recchia and members of both the Housing and Buildings and Finance Committees. My name is Mathew Wambua, Commissioner of the Department of Housing Preservation and Development. Sitting next to me are Molly Wasow Park, Deputy Commissioner for Financial Management and Analysis, Eva Trimble, Assistant Commissioner of Budget, and Chris Gonzalez, Assistant Commissioner for Government Affairs and Research. Thank you for the opportunity to discuss HPD's recent accomplishments, our plans for the future, and the ways in which the City's 2014 Executive Budget impacts these plans.

Since our Preliminary Budget hearing in March, recovery efforts from Hurricane Sandy continue to be a primary focus for the agency as we prepare to initiate Federal CDBG-DR funded programs to help homeowners and tenants rebound from the storm. Along with the storm recovery effort, HPD is also focused on the recent Federal Sequestration and the impact this will have on our Section 8 program, where funding cuts may have a real and terrible affect on low income families. However, despite these recent challenges, HPD's programs over the course of this Administration have made a tremendous impact on people and neighborhoods across New York City. I want to share some examples with you at the end of this presentation so that you can see how we have leveraged limited resources to make a lasting impact.

Hurricane Sandy devastated New York City in many ways, but the impact on housing has been particularly challenging. I would like to begin by updating you on the City's Housing recovery effort and discuss the programs we are launching to assist New Yorkers affected by the storm. As you all know, the US Department of Housing and Urban Development (HUD) approved New York City's proposed Action Plan for spending the first tranche of Federal CDBG-DR funding totaling \$1.77 billion. Of those funds, \$600 million is targeted towards housing recovery programs. HPD has been working closely with our partners at the Housing Recovery Office (HRO) and we are launching programming that meets the needs of homeowners and tenants impacted by the

storm. All residential intake will be coordinated by HRO and facilitated by case managers who will work with each household to determine eligibility and ensure they are referred to the appropriate services. HRO, through a partnership with DEP, will facilitate the repair of small homes. HPD, on the other hand, will be facilitating both small home rebuilding and multi-family rehabilitation loans. Last week, HPD issued a Request for Qualifications (RFQ) for development teams interesting in rebuilding 1-4 unit homes destroyed or substantially damaged by Hurricane Sandy. This RFQ is being issued to identify development teams who have the expertise and capacity to rebuild these homes in a cost-effective, timely, and contextually-sensitive manner. For multi-family buildings, HPD will offer zero-interest loans to make repairs and build resiliency to prevent future storm damage. We estimate that this initial allocation of CDBG-DR will invest in almost 13,000 residential units.

At the Preliminary Budget hearing I mentioned that HPD was seeking a waiver from HUD with the hopes of creating a rental subsidy program to assist lower income residents displaced by the storm. I am happy to report that HUD has approved the necessary waiver and the rental subsidy program as part of the City's Action Plan. HPD has set aside \$20 million in CDBG-DR funds to support a 2-year rental subsidy program for approximately 600 Sandy impacted households. HPD will be targeting this subsidy towards displaced households at or below 50% of Area Median Income (AMI).

Our Sandy recovery programs are designed to meet the varying needs of New Yorkers – including small homeowners, multi-family building owners, and tenants. However, our ability to serve both Sandy victims and all other New Yorkers in need of safe affordable housing depends in a large part on available resources. So now I would like to provide a summary of HPD's Budget.

As of the Executive Budget, HPD's operating budget is \$790 million, with City Tax Levy funds accounting for only 8% of our budget. Section 8 funding comprises nearly 60% of our budget but that includes the value of the vouchers, which is really just a transfer payment to landlords. CDBG funding is the largest source of operating support for the agency with over \$130 million in FY13 funding.

The Executive Budget for FY14 totals \$560M. While this appears to be a sharp decrease from FY13, we expect our FY14 budget will be adjusted upwards during the course of the year. Since 90% of our budget is non-City funds, our budget is adjusted to reflect grant approvals, rolls, and technical adjustments throughout the year. I am happy to announce that our FY14 Budget includes \$750,000 for continued support for those impacted by mortgage foreclosure. These funds will supplement the City Council allocation for this program. Please note that the Federal CDBG-DR funding is not yet reflected in the FY14 budget. We expect OMB will forecast these funds over time and in phases to reflect the cash flow needs of the programs.

Transitioning to our Capital Budget, we see that HPD's Capital Budget is over \$1.1 billion for FY13 and FY14, which takes us to the end of the Mayor's New Housing Marketplace Plan. Federal HOME funds currently comprise 20% of HPD's Capital

budget. HOME is a significant portion of HPD's Capital Budget, but please note that this figure is down from 30%, which was the historical average before the Federal cuts. HPD's Capital Budget has experienced a steady decline over the last few years, and this general trend is expected to continue into the future. Accordingly, New York City's production of affordable housing will most likely decline in the upcoming years unless additional Capital funding is identified. For example, HPD commits an average of just over \$300 million in total funding each year, but given current trends, funding levels in FY15 through FY17 will most likely not reach the \$300 million mark. As we have discussed in the past, HPD is very much interested in partnering with the City Council to coordinate Reso A allocations to fund shovel ready projects in your districts and help offset the lost HOME funds.

While continued capital funding is certainly a concern for the agency, our biggest budget concern at the moment is Sequestration and the impact on our Section 8 program. As you know, Congress passed the Budget Control Act this past March, which triggered across the board cuts of 5.1% to the federal budget. HPD currently estimates that this Congressional action will result in a shortfall of approximately \$36 million for Calendar Year 2013. \$36 million supports Section 8 vouchers for approximately 3,000 households. After existing reserves have been exhausted, we estimate a deficit of \$16 million which may result in the loss of rental subsidy for approximately 1,300 families. Funding shortfalls may continue into CY14, thus impacting even more families since all reserves would have been spent. To reduce the risk of voucher termination, HPD is making immediate adjustments to its procedures and policies. This includes more strictly enforcing HPD and HUD policies, reducing subsidy and payment standards, and limiting new leasing.

Without intervention, Sequestration will have a real and terrible effect on low-income families who depend on Section 8 to make up the difference between the rent they can afford and the asking price of a rental apartment. HPD uses Section 8 to support our Supportive Housing and Low Income Rental programs, as well as to help facilitate the rehabilitation of occupied buildings and protect in place tenants. A reduction in this resource will diminish our ability to provide services to this vulnerable population. It is vital that our Congressional representatives are well-versed on the impact the sequester will have on Section 8 so they are prepared to advocate when presented with decisions on housing and budget bills. To that end, I will be heading down to Washington, D.C. next week to discuss our issues on Capitol Hill. I will also be coordinating another D.C. trip in June with other housing agencies to meet with the New York delegation. We will be discussing the budget and sequester impact on HPD with a specific focus on these devastating impacts on Section 8.

The consequences of sequestration on Section 8 represent a significant challenge for affordable housing development in New York City. Housing provides more than just shelter. High quality, safe, and affordable housing helps to stabilize neighborhoods and families. While we are disturbed by this latest challenge, I want to use this opportunity to highlight the vast improvements made to neighborhoods and families over the course of this administration.

According to the 2011 Housing & Vacancy Survey, 43% of those New York City households earning less than 30% AMI are considered rent burdened – meaning they are paying more than 30% of their income towards rent. This is a high proportion, but the figure is approximately 62% for households earning between 40% AMI and 80% of AMI. It may seem strange that the low income households are more rent burdened than the extremely low income households, but this is because the extremely low income households have access to Federal programs such as public housing and Section 8. The 40-80% AMI group comprises low-income working households that in some cases earn too much to qualify for other forms of public assistance. However, they are still a vulnerable population as they are struggling to make ends meet. These groups combined have been the greatest beneficiaries of the Mayor's New Housing Marketplace Plan (NHMP). 80% of the units started under NHMP are targeted for households making less than 80% of AMI. This was in large part due to the availability of HPD's Section 8 to help families secure units in HPD housing. Without this resource in the future, we expect to see these rent burden proportions increase.

The Mayor's New Housing Marketplace Plan has leveraged both public and private investment over the course of this administration. We have talked a lot in the past about how the Plan has leveraged private investment. I want to talk today about how the Plan has leveraged change for neighborhoods across New York City. As of the end of March, we have started just over 147,000 units towards the goal of 165,000. As you can see from this map of Harlem & the South Bronx, the Plan is not just a few scattered buildings across the City. For some neighborhoods, it has meant a new or newly rehabbed building on almost every block. The large scale of this program means that we have not just impacted housing quality but we have transformed entire neighborhoods. Increased housing quality has dramatic consequences on all other aspects of people's lives, and HPD has the data to prove it.

Through grant funding and a partnership with Teacher's College at Columbia University, HPD has been following 3,000 households to quantify the impact of affordable housing on well-being. All of the families applied to the lottery for HPD housing, but half of the households received a unit in HPD housing, and the other half did not receive housing through the lottery. Our initial survey tracked metrics such as financial anxiety, healthcare access and utilization, psychological distress, and of course, asthma symptoms. HPD has just received additional grant funding to expand the study to track metrics such as educational outcomes for children, deeper financial indicators, and nutrition and exercise metrics.

The data show that households who received HPD housing fare much better than those that did not. For example, financial anxiety indicators (feeling extremely worried about making ends meet) showed only 8% of HPD households as compared to 28% of non-HPD households. Only 25% of HPD households delayed healthcare interventions for financial reasons as opposed to 39% of other households. Asthma symptoms were only 13% for HPD households as opposed to 27% for other households. Receiving affordable housing has far greater consequences than just these data points. If this is true for the

1,500 households in this survey, imagine the impact the New Housing Marketplace Plan has made on people's lives for the 147,000 units that HPD has started already under the Plan.

The quality of New York City housing is the result of many factors, but the City's investments in code enforcement and emergency repairs have also played an important part in strengthening neighborhoods. Through efforts like the Alternative Enforcement Program (AEP) and Proactive Preservation Initiative (PPI), HPD continues to improve upon the concept and breadth of the Mayor's New Housing Marketplace Plan.

AEP is a great example of the true partnership we have developed with the City Council and all indicators show AEP is working as intended. Correction of over 193,000 violations has greatly improved the quality of housing for tenants in AEP buildings and has led to the discharge of over 600 buildings from the program. In addition, HPD has replaced 250 building systems in another 139 buildings. Overall, we have spent nearly \$29 million to improve conditions in the buildings in the AEP portfolio and have also collected nearly \$29 million in AEP and ERP fines and fees.

One great example of the success of this program is 465 East 167th Street in the Bronx. This was a Round 2 building from 2008 and was discharged last May 2012. At the start of AEP there were 600 open violations. The AEP Order to Correct included: replacing waste lines, domestic water supply, defective floor joists, and roof pointing. The original owner was not complying and resulted in a number of Housing Litigation cases. The original owner sold the building to the current owner who corrected violations and complied with the AEP Order to Correct. This is great example of how AEP leverages our enforcement tools to stop distress and hold owners accountable for their buildings.

In conclusion, I am so proud to be able to share with you the impact that HPD's programs have on New York City residents. I hope from this presentation you can see how important it is that we all advocate for full funding of affordable housing programs with the Congressional delegation. A reduction to a resource like Section 8 impacts every aspect of what we do and hurts low-income New Yorkers. We hope that through our collective efforts we can appeal to Congress to end sequestration before it causes too much damage. And finally, Sandy recovery, including rebuilding and resiliency measures, will be a new core to HPD's mission for the next few years. I thank you for the opportunity to provide you with this update on HPD's budget. We welcome any follow-up questions you might have.

NYC Housing Preservation & Development

FY2014 Executive Budget Hearing

May 20, 2013

Mathew Wambua
HPD Commissioner

NYC
Department of
Housing Preservation
& Development

Introduction

- Recovery efforts from Hurricane Sandy continue to be a primary focus for the agency as we prepare to initiate Federal CDBG – DR funded programs to help homeowners and tenants comeback from the storm.
- HPD is also focused on Sequestration and the impact it will have on the Section 8 program, where funding cuts may have a real and terrible effect on low-income families.
- However, despite these recent challenges, HPD's programs over the course of this administration have made a tremendous impact on people and neighborhoods across the City.

Outline

1. Introduction

2. Hurricane Sandy Update

- Small Home Rebuilding
- Multi-Family Loans
- Rental Subsidy Program

3. Overview of HPD Budget

- Operating Budget
- Capital Budget
- Sequestration

4. HPD Impact on people and neighborhoods

- NHMP
- Code Enforcement Success

Housing Recovery

HPD and the Housing Recovery Office (HRO) will be coordinating efforts to implement nearly \$600M CDBG funded programming

- All residential intake will be coordinated by HRO so that small and multi-family homeowners will all be instructed to call 311 and be directed to the same place for services.
- HRO will be facilitating case management services for all homeowners who request services to ensure the project meets Federal program guidelines and prevents duplication of benefits with FEMA, insurance, etc.
- HRO/DEP will facilitate repairs of small homes (1-4) repairs through the Small Homes Repair program.

HPD Recovery Programs

HPD will be using nearly \$400M to facilitate rebuilding & rehabilitation programs

Small Home Rebuilding

- HPD will finance the rebuilding of small homes that cannot be repaired or were already demolished.
- Grant funding will be used to fill the gaps in funding between the full cost of construction and FEMA and insurance payments.
- HPD issued an RFQ for development teams for different areas of the city.
- We estimate that there are about 600 small homes that were completely destroyed or demolished.

Multifamily Rehabilitation Loans

- The funds will be conveyed as zero-interest forgivable loans, and can be forgiven depending on property specific circumstances.
- We estimate that this initial allocation will invest in almost 13,000 units

Rental Subsidy Program

HUD has approved a waiver to allow HPD to implement a 2 year rental subsidy program.

- \$20M in CDBG funding will support a 2-year program for approximately 600 households
- HPD will be targeting this subsidy towards displaced households at or below 50% AMI, including those still in hotels
- HPD staff will be providing placement services to help match clients with units

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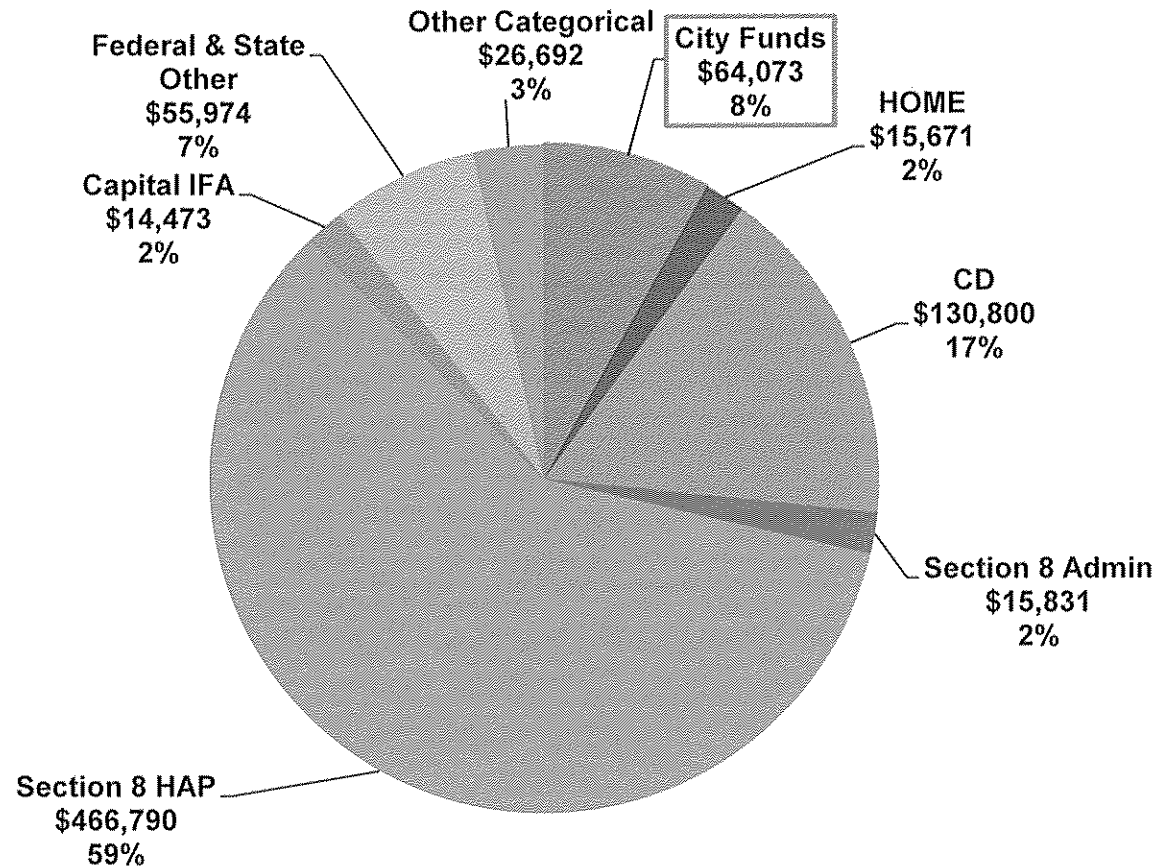
4. HPD Impact on people and neighborhoods

- NHMP
- Code Enforcement Success

City Tax Levy funds comprise only 8% of HPD's total FY13 budget...

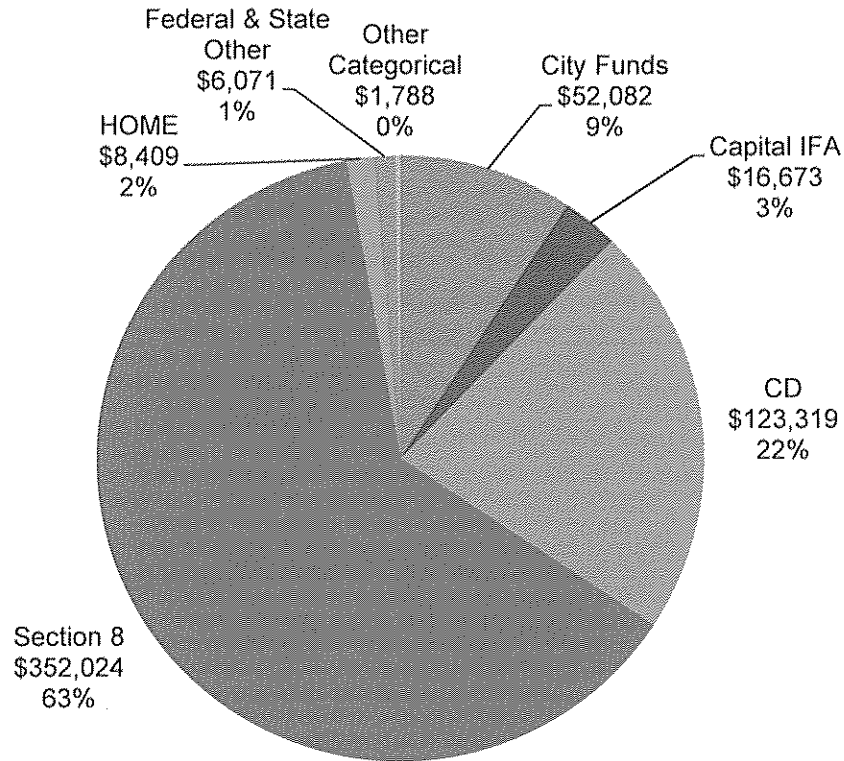
The Expense Budget includes funds for operating (PS & OTPS) as well as project & program costs

FY13 Budget: \$790M



FY14 Executive Budget

FY14 Budget: \$560M



The FY14 budget now includes \$750K for the mortgage foreclosure prevention RFP

These are examples of technical changes that will increase the FY14 budget:

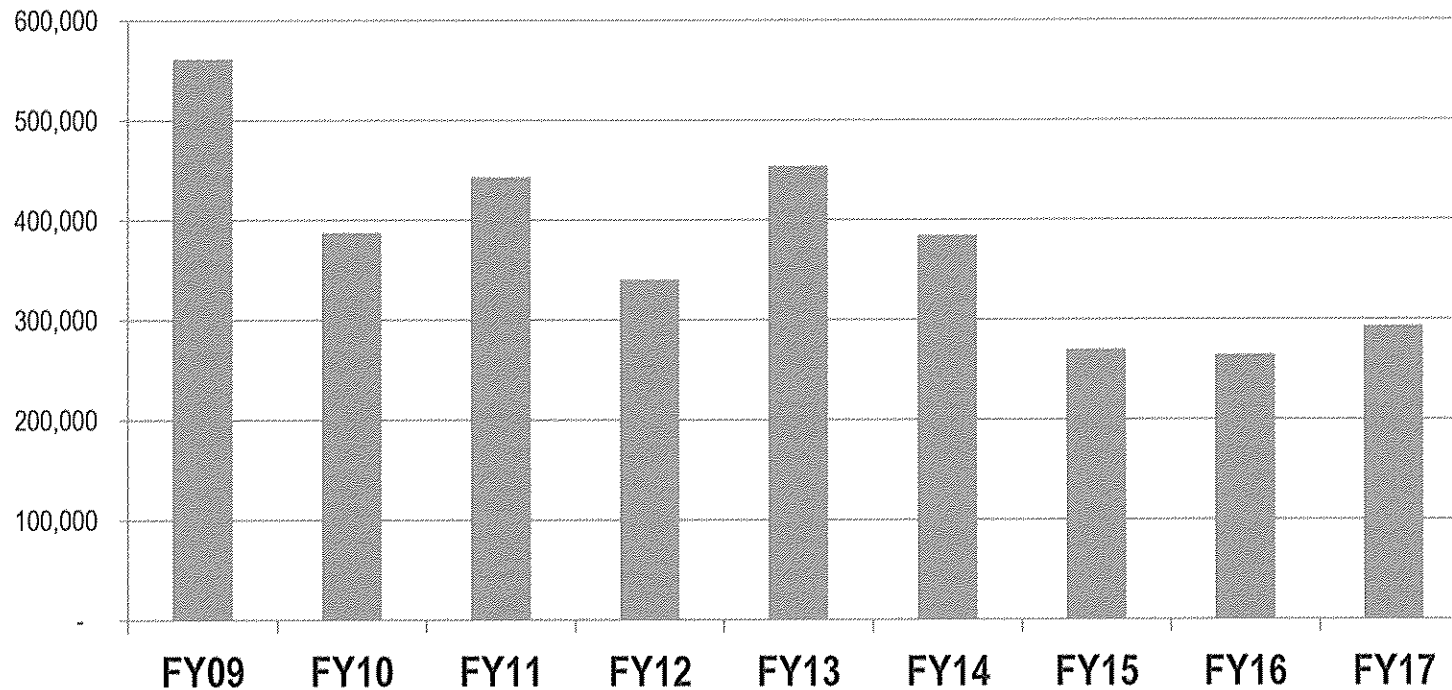
- Section 8 and other grants will be fully incorporated into the FY14 budget as received
- A portion of one-time funds will roll to FY14
- City Council discretionary funding is not yet included
- Federal FEMA funding for Sandy reimbursement and recovery may roll into FY14

The CDBG – DR funds are not yet reflected in the FY14 Budget

Capital Budget Summary

HPD's FY13-14 Capital budget is positioned to support the NHMP goal, but there are challenges to maintaining production in the outyears

HPD Capital Budget at Executive Plan



All Funding Sources (HOME, Reso A, 421a)

FY10 and FY12 reflect Capital Budget reduction exercises

The Impact of Sequestration on Section 8

HPD's current estimates show a shortfall of approximately \$36M for Calendar Year 2013.

- \$36M supports approximately **3,000** households
- HPD will utilize reserves to help phase in the full reduction through Calendar Year 2013.
- To reduce the risk that we will have to terminate vouchers, HPD is making immediate adjustments to its procedures and policies:
 - More strictly enforce HPD and HUD policies.
 - Reduce subsidy (unit size) and payment (FMR) standards
 - Limit new assisted leasing

The outlook going forward points to continued reduction in funding from Congress.

The Consequences of Sequestration on Section 8

It's vital our Congressional representatives are educated on our issues so that they are prepared to advocate when decisions are being made and bills are being conferenced.

- HPD uses Section 8 to support our Supportive Housing and Low Income Rental programs, as well as to help facilitate the rehabilitation of occupied buildings and protect in place tenants.
- A reduction in this resource will diminish our ability to provide services to this vulnerable population.

HPD is continuing to evaluate options, and will make iterative changes to its Section 8 program as decisions are made.

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- Multi-Family Loans
- Rental Subsidy Program

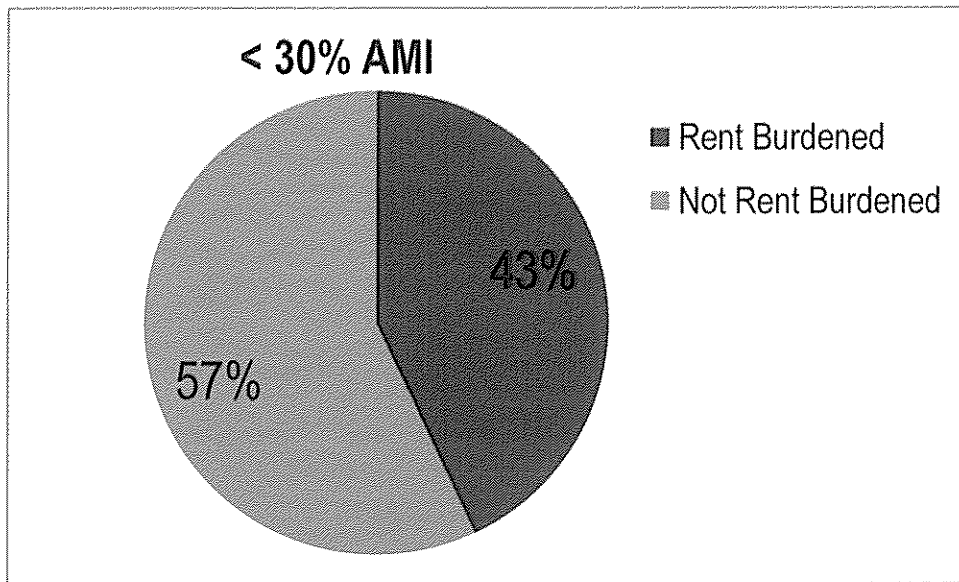
3. Overview of HPD Budget

- Operating Budget
- Capital Budget
- Sequestration

4. **HPD Impact on people and neighborhoods**

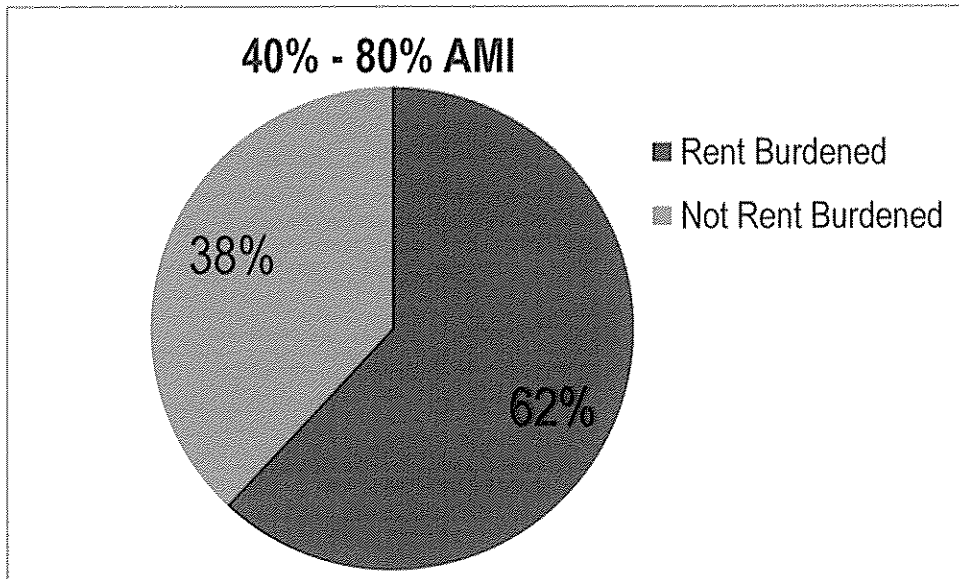
- NHMP
- Code Enforcement Success

Where is the demand for affordable housing in NYC?



- Households earning less than 30% AMI have access to various forms of assistance including public housing, Section 8

80% of the units started under NHMP are targeted for households making under 80% of AMI



- This group comprises low-income, working households that may be particularly vulnerable because although they are struggling to make ends meet—particularly in high cost markets such as NYC, they generally earn too much to qualify for other forms of assistance.

Source: 2011 Housing and Vacancy Survey (U.S. Census)

Rent burden defined as household paying 30% or more of gross household income toward gross rent (includes utilities); excludes households >200% HUDIL

NHMP in Harlem & The South Bronx



The large scale of the NHMP means that HPD has not just impacted housing quality, but has actually helped to transform neighborhoods and people

The NYC Housing and Neighborhood Demonstration Project

Lower housing costs and higher housing quality lead to overall improved well-being for tenants

- HPD is following 3,000 households (~1,500 who receive HPD housing and ~1,500 who don't)
- Initial surveys tracked metrics including:
 - Financial anxiety
 - Healthcare interventions
 - Psychological distress
 - Asthma symptoms
- New surveys are being conducted to include:
 - Education metrics for children
 - Deeper financial indicators
 - Nutrition and exercise metrics

Outcomes of Good Housing

Metric	Received Housing	Did Not Receive Housing
3+ Maintenance Deficiencies	0%	24%
Excellent/Very good place to live	68%	32%
Extremely/Very worried about making ends meet	8%	28%
Delayed 1+ type of healthcare for financial reasons	25%	39%
Asthma attack/symptoms in past year	13%	27%
Psychological Distress	1%	7%

Alternative Enforcement Program (AEP)

AEP targets City resources to where they can have the most immediate impact – on buildings that need repair most urgently.

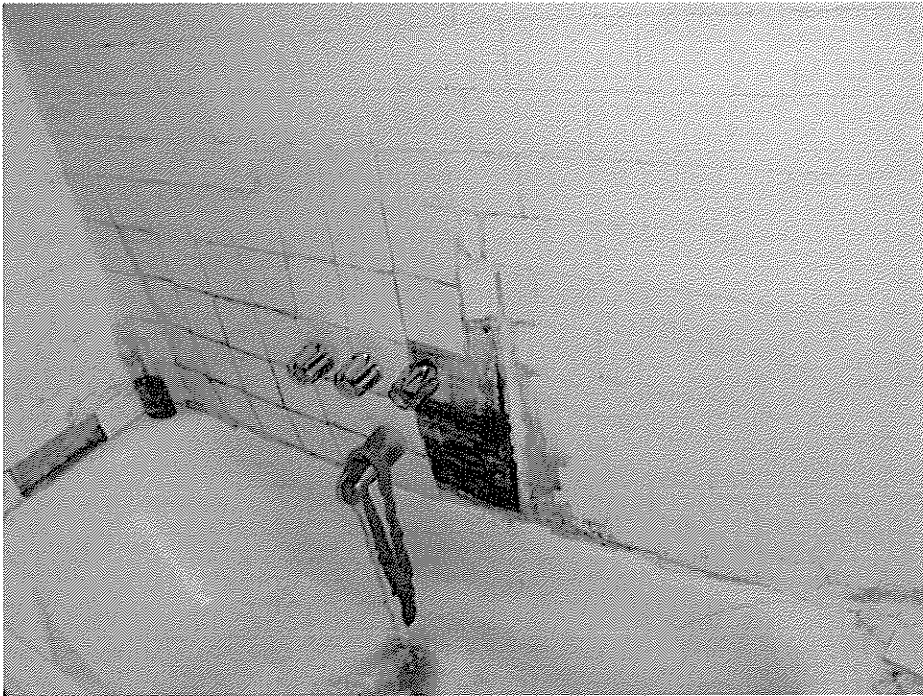
As of April 2013, **1,000 buildings** with **10,318 units** have gone through at least one full year of AEP:

- Discharged: **613 buildings**, with **7,756 residential units**
 - More than **193,000 violations** have been dismissed.
- Work by property owners:
 - **111 building systems** have been replaced in **49 buildings** by the property owners at an investment of approximately \$2 million.
- Work by HPD:
 - HPD replaced **250 building systems** in **139 buildings**.
- HPD has spent **\$28.8 million** making repairs and providing basic utility services
- Approximately **\$28.9 million** has been collected by the City in ERP and AEP charges and fees.

Alternative Enforcement Program (AEP)

465 East 167th Street, The Bronx: AEP Round 2 in 2008 – Discharged in May 2012

- At the start of AEP there were 600 open violations
- The AEP Order to Correct included: replace waste lines, replace domestic water supply, replace defective floor joists, replace roof pointing
- The original owner was not complying and resulted in a number of HLD cases
- The original owner sold the building to the current owner who corrected violations and complied with the AEP Order to Correct



Conclusion – Q&A

- HPD's programs increase housing quality and have transformed neighborhoods such that families in HPD housing show increased well-being than other families.
- A reduction to a resource like Section 8 impacts every aspect of what we do and hurts low-income New Yorkers.
- We hope that through our collective efforts we can appeal to Congress to end sequestration before it causes too much damage.
- Sandy recovery, including rebuilding and resiliency measures, will be a core part of HPD's mission for the next few years.

FY2014 EXECUTIVE BUDGET HEARING
New York City Council
Finance and Housing & Buildings Committees
Testimony by Commissioner Robert D. LiMandri
May 20, 2013

Good afternoon, Chairmen Recchia and Dilan and members of the Finance and Housing and Buildings Committee. I am Robert LiMandri, Commissioner of the New York City Department of Buildings. I am joined by First Deputy Commissioner Thomas Fariello, Executive Director of Budget and Fiscal Operations Edwin Pemberton and other members of my staff.

Our Department's core mission is clear: to advance public safety and enforce the laws that governs construction and facilitates compliant development. We continually seek innovative ways to improve construction safety, strengthen compliance and streamline our processes to allow legal construction to move forward faster.

We continue to see increases in permit applications. Last fiscal year we had 68,911 jobs filed, an increase of 6% from the year prior. Initial construction permits issued rose to 87,190 from 83,151, an increase of 5%, during the same period in the prior fiscal year. Permit renewals were also up 3.8% from the prior fiscal year.

Today I'll review our proposed budget, headcount and staffing, and I'll provide an overview of our storm related activities, as well as our critical safety and development initiatives.

I) OVERVIEW OF PROPOSED BUDGET, HEADCOUNT AND STAFFING

The Mayor's Fiscal Year 2014 Executive Budget allocates approximately \$104 million in expense funds to the Department. This excludes fringe benefits.

Of this, approximately \$84 million is for Personal Services (PS), and \$19 million is for Other Than Personal Services (OTPS).

Since the Executive budget there were adjustments totaling \$9.8 million for the following revenue generating initiatives:

1. 19 new full time positions to improve service delivery in Enforcement and Development areas: 2 inspectors, 7 engineers, 1 Development Commissioner, 4 Development Associates, 1 Enforcement Policy Advisor, 2 project managers and 2 IT professionals. Total funding added was \$1.6 million.
2. 3 positions for the Retaining Walls and Compromised Structures inspection programs consist of 2 engineers and 1 administrative support staff. Total funding, supported by fees, was \$220K.
3. Overtime funding of \$1.6 million was added for FY 2014 in order to reduce response time to Quality of Life complaints.
4. \$4.9 million was added for the private elevator inspection contract.
5. \$1.5 million was added for contractual adjustments.

The above programs are covered by new fees and revenues from construction and building permits. The Fiscal Year 2014 Executive Budget revenue plan is approximately \$173 million. This does not include the almost \$50 million in Buildings-related ECB fines that the City collects each year. As of the Fiscal Year 2014 Executive Plan, the Department's budgeted headcount is 1,128.

II) SANDY RESPONSE

In the aftermath of tragic Superstorm Sandy the Department surveyed 82,000 properties in the flood plane in all five boroughs. Each property received a designation of green, yellow or red. At the end of the initial assessments there were 934 Red and 7,799 Yellow tagged properties. In the following weeks, the Department completed an additional 4,000 detailed assessments. Working alongside HPD, FEMA, homeowners, elected officials and community groups the numbers were reduced to current levels of 648 red tagged and 953 yellow tagged properties. To date, approximately 500 homes were demolished or destroyed by the storm.

With help from the Council, we passed a law to alleviate undue financial burdens to homeowners affected by the storm. Through legislation we waived fees for electrical, plumbing and construction permits required to repair storm damaged properties. So far, there have been more than 23,000 applications approved with fees waived, getting residents back into their homes quicker and at a lower cost. There were approximately 280 homes that were so significantly damaged by the storm they required full demolition. In addition more than 220 buildings were demolished by the storm and required debris removal operations. The Department worked successfully with HPD, FEMA and the Army Corps of Engineers to ensure that homeowners would not be responsible for costs associated with demolition or debris removal. The Department also conducted over 650 individual meetings with those homeowners who have incurred the most serious damage to ensure they were aware of the demolition and/or debris removal process prior to commencement of operations.

The Department is assisting homeowners who were affected by the storm offering free design consultations to property owners and design professionals who are planning to reconstruct buildings damaged by Hurricane Sandy. During these consultations, the Department's senior

officials, technical experts and plan examiners will work closely with homeowners who plan on submitting applications and construction plans for properties in a special flood hazard area as shown on the effective flood insurance rate maps or the advisory maps recently issued by the Federal Emergency Management Agency (FEMA). This program is designed to accelerate the approval process for these projects, assist homeowners with their decisions on reconstruction and better ensure that new flood recommendations and standards are incorporated into the design and construction of these affected buildings.

The Department applied and received funding from the National Emergency Grant to have 10 case workers (starting in June) to assist the architects, engineers, licensed professionals, homeowners, tenants and residents in the communities affected by the storm on the application filing process in order to accelerate the approval of plan, permits and inspection sign-off.

Also, the Department has also applied for funding from the Hazard Mitigation Program. The Department is seeking a grant to create a specialty unit, "the Floodplain Enforcement Unit". This unit will consist of 4 plan examiners, 3 engineers, 7 inspectors and 2 support staff. The goal of the unit is to ensure that development within the special flood hazard area is conducted in a safe and code complaint manner. The Floodplain Enforcement Unit will include a team of inspectors to perform construction inspections and enforcement. The inspectors will be supported by licensed professional engineers and architects. It is anticipated that the unit will process between 60 and 70 applications per week with multiple site visits necessary in some instances. Inspections within the special flood hazard area will include, but not be limited to; site inspections, fill placement inspections, footing and foundation inspections, lowest floor inspections and final inspections. The unit will also enforce construction safety on jobsites.

The grant funding received (and applied for) are not included in the Agency's Expense budget.

III) SAFETY AND ENFORCEMENT

As we continue finding ways to accelerate compliant development, the Department's primary function remains keeping New Yorkers safe. Since 2010, we have seen increased New Building permits in Manhattan (72%) and the Bronx (83%); Demolition permits have increased 7.4% (a sign of future NB activity).

Our aggressive enforcement approach targets areas where construction activity is on the rise. The Department has increased staffing in the following areas to proactively reduce risks of accidents:

Low Rise Construction

The Department's BEST squad is responsible for focusing on new construction of high rise buildings. We have identified 14 inspectorial lines for this unit to monitor the 1000 active high rise and 800 active low rise structures. The low rise construction sites have seen an increase in accidents from 60 to 67, a 12% increase, and will now be subject to the same construction monitoring as a high-rise building construction site.

Safety Engineers

This trend has made it necessary to increase the number of technical experts available to the Department in critical high risk public safety areas. The Department has received funding to hire 5 new, high caliber, technical engineers in the Cranes and Derricks, Forensic Engineering,

BEST/Excavation, Elevators and Boilers units. These Senior Safety Engineers will allow the Department to be more proactive and improve inspection guidelines for safer construction.

IV) CODE REVISION

The New York City Construction Codes consist of four technical volumes – the New York City Building Code (BC), Plumbing Code (PC), Mechanical Code (MC) and the Fuel Gas Code (FGC) – and one administrative volume – the Administrative Code (Title 28), which contains permitting, licensing, fees and other provisions that apply universally to the four technical volumes is currently being revised.

Every three years, the New York City Construction Codes must be updated based upon the latest version of the International Code Council Codes (I-Codes). To this end, the Department has organized a series of committees (Technical, Managing & Advisory) to review the technical and administrative provisions of the Codes.

The Department is in the last phase of this revision cycle of the City's building codes, and anticipate submission to the City Council in the beginning of June the revisions to the Building, Fuel Gas, Mechanical, and Admin codes. As you may remember, Local Laws 99 of 2005 and 33 of 2007 codified the first comprehensive update of the building codes in 40 years and require the Department to periodically revise the codes based upon the latest version of the International Code Council Codes (I-Codes) with amendments that reflect the unique character and needs of the City. These periodic revisions enable us to incorporate advances in technology and materials into the fabric of NYC buildings. The codes are revised through a highly collaborative committee process of involved stakeholders that include architects, engineers, and

representatives from the construction industry, labor and real estate. Additionally, staff from 11 other city agencies is participating in the process to ensure that the resulting code provisions are not only up-to-date technically, but also make it easier to comply with multi-agency construction requirements. The first phase of this revision effort was the revisions to the NYC Plumbing code, a.k.a. Local Law 41 of 2012, unanimously approved by the Council and signed by the Mayor in August of 2012.

The Plumbing Code does not take effect until the entire Code revision is done and enacted. Therefore, we put the utmost emphasis on having the Council review the bill and perhaps have a hearing in June, so we may pass the Code revision of all portions of the Construction Code before the end of the year. During this time we will also work with our partners in the Council on the recommendations of the Buildings Resiliency Task Force to help make New York safer in cases of future storms.

V) **CONCLUSION**

In closing, I would like to reiterate my appreciation for your support, and I look forward to working together, protecting all New Yorkers, including the hundreds of thousands of construction workers who build our City.

I would be happy to answer any questions you may have. Thank you.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Robert L. MANDI (PLEASE PRINT)

Address: Commissioner

I represent: Dept of Buildings

Address: 280 Bldg

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Edwin Penderford (PLEASE PRINT)

Address: Fiscal Director

I represent: Dept of Buildings

Address: 280 Bldg

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Bronx Variello (PLEASE PRINT)

Address: First Dep Commissioner

I represent: Dept of Buildings

Address: 280 Bldg

Please complete this card and return to the Sergeant-at-Arms