

CITY COUNCIL  
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH THE  
COMMITTEE ON HOUSING AND BUILDINGS

----- X

May 11, 2016  
Start: 11:44 a.m.  
Recess: 3:02 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: JULISSA FERRERAS-COPELAND  
Chairperson

JUMAANE D. WILLIAMS  
Chairperson in Absentia

COUNCIL MEMBERS: Ydanis A. Rodriguez  
James G. Van Bramer  
Vanessa L. Gibson  
Robert E. Cornegy, Jr.  
Laurie A. Cumbo  
Corey D. Johnson  
Mark Levine  
I. Daneek Miller  
Helen K. Rosenthal  
Steven Matteo  
Rosie Mendez  
Rafael L. Espinal, Jr.  
Mark Levine  
Ritchie J. Torres  
Barry S. Grodenchik  
Rafael Salamanca, Jr.  
Eric A. Ulrich

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

Vicki Been, Commissioner  
Dept. of Housing Preservation and Development

Baaba Halm, Assistant Commissioner  
Intergovernmental Relations & Regulatory Compliance  
Dept. of Housing Preservation and Development

Eva Trimble, Deputy Commissioner  
Financial Management and Tenant Resources  
Dept. of Housing Preservation and Development

Rick Chandler, Commissioner  
NYC Department of Buildings

Thomas Fariello, First Deputy  
NYC Department of Buildings

Sharon Neill, Deputy Commissioner  
Finance and Administration  
NYC Department of Buildings

COMMITTEE ON FINANCE JOINTLY WITH THE  
COMMITTEE ON HOUSING AND BUILDINGS

3

[sound check, pause]

[gavel]

CHAIRPERSON FERRERAS-COPELAND: [coughs]

Good morning and welcome to the City Councils fourth day of hearings on the Mayor's Executive Budget for Fiscal Year 2017. My name is Julissa Ferreras-Copeland, and I am the Chair of the Finance Committee. We are joined by the Committee on Housing and Buildings chaired by my colleague Council Member Jumaane Williams. Unfortunately, Council Member Williams will not be able to join us today due to medical reasons, but we wish him a speedy recovery. He is now at home, and we're hoping that he will be joining us very, very soon. We are now joined by Minority Leader Matteo and Council Member Grodenchik [background comments] and Council Member Rosenthal. Today, we will hear from the Department of Housing Preservation and Development with the Department of Buildings. Before we begin, I would like to thank the Finance Division staff for putting this hearing together including the Director Latonia McKinney, Committee Counsel Rebecca Chasen, Deputy Director Regina Poreda-Ryan and Nathan Toth, Assistant Director Emre Edev, Finance Analyst Sarah Gas--

1  
2 Gastelum, and Finance Division Administrative Support  
3 Unit, Nicole Anderson, Maria Pagan and Roberta  
4 Catarano, who pull everything together. Thank you  
5 for all of your efforts. I'd also like to remind  
6 everyone that the public will be invited to testify  
7 at the last day of budget hearings on May 24th,  
8 beginning at 3:00 p.m. in this room. For members of  
9 the public who wish to testify, but cannot attend the  
10 hearing, you can email your testimony to the Finance  
11 Division at [financetestimony@council.nyc.gov](mailto:financetestimony@council.nyc.gov), and the  
12 staff will make it a part of the official record.  
13 Today's Executive Budget hearing starts off with the  
14 Department of Housing, Preservation and Development.  
15 the department's Fiscal 2017 Executive Budget totals  
16 \$1.25 billion, which represents a \$494 million  
17 increase from the Fiscal 2016 Adopted Budget. In  
18 addition, this capital commitment plan totals \$3.8  
19 billion, and it includes \$1.4 billion for  
20 preservation and \$1.1 billion for new construction.  
21 A significant portion of the funding is centered on  
22 the Mayor's Affordable Housing Plan, Housing New  
23 York. HPD reports that 42,291 units of affordable  
24 housing have been created or preserved under that  
25 plan towards the goal of 200,000 units over ten

1 years. While this is very--while this is very  
2 welcome news, the Council has questions surrounding  
3 the plans for building and preserving affordable  
4 housing in the recent rezoned areas. In March, the  
5 Council passed the new text amendment known as the  
6 Mandator--Mandatory Inclusionary Housing and Zoning  
7 for Quality and Affordability, which allows for the  
8 denser residential development in certain areas of  
9 the city. The Council hopes that HPD will share  
10 greater detail about how it intends to spend its  
11 capital dollars in these areas, as well as the plan  
12 to obtain community and Council input into how and  
13 where these priorities should be developed. Before  
14 we begin, I'd like to remind my colleagues that the  
15 first round of questions for the agencies will be  
16 limited to five minutes per council member, and if  
17 council members have additional questions, we will  
18 have a second round of questions at three minutes per  
19 council member. We will now hear from the  
20 Commissioner of the Department of Housing,  
21 Preservation and Development, Acting Commissioner  
22 Vicki Been after she is sworn in by my counsel.  
23  
24  
25

1  
2                   LEGAL COUNSEL: Do you affirm that your  
3 testimony will be truthful to the best of your  
4 knowledge, information and belief.

5                   COMMISSIONER BEEN: I do. [pause]

6                   CHAIRPERSON FERRERAS-COPELAND: It's  
7 fine. You may begin. I think your microphone, it's-  
8 -

9                   COMMISSIONER BEEN: [coughs] And I'm  
10 joined here by Assistant Commissioner of  
11 Intergovernmental Relations and Regulatory Compliance  
12 Baaba Halm, and with the Deputy Commissioner of  
13 Financial Management and Tenant Resources, Eva  
14 Trimble. So both of them also are sworn--have  
15 affirmed also that they will tell the truth. So, as-  
16 -as you said, I'm Vicki Been, Commissioner of the  
17 Department of Housing Preservation and Development,  
18 and I really want to thank you, Chair Ferreras-  
19 Copeland for the opportunity to talk with the  
20 committee today about our Fiscal Year 2017 Executive  
21 Budget, and I do just want to say for the record  
22 that--that we miss Chair Williams and--and wish him a  
23 speedy recovery, and hope that you will take that  
24 back to him because we were very sad to hear of his  
25

1 troubles, and hope that he is back in the saddle very  
2 soon.  
3

4           So, it has been a very busy two months  
5 since we had the Preliminary Budget hearing. We just  
6 passed the second anniversary of the Mayor's  
7 announcement of the Housing New York Plan, and--and I  
8 am really proud of our record breaking progress  
9 towards the Mayor's goal of creating or preserving  
10 200 units of affordable housing in ten years. To  
11 date, through March 31st, we have financed the  
12 preservation or new construction of 42,515 homes  
13 surpassing our housing start's target each and every  
14 year since the Mayor took office. In 2015 alone, HPD  
15 had the highest production in 25 years since the peak  
16 of Mayor Koch's housing plan, and we had the most new  
17 construction starts in a single calendar year in the  
18 agency's history. Now, on the chart here [coughs]  
19 what this portrays is our expectation about how much  
20 we would produce over the ten years. Basically these  
21 straight lines, right. We--we anticipated that it  
22 would take us a little while to ramp up, and then we  
23 would essentially do about 20 to 21,000 units a year.  
24 What you see in the dark green is that actually we  
25 have been ahead of our projections each and every

1  
2 fiscal year and calendar year that--that--since the  
3 Mayor took office. And on the chart, if you look at  
4 the January 1st, 2014 through June 30th, 2016, it  
5 looks like we're just a little bit ahead of target,  
6 but remember that we tend to close thousands and  
7 thousands of units in the months of May and June as  
8 they're our very busiest closing seasons, and that  
9 43,515 number does not take into account any of  
10 those. So we're effectively way above our projection  
11 once we close out the June closing, and not only have  
12 we been financing extraordinary levels of production  
13 and preservation, but with your leadership and your  
14 support, we also achieved the extraordinary trifecta  
15 of policy initiatives that will bring new affordable  
16 housing opportunities to thousands of needy New  
17 Yorkers. So our Mandatory Inclusionary Housing, our  
18 Zoning for Quality and Affordability and, of course,  
19 the East New York Rezoning that Chair Ferreras-  
20 Copeland talked about. Those proposals will help us  
21 to--not proposals. They are now law, thank goodness.  
22 Will help us to ensure that more New Yorkers at a  
23 broader range of income have affordable quality  
24 housing in diverse thriving neighborhoods, and that  
25 the communities receive the investments in parks and



1 schools and jobs and retail opportunities that they  
2 should have. We've accomplished all of that while  
3 continuing to perform hundreds of thousands of  
4 inspections and emergency repairs that help raise the  
5 quality of housing and prevent tenant displacement in  
6 every community, every neighborhood throughout the  
7 city. The Mayor's Executive Budget continues to  
8 position HPD to fulfill the goals of Housing New  
9 York. Especially noteworthy in this budget is the  
10 support that it provides for our enforcement efforts,  
11 for our efforts to ensure that those who receive our  
12 subsidies provide safe and fair work places, and  
13 build quality housing, and for the implementation of  
14 the new zoning initiatives that the chair talked  
15 about.  
16

17           So our Fiscal Year 2017 Expense Budget is  
18 \$1.2 billion, but that includes \$207 million of City  
19 Tax Levy Funding and Federal Disaster Recovery  
20 Funding that is just flowing through our budget  
21 directly to NYCHA. HPD facilitates the processing of  
22 those funds through our budget that were not  
23 otherwise involved in the substance of those  
24 projects. So, Chair, when you talked about the--how  
25 much over our prior budget it was, we really need to

1 subtract out that \$207 million because that's  
2 directly being passed through to NYCHA. So ignoring  
3 the NYCHA funding, HPD's true budget is about 1.--  
4 about \$1 billion for Fiscal Year 2017, and as always,  
5 I'd like to remind the Council that HPD receives only  
6 about 11%, the blue slice of the pie or about \$119  
7 million of our total funding from city funds, from  
8 city tax levy. We are primarily funded through  
9 federal grant funding, that huge orange slice there,  
10 and what number is important because when we seek to  
11 save city tax dollars, as we constantly try to do,  
12 the amount that we can save is very limited because  
13 so many of our programs are restricted by the federal  
14 requirements that go with that large orange slice.  
15 The budget may still seem higher--larger than usual,  
16 and that is because unlike previous year budgets,  
17 this year the Mayor and the Office of Management and  
18 Budget--Budget have worked to more fully forecast all  
19 of the funding in order to provide increased  
20 transparency and predictability to the budget  
21 process. So, by comparison, our Fiscal Year 16  
22 Executive Budget was about \$725 million, but as it  
23 was modified over the course of that year, it reached  
24 over \$1 billion. So for Fiscal Year 17, we're  
25

1  
2 starting the year with a Budget that reflects our  
3 true expected spending. Nearly \$483 million, the  
4 largest slice of that or 47% of the Fiscal Year 17  
5 Budget is associated with our federal rental  
6 subsidies, our Section 8 programs, and in addition we  
7 have significant for disaster recovery efforts, the  
8 sort of reddish orange there. And as you know, the  
9 Federal Disaster Recovery and the Section 8 funds are  
10 very highly constrained federal funding, and provide  
11 no direct operational support. That's all  
12 programmatic support for the agency. Our primary  
13 funding source for agency operations is the Federal  
14 Community Development Block Grant Program, which is  
15 the--the bluish slice there. I'm sorry. No, the--  
16 the sky bluish--the sky bluish slice, and as I've  
17 noted on several occasions, HPD funding is highly  
18 dependent on the mood in Washington. With this  
19 election year, that is--the mood in Washington is  
20 anybody's guess. The Federal Fiscal 20--or '16  
21 Budget was better for CDBG, Section 8 and home  
22 funding than the last few years have been, but  
23 certainly the outlook for the future given the  
24 election is--is very questionable.

1  
2           So tax levy funding is our second most  
3 important source for operations after the federal  
4 money because it provides us with critical  
5 flexibility to fund programs that are not eligible  
6 for any of those federal grants. So let--let me  
7 start by just taking a--a closer look at our CDBG and  
8 our--our tax levy funding by program area is that HPD  
9 receives approximately \$126 million in CDBG, which is  
10 about 60% of the city's total allocation of--of CDBG  
11 money. CDBG funding is split almost half between  
12 personnel costs, which are about \$62 million and then  
13 other than personnel costs are programmatic costs of  
14 almost \$64 million, and we spend most of the  
15 Operating Fund Budget other than Personnel Services  
16 budget on our Enforcement and Neighborhood Services,  
17 which is the big blue slice, and our Asset and  
18 Property Management, which is the reddish-orange  
19 slice. Those program areas that include our TIL  
20 Program, our Tenant In Lease program. Property  
21 Management, our shelters for families that are  
22 displaced by emergency vacates, as well as our Code  
23 Inspection and our Emergency Repair program, align  
24 best with the Neighborhood Revitalization focus of  
25 the CDBG funding. So that's why they are the lion's

1  
2 share of that CDBG money. I do want to note that OMB  
3 allocated some additional CDBG for Fiscal Year 17 to  
4 cover the new Local Law 101, Elevator Repair Program  
5 that began I believe in July. And that was, of  
6 course, a City Council initiative. We very much  
7 appreciate that OMB was able to reallocate rate--  
8 resources for this program from the CDBG budget, but  
9 I do want to note that our reliance on CDBG's funding  
10 for such important initiatives increases our  
11 vulnerability to cuts from the federal government on--  
12 -on those programs.

13           So if we turn to the tax levy funding by  
14 program area. You can see from this chart that our  
15 tax levy funding is distributed more broadly across  
16 the agency than the CDBG funding, which was lumped in  
17 in Enforcement and Neighborhood services and Asset  
18 and Property Management. We used the tax levy to  
19 fill gaps in programs that are primarily funded  
20 through fed--through federal dollars as a required  
21 match for federal dollars and to fund programs that  
22 aren't eligible for any federal grant funding. To  
23 put it bluntly, the city tax levy dollars, though a  
24 relatively small fraction of our budget, are really  
25 critical to meeting our mission, and they allow us

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

the flexibility and the nimbleness to respond to individual neighborhood's needs, to innovate, to address new problems as they arise and really to tailor our programs to fit the needs of the city. So, I especially want to thank the City Council and--and the two committees for your support of our tax levy funding, having a source that's less constrained and--and less rigidly circumscribed is really absolutely critical to our work.

Well, the Fiscal Year 2017 other than Personnel Services Budget of \$36.3 million doesn't yet include the City Council's discretionary funding. So we anticipate that it will align more with our Fiscal Year '16 Budget of \$57 million after adoption. Council funding for our community consultant contracts, and our Housing Preservation initiative are, of course, very critical components to our work in neighborhood strategies and we--we very much appreciate the Council's discretionary funding there.

I wanted to--to illustrate the point about how we spend those federal dollars and tax levy dollars by showing you the--the chart of our headcount, and where it's being paid for. So if you look at, for example, the first line Enforcement and

1  
2 Neighborhood Services, you see that only about 20% of  
3 that is paid through tax levies. The vast majority  
4 of it, almost 76% is paid by--by community  
5 development funds. Whereas, if you look at my  
6 office, you'll see that tax levies pay for 100% of my  
7 office, which I am very grateful for because none of  
8 that can be attributed to federal grants. And as you  
9 go down that list, you see that more and more of the  
10 things that are highly specific to the city like our  
11 neighborhood planning, our--through or neighborhood  
12 strategies, more and more of that is funded by tax  
13 levy and less is eligible for CDBG money because of  
14 the--of the nature, the very local nature of that.

15 Enforcement and Neighborhood Services is  
16 the largest part of our agency. It has a headcount  
17 of about 950, and the Mayor allocated new resources  
18 beyond the Preliminary Budget as well as in this  
19 Executive Budget we're working to bring new staff on  
20 as quickly as possible. In Enforcement and  
21 Neighborhood Service Enforcement, the--that includes  
22 our inspectors for code enforcement, our lead  
23 inspectors, the Alternative Enforcement Program, as  
24 well as the staff in the Emergency Repair Program.  
25 And, as you can see, we rely on many different

1  
2 funding sources to support all of that, but our tax  
3 levy funds are critical in all of the areas.

4           Now, if you look at--this chart shows you  
5 that the headcount at its highest in Fiscal Year '07  
6 was more than 2,600 employees. We have--we have lost  
7 about 600 positions since that peak because the Mayor  
8 has recognized that Housing New York requires  
9 additional resources to meet the ambitious goals of--  
10 of Housing New York. He and you have put back about  
11 500 of those employees, which again, we are very  
12 grateful. But I want to note that down 500 doesn't  
13 quite make up for what we lost, and at the same time  
14 we're being asked in terms of our production of new  
15 construction and preservation it's about a third  
16 higher than it was in 2000--in Fiscal Year '08. We  
17 do an additional 50 Alternative Enforcement Program  
18 buildings a year. So that's a huge increase. We  
19 have created an Office of Neighborhood Strategies.  
20 So that also is being taken up, and that includes  
21 cutting part. (sic) And we formed a separate  
22 homeless and re-rental unit to make sure that  
23 everyone--every unit that was promised for a homeless  
24 family is--is being directed to homeless families.  
25 So all of those are new things or expansions of what



1 we do, but we're doing all of that within even lower  
2 headcounts that we've had at our height in Fiscal  
3 Year '07 and '08. We have managed to do that because  
4 we've realized many efficiencies during the years of  
5 the staffing decline, but as I said, under this  
6 administration our mission has grown, our ambition  
7 and the enormity and complexity of the housing crisis  
8 that we face has also grown. [coughs] So  
9 efficiencies alone don't allow us to--to make up for  
10 the loss of all of those positions, and we are really  
11 expanding in all kinds of ways, which is taking up  
12 many of those new 500 positions. So if we look at  
13 the city tax levy by agency, I want to just emphasize  
14 how important those tax levy dollars are for us  
15 because as I said, they give us flexibility and  
16 nimbleness, but they mean that in terms of where we  
17 are compared to other agencies, we are at the very  
18 low end of--of the tax levy budget by agency. We're  
19 very proud of what we accomplished and what we're  
20 able to leverage. We think that you're getting a lot  
21 of bang for your buck from--from--from those dollars  
22 because we leverage so many federal--federal dollars  
23 and try to do it extraordinarily efficiently.  
24  
25

1  
2                   Switching to the Capital Budget, this  
3 chart shows that HPD's allocation over the next five  
4 years, the five-year plan totals \$3.8 billion, \$3.6  
5 billion from the Mayor, and the rest is a combination  
6 of Federal HOME Dollars and Reso A funding. Now,  
7 that first Fiscal Year '16 is--is much higher than  
8 the other years because remember the first year of  
9 any five-year plan contains a lot of roll, and--and  
10 is--is sort of front-loaded for that reason.  
11 [coughs] Housing New York relies not just on that  
12 \$3.6 billion or \$3.8 billion over the next five years  
13 and \$8.2 billion in total, but also leverages a huge  
14 amount of other dollars. And so, the next slide  
15 really shows you that we take our city capital and  
16 our HDC reserves and we use that to leverage bank  
17 debt. We use that to--to leverage HDC bond debt. We  
18 use it to leverage our 9% and our 4% tax credit  
19 equity, our HOME--Federal HOME Dollars, our Federal  
20 Project Based Vouchers, and then a variety of other  
21 grants and loans, and settlement and that kind of  
22 thing. So we're really trying to take every dollar  
23 in HPD's budget and really leverage it to produce  
24 much, much more. Of course, the availability of  
25 private funding and all of these other sources of

1  
2 leverage will ebb and flow with the overall economic  
3 climate. We continue to benefit from a very  
4 favorable interest rate market, and so we are working  
5 like crazy to leverage our capital budget during the  
6 strong economic times. One of the most important  
7 sources for leveraging private dollars is the Federal  
8 Low Income Housing Tax Credit program, and it is the  
9 largest driver of our programs. It's also the  
10 largest driver of affordable housing across the  
11 nation, and has been absolutely critical to the  
12 development of thousands, tens of thousands of units  
13 in New York over the last several decades. We  
14 continue to fight to increase those federal dollars.  
15 Just last week, I joined Senator Chumer--Schumer and  
16 Senator Cantwell to argue both for increased  
17 resources, a 50% increase in tax credit dollars. But  
18 also changes in the program rules to allow income  
19 averaging, which is something that we talked a lot  
20 about during the MIH debates, but it really gives you  
21 a lot more flexibility to meet the needs of--of  
22 communities when you don't have to target everything  
23 right at 50 or 60% AMI. The--the Cantwell and  
24 Schumer Proposal also would allow 50% basis boost for  
25 targeting extremely low and very low-income families.

1  
2 So it's incredibly important. We're working very  
3 hard with our allies in--across the state and across  
4 the nation to get those changes done. That said,  
5 we've been trying for many years. So I--while I'm  
6 cautiously optimistic, I--I do want to be cautious.

7           Okay, so as we move into Fiscal Year '17,  
8 I want to highlight a couple of things that this  
9 year's budget is really allowing us to strengthen.

10 The first is that we continue to focus on  
11 construction quality, and ensuring that our sponsors  
12 and contractors are fulfilling all of their  
13 obligations on our project. Last fall, as you know,  
14 we--we streamlined our review process, our design  
15 review process through the introduction of an online  
16 e-submit program and Bloom Beam Technology that  
17 allows both DOB and HPD to work off the same  
18 documents to see each other's comments, and not to  
19 duplicate work. This paperless online process is  
20 really transforming the way that we work, and the way  
21 that we work with our developers and with our  
22 partners such as DOB. The Build--so we're achieving  
23 a lot of efficiencies there. We're redirecting those  
24 efficiencies, and we are adding--Build staff. This  
25 budget adds about ten new staff to the Office of

1  
2 Development within Build, and those staff are--are  
3 targeted towards increasing the frequency of the  
4 inspections especially on weekends and evenings. We  
5 think that contractors are especially likely to tend  
6 to cut corners and take safety risks on weekends, and  
7 evenings when they don't think anybody is watching.  
8 So we really double down our efforts to send the  
9 inspectors out there to make sure that inspectors are  
10 on site during those times, that the contractor  
11 community knows that we're watching, and knows that  
12 we are vigorously enforcing requirements about  
13 construction quality, about prevailing wage, about  
14 OSHA requirements. All of those and--and also  
15 especially about site safety. So that's--really  
16 we're trying to really strengthen that area, and I  
17 think you're going to see major payoffs from that.

18 Another related area that we're trying to  
19 really strengthen is that we're adding new regulatory  
20 compliance staff. S o we've put four new positions  
21 in--were in the Preliminary Budget. Those include  
22 three field and audit specialists that we can use to  
23 monitor the city finance projects to make sure that  
24 they're abiding by prevailing wage requirements, that  
25 they are responding to worker complaints and--and

1 tips about wage theft or other wage related problems.  
2 and sot that we can be on the site talking with  
3 workers, making sure that they know to direct any  
4 complaints to us, and--and observing what's going on  
5 to make sure that it squares with what the  
6 contractor's obligations are. We're also adding the  
7 Program Evaluation and Analytics Manager. That is  
8 the person who will manage the data to really help us  
9 target our enforcement efforts to help us improve our  
10 enforcement effort dramatically. And, we have also  
11 received approval for a new MWBE Director, and that  
12 position is really going to work to expand  
13 opportunities for Minority and Women Owned Business  
14 Enterprises in HPD financed projects. As you know,  
15 we put a lot of effort into that over the last two  
16 years. We've just finished the second of our  
17 capacity building course. We've had 51 MWBEs who  
18 have taken one of the cycles of the course, and we  
19 were very, very pleased that when we put out a--an  
20 RFQ for smaller contractors--smaller developers to  
21 work on our Affordable Neighborhood Cooperative  
22 Program and on third-party transfer programs, we got  
23 almost 30% of them--of the respondents were MWBEs  
24 including eight of the firms that had taken our  
25

1 course. So we--we are seeing immediate payoffs and  
2 we look forward to doing more there.  
3

4 Another thing that I want to highlight is  
5 that this year we launched a pilot mobile program.  
6 We've heard all the time that it's hard for people to  
7 come into our borough offices that landlords and  
8 small building owners find it difficult to work  
9 around our hours. And so we, we're trying to go more  
10 into the communities to be more responsive to that  
11 need. Since we began at the end of December, we  
12 have--our--our mobile office, which was parked around  
13 East New York assisted over 533 New Yorkers either  
14 because they had needs about home repairs. They  
15 needed free legal assistance related to tenant  
16 harassment of evictions. They needed help in  
17 applying for affordable housing through our Housing  
18 Connect, those kinds of things, and I'm very pleased  
19 that this pilot really confirmed the importance of  
20 going out to the communities. And for Fiscal Year  
21 2017 we received \$415,000 in Reso A funding from the  
22 Brooklyn and the Bronx Borough presidents to support  
23 our mobile offices in those boroughs as well. And so  
24 we are--I mean we're just leasing a--a--you know, a--  
25 a van or van type of thing, but now we're going to be

1  
2 able to output one or perhaps even more than one, and  
3 get out to many more communities. So we're very  
4 happy about that.

5           And then, the last area that I want to  
6 point out is we are always focused on ensuring that  
7 our Division of Code Enforcement is fully staffed.  
8 Mother Nature was thankfully relatively easy on us  
9 this winter, but we're already planning for next  
10 year. We'll use this summer period to really train  
11 our inspectors so that they're ready when the cold  
12 weather hits. We are very proactive about  
13 backfilling in anticipating and anticipating needs.  
14 And so we are constantly training, and what you see  
15 here in this picture is that we recently issued  
16 badges to 18 new inspectors, 12 new inspectors and 6  
17 new investigators for our field's audit review units.  
18 And I am very excited to say that for the first ever  
19 a third of the women--a third of the inspectors are  
20 women, which is we've been working very hard on that,  
21 and--and I'm very pleased about that. And I also  
22 just want to note that while as I said the weather  
23 was--went on easy on us this--this last winter.  
24 Other demands did not go so easy. Deputy Commission-  
25 -Deputy Commissioner Mustaciuolo and his staff



1  
2 because we were out inspecting the homeless shelters,  
3 we were very involved in the Three-Quarter House  
4 Initiative and--and we're really doing--playing a  
5 critical role in--in all of those initiatives. We  
6 conducted nearly 9,200 inspections for example since  
7 the start of the shelter repair, a task force on New  
8 Year's Day. We had inspectors out on New Year's Day  
9 in the shelters even then. So as we enter the third  
10 year of Housing New York, we are certainly not  
11 resting on our laurels. We've got a hugely long list  
12 of things to do, and things to improve, but we are  
13 very, very grateful for your partnership, for you  
14 nudging, for your questions, for your bringing  
15 opportunities and problems to our attention in you  
16 neighborhoods, and really appreciate all that you do.  
17 So I'm happy to answer any questions.

18 CHAIRPERSON FERRERAS-COPELAND: Thank  
19 you, Commissioner. We really appreciate your  
20 collaborative relationship with the Council and many  
21 members. I just wanted to also say that I just got a  
22 text from Jumaane. He thanks you for his well  
23 wishes, and obviously watching, and we'll be also  
24 texting any additional questions that should come up.  
25 So promise to be good Jumaane. Hope we make you

1 proud. So I will ask several questions, and then  
2 I'll come back in a second round because I want my  
3 colleagues to be able to ask their questions. We've  
4 been joined by Council Members Gibson, Miller,  
5 Salamanca, Barron, Van Bramer, Levine, Lander and  
6 Johnson.  
7

8 I want to talk first about the Affordable  
9 Housing plans, and in particular as of February 29,  
10 2016, as you mentioned in your statement, HPD has  
11 financed the creating and preservation of 43,500  
12 affordable housing units citywide including about  
13 14,000 newly constructed units and preservation of  
14 28,000. What are the average costs of building and  
15 preserving a unit of affordable housing based on the  
16 current total number of units reached?

17 COMMISSIONER BEEN: So, the--it's--it's  
18 really hard to give an average cost because  
19 preservation is very, very different from new  
20 construction and even within preservation and new  
21 construction, it--it varies dramatically. It depends  
22 on land costs. It depends upon the scope of work.  
23 It depends upon whether you're targeting a special  
24 needs population like seniors or supportive housing.  
25 It depends upon the AMIs that you're serving, the

1 range that you're serving, all of those things. So  
2 the way that we think about it is that we--in each  
3 one of our programs we have a term sheet. The term  
4 sheet specifies the maximum that we will subsidize  
5 that we will put in as subsidy on any particular  
6 project. So for example our Housing Rehab Program,  
7 which focuses on systems replacements, replacing  
8 boilers, you know, very major systems that need to be  
9 replaced. We will provide up to a maximum of  
10 \$35,000, which doesn't mean that we provide \$35,000  
11 across the board. We--you have to show--you know,  
12 all of our underwriting tries to target and spend no  
13 more than necessary, but we won't spend more than  
14 that unless there is an exceptional--exceptionally  
15 good reason or--or an exceptional circumstance. On  
16 new construction again it--it varies especially by  
17 supportive housing versus other new construction, but  
18 our--our main new construction programs provide a  
19 subsidy of about \$65,000 per unit. That's the  
20 maximum. So now that then leverages, of course, bonds  
21 loans, HDC's subsidy. HDC always--often puts in  
22 about the same amount of subsidy that we do and then--  
23 -and then the private dollars that come in, the tax  
24 credit dollars that come in, and the bond money that  
25

1  
2 comes in is all leveraged off of that. So that's  
3 kind of the range. It means--there are literally  
4 projects in which we are putting some--we are putting  
5 no capital subsidy in. We're using tax exemptions  
6 and other things, and then there are--are projects  
7 like our most expensive supportive housing budget  
8 where we may be putting in certainly up to 65, but in  
9 some cases a little bit more than that.

10 CHAIRPERSON FERRERAS-COPELAND: Okay,  
11 and--and that leads me to my next question.

12 COMMISSIONER BEEN: Uh-huh.

13 CHAIRPERSON FERRERAS-COPELAND: The use  
14 of tax exemptions and abatements have a significant  
15 impact on increasing the affordable supplies,  
16 improving conditions of the--the exist--of the  
17 existing multi-family housing stock, and ensuring the  
18 construction and preservation of affordable housing.  
19 Those most commonly in use today include J51, 421-A,  
20 Article 11 and 420-C.

21 COMMISSIONER BEEN: Uh-huh.

22 CHAIRPERSON FERRERAS-COPELAND: Do you  
23 think the programs are--do you think these programs  
24 are achieving their objectives, and are there  
25 increasing numbers of regulatory agreements? Is this

1  
2 number going up without 421-A? So, right now we're  
3 still--the State is still negotiating 421-A. What is  
4 your perspective on the program that you had to deal  
5 with to push the affordable housing number that we  
6 need?

7                   COMMISSIONER BEEN: Well, you're  
8 certainly correct. We--we need 421-A. We need 421-A  
9 mainly because 421-A helps rental market rate housing  
10 be produced, and rental market rate housing is  
11 essential to address the, you know, really the  
12 shortage of rental housing that we have. That said,  
13 we are able for affordable housing generally to use  
14 one of the other tax exemptions that you mentioned.  
15 So we did an analysis over the last two years. We  
16 looked at each of the projects that got 421-A--a tax-  
17 -a 421-A tax exemption, and then we backed it out to  
18 see well could we have used another tax exemption for  
19 the affordable component of that housing if we didn't  
20 have 421-A, and we were able to--to finance about 60%  
21 of what had been done through 421-A. We could have  
22 used another program. So while I very much want 421-  
23 A to come back because 421-A is essential to get that  
24 market rate housing and especially to get the mixed-  
25 income housing that we need. It--it's not--the

1  
2 absence of 421-A is not--is not drastically limiting  
3 our ability to provide the affordable housing right?  
4 But we--we can't just provide affordable housing. We  
5 need market rate housing as well. So that's why it's  
6 so important.

7 CHAIRPERSON FERRERAS-COPELAND: Well, can  
8 you provide--and you may have--have it right now--but  
9 can you this for the committee. But if you have it  
10 now, we can share it.

11 COMMISSIONER BEEN: Uh-huh.

12 CHAIRPERSON FERRERAS-COPELAND: Of the  
13 20,344 units preserved to date under the Housing New  
14 York, can you provide the breakdown preservation  
15 programs that you utilize?

16 COMMISSIONER BEEN: Our preservation  
17 programs yes. It is a long list, but let me give you  
18 a flavor and--and let me--let me tell you for example  
19 the--the heaviest users. For our preservation, our--  
20 our Low-Income Housing Tax Credit Year 15 program has  
21 financed almost 5,000 units. Our--what we call,  
22 these are very arcane terms. I'm sorry. But our Non-  
23 Land (sic) Preservation program through HDC has--has  
24 financed about 5,300. Our HCR HSA, which is the  
25 state agency bond financing we used for about 2,200.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

We used what we call our Extended Affordability Housing Supervision program for another 2,200. Our sort of smallest production was our HIP program, our Housing--what does HIP stand for? I forget. Housing Improvement Program finance four, and our--our Senior Citizens Housing Assistance Program preserved 67. So it really runs the gamut. We can give you--it's about 20 different programs, and we can give you that breakdown.

CHAIRPERSON FERRERAS-COPELAND: If you can share them with the committee I would really appreciate it.

COMMISSIONER BEEN: Uh-huh.

CHAIRPERSON FERRERAS-COPELAND: Now, some of the--we've been talking about doing a lot of work with your team on tax liens--

COMMISSIONER BEEN: Uh-huh.

CHAIRPERSON FERRERAS-COPELAND: --and, you know, and whether people should be in the lien and I in the lien, and you what HPD was told to do to pulls the lien. In a lot of our conversations, regulatory agreements keep coming back up.

COMMISSIONER BEEN: Uh-huh.

1  
2 CHAIRPERSON FERRERAS-COPELAND: So, how  
3 are the regulatory agreements enforced? What--what  
4 are the touch points where you can--where you're able  
5 to facilitate or begin a regulatory agreement--

6 COMMISSIONER BEEN: Uh-huh.

7 CHAIRPERSON FERRERAS-COPELAND: --and--  
8 and if so, can you show the utilization rates. If--  
9 do you provide training to board a particular co-op  
10 boards or anybody that's coming into the program so  
11 that they understand not to just start getting to the  
12 news, and it could be a worsening of tax liens or a  
13 whole host of other issues that buildings tend to get  
14 into trouble for.

15 COMMISSIONER BEEN: Uh-huh. Okay. So  
16 let--there were several questions there. Let me  
17 unpack them. So, first of all, today every unit that  
18 we finance, is accompanied by a regulatory agreement.  
19 In the past, we sometimes did finance properties  
20 where we did not especially the--some of the HDFCs  
21 where we did not insist on a regulatory agreement, we  
22 now realize with the benefit of hindsight that that  
23 was a mistake and we no longer do that. At the same  
24 time, we're trying to bring all of those--for  
25 example, the HDFCs that don't have a regulatory



1  
2 agreement, we're trying to bring them into a  
3 regulatory agreement now by helping them convert from  
4 an Article 2 to an Article 11, or do I have that  
5 accurate? An Article 2 to an Article 11 Tax  
6 Exemption. So we are just beginning that program.  
7 We're--you know we're starting to work with a lot of  
8 those older HDFCs and try to bring them along. Many  
9 of them--

10 CHAIRPERSON FERRERAS-COPELAND:

11 [interposing] And what's the difference between 2 and  
12 11?

13 COMMISSIONER BEEN: Did--11--it just--the  
14 move allows us to impose a regulatory agreement.

15 CHAIRPERSON FERRERAS-COPELAND: That's  
16 just the only difference?

17 COMMISSIONER BEEN: Well, Mitchell-Lama.  
18 I'm sorry, Mitchell-Lama is Article 2--

19 CHAIRPERSON FERRERAS-COPELAND:  
20 [interposing] 2.

21 COMMISSIONER BEEN: --and that's what  
22 we're trying to bring up. (sic)

23 CHAIRPERSON FERRERAS-COPELAND:  
24 [interposing] So we're getting the Mitchell-Lamas  
25 into Article 11s, which--

1

2

COMMISSIONER BEEN: [interposing] Yes.

3

4

CHAIRPERSON FERRERAS-COPELAND: --that  
gives you a point of touch to enforce the regulatory-  
-or it's to create the Regulatory Agreements.

5

6

7

8

9

COMMISSIONER BEEN: Exactly. So, now, as  
to your question, so there is an issue with some of  
the older--with--with some HDFCs because, as you  
know, those are co-ops. A co-op--anyone whose ever  
been in a co-op knows that sometimes they're not the  
most functional of institutions.

10

11

12

CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

13

14

15

16

17

18

19

20

21

22

23

24

25

COMMISSIONER BEEN: And we do provide  
extensive training. We provide four courses every  
year. We've trained about 300 people in I think the  
last--over the last few years we've trained about 300  
people a year. Those are board members, sometimes  
shareholders, but board members in those HDFCs trying  
to work with them so that, you know, they know how to  
run their co-op. Every HDFC is asset managed and  
supervised by--by Deputy Commissioner Anne-Marie  
Hendrickson in our Asset and Property Management.  
They have to file yearly financial statements. They  
have to file yearly compliance reports showing that

1  
2 they've given information [coughing] to their  
3 shareholders. That kind of thing.

4 CHAIRPERSON FERRERAS-COPELAND: Even if  
5 they don't have a regulatory agreement?

6 COMMISSIONER BEEN: Even if they don't  
7 have a regulatory--yes, as long as we are supervising  
8 them, we are requiring that. So, and then if we see  
9 that something is going wrong, we work with the board  
10 to try to correct that.

11 CHAIRPERSON FERRERAS-COPELAND: Okay.

12 COMMISSIONER BEEN: So--so that is the--  
13 the program for HDFC.

14 CHAIRPERSON FERRERAS-COPELAND: Okay, I  
15 have one other questions, and then I'm leaving the  
16 rest to the second round. Through the NYC Housing  
17 Connects out of--Connects, applicants find and apply  
18 for affordable housing in New York City. They do  
19 current and upcoming housing opportunities, and apply  
20 to quality for housing options. I think we've all  
21 heard, and we all are very proud of them. There is  
22 an affordable housing project in our district.  
23 Sometimes it's 20 apart--20 units, 50 units, 60  
24 units, but then you hear 70,000 people apply.

25 COMMISSIONER BEEN: Yes.

1  
2                   CHAIRPERSON FERRERAS-COPELAND:  So, I  
3 just wanted to kind of have a breakdown of the  
4 affordable housing units that came along for 2016--

5                   COMMISSIONER BEEN:  Uh-huh.

6                   CHAIRPERSON FERRERAS-COPELAND:  --and how  
7 many applicants applied for these units, and how many  
8 were rejected or denied, and can you share at some  
9 point with this committee a breakdown of the number  
10 of applicants that were rejected or deemed ineligible  
11 for affordable housing due to Housing Connect by  
12 category.  So I know that you have to deny or you  
13 deny this--an explanation, which is income levels.  
14 Some people are just making too much or not enough,  
15 and a complete applications, et cetera.  Because we  
16 also don't want to promote the opportunities for  
17 people to apply, but then it could be something very  
18 basic that they are denied.

19                   COMMISSIONER BEEN:  Uh-huh.

20                   CHAIRPERSON FERRERAS-COPELAND:  So that's  
21 what this Council wants to be able to improve this  
22 year.

23                   COMMISSIONER BEEN:  Okay.

24                   CHAIRPERSON FERRERAS-COPELAND:  But is  
25 there anything as a Commissioner, I got to say that

1  
2 it raises all kinds of flags when there's 70,000  
3 people applying for ten units so--

4 COMMISSIONER BEEN: It certainly raises  
5 all kind of flags. So, let me give you the precise  
6 numbers and then let's talk about what--what all  
7 we're doing--and--and happy to talk about, you know,  
8 whatever else you think we should be doing. So there  
9 were in 2016, in calendar year 2016 there were 2,628  
10 units made available through Housing Connect. There  
11 were 2,542,000 applicants for those 2,628 units. All  
12 right, so that is a very bad ratio. Now, part of  
13 what's going on is that we are a victim or own, both  
14 our own success and today, reply all culture, right.  
15 So what's--what we see happening is that somebody  
16 comes on, they--they push the button. They check the  
17 option for apply to everything even if--if senior  
18 housing and they're not seniors. Even if it says  
19 this is only for people who are making less than, you  
20 know, \$34,000 a year and they're making \$48,000, they  
21 just apply to all right. And that's--one--one of the  
22 reasons why we're getting so much sort of, you know,  
23 such--such high applications for each unit. So we  
24 are doing the housing, what we are thinking of as  
25 Housing Connect 2.0. It will much more strictly kind

1  
2 of target people to hone in on what it is that they  
3 really want, right? And what it is that they're  
4 really eligible for, and so, it will for example make  
5 them go through on the--online the basics of their  
6 income, and then it will say you--you know, don't--  
7 you--you should apply to that, or if you're going to  
8 apply to that, know that you're going to have to show  
9 that your income is either higher or lower than--than  
10 the basics that you've provided. So we're completely  
11 revamping Housing Connect to do those things, okay,  
12 and I think that is going to help for some of that.  
13 Now, in terms of when somebody does win the lottery,  
14 so remember that for the vast majority of people  
15 they'll never get denied because they'll never be  
16 reached, right because we--the computer orders it.  
17 If I'm number one on the lottery I get called in. I  
18 have to show my income eligibility, those kinds of  
19 things. And then if I get the unit, that--that unit  
20 is take off line. So, we will never reach the vast  
21 majority of people on the list. We won't have an  
22 opportunity to deem them income eligible or not  
23 because we'll never reach them, right? So, what  
24 we've done in terms of the people who do get reached,  
25 and--and many people will say I got reached, and then

1  
2 I was dinged because I was over income or under  
3 income. I was, you know, had a bad credit record,  
4 all of those things. What--what we have done is  
5 we've spent really the last year going through all of  
6 the application criteria that were being used,  
7 standardizing those. What we found was that  
8 different marketers were applying different rules.  
9 So one marketer would apply one credit score, and  
10 another would apply another, and that we didn't think  
11 was fair. So now they have standard criteria that  
12 they can use. We have prohibited them from using  
13 credit scores alone. So nobody can be denied just on  
14 the basis of their credit score. We've limited how  
15 long they can look back to things like Housing Court  
16 actions, bankruptcies, other kinds of things. We've  
17 limited the look back period. We've prohibited  
18 certain kinds of marketing questions. It used to be  
19 for example that some marketers were actually doing  
20 home visits. We've prohibited that. So we've--we've  
21 brought all of our rules about how--how you can use  
22 any evidence of arrests or convictions, how long you  
23 can go back, what kinds of convictions you can use.  
24 We've--we've brought all of that into compliance with  
25

1  
2 the HUD Guidelines that were just issued. So we've  
3 completely revamped those marketing criteria.

4           The last thing that I want to say--I'm  
5 sorry that this is a long answer, but it's a  
6 critically important area for--for the agency--is  
7 we've done a lot of work with people who have applied  
8 and not succeeded. Trying to figure out well what  
9 went wrong, right? And we've--we've done a lot of  
10 interviews. We've done a lot of focus groups with  
11 people, and we've designed some financial empowerment  
12 and financial counseling to help people get their  
13 credit records in order, get their documents in  
14 order, right. And then you get a call saying you won  
15 the lottery. Come on down. You've got to show your  
16 income. People need to be ready for that, and many  
17 people aren't. So we're--we're providing housing  
18 coordinators, housing counselors to try to help get  
19 them ready to get their documents that they need,  
20 those kinds of things. So we're doing a lot more  
21 outreach to try to help people who are selected in  
22 the lottery actually get one of the units.

23           CHAIRPERSON FERRERAS-COPELAND: I think  
24 that we're going in the right direction, but clearly  
25 having 2,600--or just over 2,600 units, and having



1  
2 2.5 million New Yorkers apply for them there's a  
3 great misbalance, and we're--we're--

4 COMMISSIONER BEEN: [interposing] Yes.

5 CHAIRPERSON FERRERAS-COPELAND: --clearly  
6 more people no than yes. So the ramp up is  
7 necessary, which is the point of why we've gone  
8 through all of this rezoning, and we're hoping to  
9 respond to the community in this way. I just wanted  
10 to add two things. One was can--instead of doing the  
11 reply all--

12 COMMISSIONER BEEN: [interposing] Uh-huh.

13 CHAIRPERSON FERRERAS-COPELAND: --is  
14 there an opportunity for someone to put in whatever  
15 their parameters are of income or whatever questions  
16 you would judge the development by? And has--the  
17 computer tells them these are the developments that  
18 you qualify for?

19 COMMISSIONER BEEN: That's exactly what  
20 2.0 will do--

21 CHAIRPERSON FERRERAS-COPELAND:  
22 [interposing] Okay.

23 COMMISSIONER BEEN: --is provide much  
24 more detail. Right now you can say I want to be--I  
25 want to know units coming online in, you know,

1  
2 Manhattan, Brooklyn, Queens, whatever. You can tell  
3 them geographically, but--but we can't yet fine tune  
4 it with, you know, I only want units that are--that--  
5 that--for which somebody is eligible if they make up  
6 to X amount.

7 CHAIRPERSON FERRERAS-COPELAND: Right.

8 COMMISSIONER BEEN: But Housing Connect  
9 2.0 will allow much more targeted indications.

10 CHAIRPERSON FERRERAS-COPELAND: So then  
11 it's filtered.

12 COMMISSIONER BEEN: Yes.

13 CHAIRPERSON FERRERAS-COPELAND: To get  
14 it--

15 COMMISSIONER BEEN: Yes.

16 CHAIRPERSON FERRERAS-COPELAND: --what we  
17 would want? (sic)

18 COMMISSIONER BEEN: Yes. Definitely.

19 CHAIRPERSON FERRERAS-COPELAND: [pause]

20 And when is 2.0? When are you scheduling it to roll  
21 out?

22 COMMISSIONER BEEN: [off mic] I mena--Can  
23 help me with this? (sic)

24 CHAIRPERSON FERRERAS-COPELAND: No,  
25 someone help the Commissioner.

1

2

COMMISSIONER BEEN: 20--it's 2017, but I

3

can't remember exactly when in 2017 so--

4

CHAIRPERSON FERRERAS-COPELAND: Some time

5

in 2017?

6

COMMISSIONER BEEN: Yes.

7

CHAIRPERSON FERRERAS-COPELAND: Can you

8

get us back some accurate date--

9

COMMISSIONER BEEN: [interposing] Yes, we

10

will get you that.

11

CHAIRPERSON FERRERAS-COPELAND: --so we

12

can see when this will be rolling out.

13

COMMISSIONER BEEN: Uh-huh.

14

CHAIRPERSON FERRERAS-COPELAND: And also

15

I know that there's a--a federal lawsuit on community

16

board preferences.

17

COMMISSIONER BEEN: Uh-huh.

18

CHAIRPERSON FERRERAS-COPELAND: Is there

19

any status or--?

20

COMMISSIONER BEEN: We have a conference

21

before the judge in a couple of weeks, and it will be

22

our--the first conference before the judge. There is

23

a--we moved to dismiss the complaint. That motion is

24

pending. I don't know whether the judge will rule on

25

it at that conference or not, but that's the first

1  
2 meeting that we've had with the judge about the  
3 lawsuit will be in a couple of weeks.

4 CHAIRPERSON FERRERAS-COPELAND:

5 Excellent. Thank you very much. We've been joined  
6 by Council Members Cornegy, Mendez and Torres. We  
7 will hear from Council Member Matteo followed by  
8 Council Member Gibson followed by Council Member  
9 Rosenthal

10 COUNCIL MEMBER MATTEO: Thank you, Madam  
11 Chair. Commissioner, welcome.

12 COMMISSIONER BEEN: Thank you.

13 COUNCIL MEMBER MATTEO: I want to talk  
14 about HPD's role in suing Lincoln House, and I want  
15 to start by recognizing my good friend Vito  
16 Mustaciuolo whose just been wonderful since my 12  
17 years in government. A great partner, a great  
18 partner for the city and for Staten Island. He's  
19 truly a public servant, and I want to thank you  
20 publicly for all his hard work. In my district even  
21 before Sandy and now, you know, with Sandy we've had  
22 a lot of vacant homes on the shore of my district,  
23 and HPD and Vito and his team do a superb job of  
24 taking my calls at 11:00 o'clock at night and making  
25 sure we sealing off hours on weekends. What I would

1  
2 like to know from your end is the breakdown of we  
3 have enough staff to be doing--how much does a CO  
4 usually cost? And we also have been very successful  
5 in taking some teardowns, and also vacant houses.  
6 Not--again during Sandy, and prior to Sandy, but  
7 obviously Sandy has caused us to ramp up our  
8 resources and--and staff and to make sure we--we did  
9 a walking tour with DO and--and DOB. We're going to  
10 do another one. My civics have been giving me  
11 addresses now of--of further vacant homes and, you  
12 know, they'll be addressed, but while we're going to  
13 through the acquisition process, the state process,  
14 the city process, we're worried about squatters,  
15 worried about being unsafe for children. So, I just  
16 want to make sure that--that the resources are  
17 available for us to keep this going. Because it's  
18 vitally important that we make sure that these homes  
19 are, you know, while vacant and abandoned that  
20 they're safe.

21 COMMISSIONER BEEN: Uh-huh.

22 COUNCIL MEMBER MATTEO: You know, we  
23 don't want squatters and I certainly don't want  
24 children going into them. So, if you could just talk  
25 about where we are with resources if anything that we

1 need to do that needs to be on the Council's radar.

2 Because this is going to continue throughout the

3 process of rebuilding, and quite frankly it happened

4 even before that. So, but with Sandy I--I just want

5 to make sure that we have the adequate resources. So

6 then when I'm calling [coughs] the lead on your

7 staff--[coughs] excuse me--that, you know, we have

8 adequate resources to act.

9  
10 COMMISSIONER BEEN: Okay, I really

11 appreciate that and I--I certainly want to second to

12 your conden--your commendation for--for Vito and his

13 team. I--I've describe Vito as City treasurer and I-

14 -I think that that is a--a--an understatement, not an

15 over statement. So, but I appreciate your

16 recognition of that. We--a--a lot of the--the demo

17 and sealing and et cetera that's relate to Sandy is

18 paid for through the CDBG money. And so, you know, I

19 think that we are well covered there. We did--I

20 can't remember it's--last year we did add to your

21 demo team. We added to Vito's demo team to make sure

22 that we had adequate resources to do the kinds of

23 demolition that was necessary. So I believe that

24 we're in good shape. I don't know the precise number

1  
2 that you asked for in terms of the--the cost of the  
3 seal, and we will get that for you.

4 COUNCIL MEMBER MATTEO: That's great and-  
5 -and I'm glad that we're just using the CDBG money  
6 out of it, and that's what it's there for. So like  
7 my other question is if it's just in the Sandy area,  
8 are we just going to use the CDBG money, or--or--you  
9 know, there are some vacant houses, quite frankly,  
10 that are not because of Sandy.

11 COMMISSIONER BEEN: Uh-huh.

12 COUNCIL MEMBER MATTEO: So, is HPD  
13 making--looking at it and seeing if it's a Sandy  
14 vacated house to--to determine which pot of money to  
15 use it from, or at this point if it's basically in  
16 one my Sandy impacted neighborhoods we're going to  
17 use the CDBG money.

18 COMMISSIONER BEEN: If it's in one of the  
19 Sandy impacted neighborhoods and it's Build-It Back  
20 registered, we would use the CDBG money because we'd  
21 always prefer to use federal dollars.

22 COUNCIL MEMBER MATTEO: Great right.

23 COMMISSIONER BEEN: If it has not been we  
24 will use our own resources to do that.

1  
2 COUNCIL MEMBER MATTEO: Okay. I  
3 appreciate it and you'd just give me the breakdown  
4 and again, Vito, thank you for--for all your help and  
5 Commissioner I thank you.

6 COMMISSIONER BEEN: Thank you.

7 CHAIRPERSON FERRERAS-COPELAND: Thank  
8 you, Council Member. Council Member Gibson followed  
9 by Council Member Rosenthal, followed by Council  
10 Member Salamanca.

11 COUNCIL MEMBER: [off mic] You can take  
12 it.

13 COUNCIL MEMBER GIBSON: Like it's 44  
14 seconds? Okay, sorry. Good afternoon. Thank you,  
15 Madam Chair, and thank you Commissioner Been to you  
16 and your staff. Thank you for being here. Thank you  
17 for all the work you do, and I want to thank your  
18 agency especially Vito for attending our Bronx Town  
19 Hall last night. Over 50 questions answered in  
20 almost three hours. A lot of it around housing. I  
21 just wanted to quickly ask about the Tenant  
22 Harassment Task Force--

23 COUNCIL MEMBER GIBSON: Uh-huh.

24 COMMISSIONER BEEN: --that has been  
25 convened with your agency, with the AG, State HCR and



1  
2 the Law Department, where we are with that and is  
3 there an update you could provide to us?

4 COMMISSIONER BEEN: So we are, you know,  
5 working constantly with our partners both in city  
6 government and with the Tenant Protection Unit and--  
7 and the State HCR and the Attorney General. I mean  
8 as you saw I guess it was Monday already, the  
9 Attorney General's announcement about criminal 20  
10 felony charges against a very prominent New York City  
11 landlord. Those efforts are paying off. We are  
12 constantly doing inspections with our fellow agencies  
13 like--especially DOB, Department of--of Health and  
14 Mental Health and the Fire Department to, you know,  
15 identify where we think harassment might be going on,  
16 and then we feed that information to either TPU or  
17 the Attorney General or in some cases the district  
18 attorney's offices. So we have a number of ongoing  
19 investigations. I can't comment on those--

20 COUNCIL MEMBER GIBSON: [interposing]  
21 right.

22 COMMISSIONER BEEN: --ongoing  
23 investigations, but we have done--I forget exactly  
24 how many inspections we have done--we have either  
25 inspected or attempted to inspect 396 buildings with

1  
2 over 5,000 dwelling units as of April of 2016 and  
3 those inspections resulted in issue--in 10,406 either  
4 hazardous or immediately hazardous HPD violations.  
5 They also resulted in DOHMH violations and Fire  
6 Department violations, et cetera. So it really is  
7 paying off, and I think what's particularly important  
8 about the joint task force is that all of us have  
9 different data, and all of us have different  
10 enforcement tools. And so by putting it all  
11 together, we become the--the--the hole becomes much  
12 greater than the sum of the parts.

13 COUNCIL MEMBER GIBSON: Okay, and I  
14 appreciate that, and I imagine many of the inquiries  
15 you're getting on the locations are coming from the  
16 311 system as well as just the other agencies you're  
17 working with?

18 COMMISSIONER BEEN: And community--

19 COUNCIL MEMBER GIBSON: [interposing]  
20 Okay.

21 COMMISSIONER BEEN: --and from Council--

22 COUNCIL MEMBER GIBSON: [interposing]  
23 Right.

24 COUNCIL MEMBER BEEN: We have a--  
25

1

2

COUNCIL MEMBER GIBSON: [interposing]

3

Okay. Yes, I do call upon you on many occasions.

4

COMMISSIONER BEEN: [interposing] Yes, we

5

appreciate that.

6

COUNCIL MEMBER GIBSON: I've had

7

buildings where community centers were converted to

8

apartments, illegally subdivisions. Lots of things

9

going on and I think the work you're doing with the

10

relevant agencies coupled with the civil legal

11

services, we're almost at \$60 million. For me in the

12

Bronx it's an investment that's making a difference.

13

Although we have not had decrease in the number of

14

evictions based on a number of reasons, but we've had

15

a lot of preventions of evictions. So, the number of

16

cases to court has not decreased, but the number of

17

evictions has really, really decreased, and I'm very

18

grateful for that, and knowing the work you're doing

19

is making a difference. Many of our families deserve

20

better, and through a lot of this collaboration,

21

they're going to get that. So I'm appreciative of

22

that. Is your agency involved in the Three-Quarter

23

Task Force that the Mayor convened, or is that HRA?

24

COMMISSIONER BEEN: It's primarily HRA

25

is--is involved in that, but we also are involved in

1  
2 inspections. So DOB, of course, is the main agency  
3 that issues violations if there is an illegal  
4 subdivision--

5 COUNCIL MEMBER GIBSON: Uh-huh.

6 COMMISSIONER BEEN: --but whenever we are  
7 inspecting in response to a 311 complaint or anything  
8 else, if we see evidence of an illegal subdivision or  
9 of unsafe or dangerous conditions in those three-  
10 quarter houses, we will issue violations. So we've  
11 been critically involved in the three-house  
12 inspections, but it's primarily HRA who--who

13 COUNCIL MEMBER GIBSON: [interposing]  
14 Okay.

15 COMMISSIONER BEEN: --deals with the  
16 tenants, et cetera.

17 COUNCIL MEMBER GIBSON: Okay, and then my  
18 last comment and question I wanted to focus on  
19 Housing NY, as the Chair alluded to, and really  
20 emphasize the urgent need. With affordable housing I  
21 want to make sure that it's really affordable for  
22 many New Yorkers, and I'm grateful to see Brooklyn  
23 and Bronx borough presidents have allocated funds for  
24 the mobile unit. I'm a huge fan of mobile units.  
25 Legal services, medical units I think as much as we

1  
2 can get to communities that have not been invested in  
3 is a great thing, and with my district going through  
4 the Jerome plan, it's really necessary for  
5 affordability to reach families at 30% AMI. So I  
6 wanted to find out what with the Bronx Mobile Unit  
7 where we are with that because I notice Brooklyn is  
8 in East New York predominantly.

9 COMMISSIONER BEEN: Uh-huh.

10 COUNCIL MEMBER GIBSON: So would the  
11 Bronx one go throughout the entire borough, or would  
12 it focus on the Jerome area?

13 COMMISSIONER BEEN: We are just now  
14 programming that with the Bronx borough president's  
15 office and--and we will consult with--with you and  
16 other City Council members throughout the Bronx. I  
17 mean I would expect that we would focus a great deal  
18 of effort in those rezoning areas at least at the  
19 beginning--

20 COUNCIL MEMBER GIBSON: Okay

21 COMMISSIONER BEEN: --because we, you  
22 know, especially want to be seeing what are the  
23 issues? What are people worried about? What are  
24 people needing in those areas? So I would certainly  
25 expect that we will be there. I don't know how long

1  
2 it's going to take us to get that, you now, new unit  
3 staffed--not staffed up, but built up and--and  
4 equipped to have--for example we have the Housing  
5 Connect consultants, those kinds of things so that  
6 people can--can enter right there. So it will take  
7 us a little while to get those online, but we will be  
8 talking with you about where you would like to see  
9 them.

10 COUNCIL MEMBER GIBSON: Okay, great. I  
11 appreciate that. I look forward to working with you,  
12 and certainly want to join the chair in his absence  
13 in recognizing our colleague Council Member Jumaane  
14 Williams as he is watching us this afternoon. Thank  
15 you very much, Commission. Thank you, Madam Chair.

16 CHAIRPERSON FERRERAS-COPELAND: Thank  
17 you. Thank you council member. We will now hear  
18 from Council Member Salamanca followed by Council  
19 Member Lander followed by Council Member Miller.

20 COUNCIL MEMBER SALAMANCA: Thank you,  
21 than you, Madam Chair. How are you Commissioner?

22 COMMISSIONER BEEN: Good, thank you.

23 COUNCIL MEMBER SALAMANCA: I have a few  
24 questions. One of my first questions, prior to  
25 become a Council Member I was District Manager for

1 about 5-1/2 at Bronx--at Bronx Community Board 2.

2 I'm here to advocate on behalf of the 12 community  
3 board. Something that we've seen that we struggle,  
4 every community board the--in the City Charter we're  
5 mandated to have once a month, our District Service  
6 Cabinet meeting.  
7

8 COMMISSIONER BEEN: Uh-huh.

9 COUNCIL MEMBER SALAMANCA: That's where  
10 every city agency sends a representative or their  
11 president, and we address issues that may have to do  
12 with multi-agency issues. HPD has never sent a  
13 representative to these meetings. Once a year, we  
14 have borough consultation in September--

15 COMMISSIONER BEEN: [interposing] Uh-huh.

16 COUNCIL MEMBER SALAMANCA: --and for the  
17 last five years I've been present, and we've asked  
18 HPD with the intergovernmental representatives there,  
19 why is HPD not sending a rep to these district  
20 service cabinet meetings when it's a mandate by the  
21 City Charter? So, I am here to ask you,  
22 Commissioner, why is HPD not sending a rep?

23 COMMISSIONER BEEN: I don't know. I  
24 apologize, but this is the first I've heard of it. I  
25

1

2

will look into it, and get back to you. If we are  
mandated to do it, we will do it.

3

4

COUNCIL MEMBER SALAMANCA: I appreciate  
it. Thank you.

5

6

COMMISSIONER BEEN: Uh-huh.

7

8

COUNCIL MEMBER SALAMANCA: So my other--  
my other question is about 25 years ago, the city of  
New York took vacant land--

9

10

COMMISSIONER BEEN: [interposing] Uh-huh.

11

12

COUNCIL MEMBER SALAMANCA: --and they  
converted it. They created private homes. Kind of a  
revitalization of the--of the South Bronx.

13

14

COMMISSIONER BEEN: Uh-huh.

15

16

COUNCIL MEMBER SALAMANCA: They--they  
built homes such as the Villa Maria Homes. They  
built the West Farms Homes. They also built Simpson  
Street Homeowners--

17

18

19

COMMISSIONER BEEN: [interposing] Uh-huh.

20

21

COUNCIL MEMBER SALAMANCA: --home. Fast  
forward 25 years later, the Villa Maria Homes they're  
sinking in. The back yards are sinking in, the front  
yards are sinking yards. The West Farms Homes that  
the sewage line, the way the sewage line was set up,  
they--all the homes were attached to one pipe, and

22

23

24

25



1  
2 that one pipe went into the--the city's main sewage  
3 line. So it--it was in the middle of the block.

4 There was a sewage backup--

5 COMMISSIONER BEEN: [interposing] Okay.

6 COUNCIL MEMBER SALAMANCA: --half of the  
7 block would get that sewage backup. The same thing  
8 occurring at the Simpson Street Homes. My  
9 predecessor the last couple of years, the success  
10 from working with HPD and addressing some of the  
11 issues at Villa Maria where they addressed the--the  
12 front driveways, and this summer they're going to be  
13 addressing the back yards, and they also addressed  
14 the--the sewage line at Villa Maria--

15 COMMISSIONER BEEN: Uh-huh.

16 COUNCIL MEMBER SALAMANCA: --and they  
17 also addressed the sewage line at the West Farm  
18 Homes. But one of the concerns that I have because I  
19 had a meeting last week with HPD and the Villa Maria  
20 homeowners was the quality of work that was done in  
21 these front yards. They used various contractors.  
22 One contract obviously he did very good work, good  
23 quality work where the cement is not cracking.  
24 Another contractor that was hired did very poor work.  
25 Cement is cracking. Actually the cement is just

1  
2 dusting off. So in three weeks HPD is going to go  
3 back, and redo this work. Now, I am concerned  
4 because I feel that this is a waste of money that the  
5 city is--is--is paying for in terms of addressing  
6 issues that should have been addressed correctly from  
7 the very beginning.

8 COMMISSIONER BEEN: Uh-huh. I agree. We  
9 should--we always are seeking to make sure that our  
10 contract, the contractors working on our projects are  
11 doing what they're supposed to do. That is why, as I  
12 mentioned earlier, we added staff to our Builds Unit  
13 to do more of the construction quality monitoring  
14 where they are actually out on the job, making sure  
15 that everything is being done up to code, making sure  
16 that it's being done at the quality that is demanded.  
17 I know the specifics about the concrete, but I will  
18 look into it. Obviously, the--the sewer work that  
19 was done there was unfortunately at the time that was  
20 what Code required, and that we have now learned with  
21 horrible experience that you can't--you should not  
22 have just one sewage line obviously for a line of  
23 houses. And that is no longer code compliant, but  
24 bringing those older house, you know, up to code is--  
25 is very difficult. So, I agree with you that we

1  
2 should be doing everything we can to ensure that  
3 construction is of the highest quality whether it's  
4 the initial construction or the repairs like were on  
5 the--on the cement, and I will look into the specific  
6 of the--of the cement problem.

7 COUNCIL MEMBER SALAMANCA: And one last  
8 question. In terms of the Six Street--Simpson Street  
9 Homes--

10 COMMISSIONER BEEN: [interposing] Uh-huh.

11 COUNCIL MEMBER SALAMANCA: --there was a  
12 commitment from HPD to fix--to fix these sewer lines.  
13 The work was supposed to begin this spring and this  
14 summer of 2016. Now, in my meeting with HPD last  
15 week that the Intergovernmental Division, it seems  
16 that HPD is backtracking on that commitment, and  
17 they're telling the homeowners that it's their  
18 responsibility to fix the sewer line. So I am--I'm  
19 asking what changed? There was money allocated. Why  
20 is HPD backtracking on their commitment to fix these  
21 sewer lines?

22 COMMISSIONER BEEN: Let me talk with the  
23 people who were there. I want to find out more about  
24 exactly what is being said. I don't know the  
25 specifics about the sewer line problem and we--one of

1  
2 the challenging things about homeownership problems--  
3 homeownership programs is the issue about  
4 construction quality issues or--or just failure  
5 issues that come up 20, 25 years down the road, and  
6 figuring out who should pay for that. If, you know,  
7 if you or I were to buy a house, there would be a  
8 warranty on that house for some period of time, but  
9 not for 20 years, not for 25 years. And so, the  
10 question is, you know, what's the fair way to--to  
11 deal that, and that is something that we've really  
12 struggled with.

13 COUNCIL MEMBER SALAMANCA: And--and I  
14 agree with that in terms of the warranty issue, but  
15 HPD already set a precedence.

16 COMMISSIONER BEEN: Well, I--

17 COUNCIL MEMBER SALAMANCA: [interposing]  
18 You know, the fixed Villa Maria. They fixed West  
19 Farms. They made a commitment to Simpson Street, and  
20 so I am here to advocate on behalf of my constituents  
21 to ensure that HPD fulfills their commitment.

22 COMMISSIONER BEEN: Okay. Let me talk  
23 with my team and find out more of the details. Okay.

24 COUNCIL MEMBER SALAMANCA: Thank you,  
25 Madam.

1

2

COMMISSIONER BEEN: Thank you.

3

4

CHAIRPERSON FERRERAS-COPELAND: Thank  
you, council member. We will now hear from Council  
Member Lander followed by Council Member Miller.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COUNCIL MEMBER LANDER: Thank you, Madam

Chair and a special shout-out to our Chair in  
absentia, Jumaane. We're glad you're out of the  
hospital and look forward to you being back here with  
us soon. Commissioner, good to see you and your  
team, and I'll extend a few thank yous to begin with  
as well. I know Peter always gets the shout-outs,  
but in the past year his work around the Borough Park  
building explosion not only helping the neighborhood  
in those days immediately afterwards with your team,  
but then also sticking with the families, and making  
sure that we got them Section 8 certificates and got  
them relocated into affordable units meant--meant a  
lot. So thank you. Thank you--

COMMISSIONER BEEN: [interposing] For

that we also owe thanks to Deputy Commissioner Anne-  
Marie Hendrickson.

COUNCIL MEMBER LANDER: [interposing]

And, oh, yeah, Deputy--and Anne-Marie apologize.

You, yes, Susie is already texting me saying that

1  
2 Vito helped us at the beginning, but it was Anne-  
3 Marie's team that stuck with those--getting those  
4 Section 8 certificates for those families. And there  
5 were lots of folks who worked with each of you to  
6 make that happen. So thank you both, and thank you  
7 for working with us in getting started on the  
8 Certificate of No Harassment work and I look forward  
9 to working with you and your team, and developing a  
10 policy there that really helps make sure we do even  
11 more than all of the things we're already doing to  
12 protect tenants from harassment and displacement  
13 especially where the important work we're doing  
14 together to encourage new mixed-income development.  
15 Unfortunately, in some cases can create perverse  
16 incentives that some people will take advantage of.  
17 So we look forward to working with you on that.  
18 Thanks for continuing to push on the federal front as  
19 well. As you know, Council Member Torres and I did  
20 some work in the runoff to the primary to try to make  
21 sure our presidential candidates are paying  
22 attention, and we're not going to let up on that.  
23 We've written them lovely thank you letters, and made  
24 clear that we expect them to stick with the  
25 commitments that they made when one of them is

1  
2 president of the United States and, you know, that  
3 will be a lot of work, but we've got to stick with it  
4 because we can't solve these problems alone. And I  
5 look forward to working with you and your team in the  
6 year to come hopefully in a couple of areas.  
7 Hopefully we'll be able in the Gowanus area, and  
8 depending on what the developer brings forward and  
9 around Long Island College Hospital to work with you  
10 and your team, and achieve some real affordability in  
11 our neighborhood. As you know, I think in addition  
12 to the focus on low and moderate income neighborhoods  
13 we need to do more to bring affordable units into  
14 upper, middle and high income neighborhoods if we're  
15 going to achieve these goals.

16 My questions for you surround the  
17 extended affordability benefit around the 421-A. I  
18 know you guys promulgated some rules, and maybe the  
19 comment period is closed. I don't know. I guess  
20 that's my-- You know, so it's my understanding that  
21 even though most of the new 421-A legislation that I  
22 supported and that we worked on together, you know,  
23 is now not in effect as a result of steps the  
24 Governor and the Legislature took, but the one piece  
25 of it that is, is this provision for an extended

1  
2 affordability benefit for buildings that were already  
3 in the program, but where those benefits might  
4 expire. I wonder if you could just kind of clarify  
5 for us where that is, and what you think the impacts  
6 will be. I know some of the goal there is cleaning  
7 up regulatory agreements that allow people to be  
8 deregulated at the end of the benefits period.

9 COMMISSIONER BEEN: Uh-huh.

10 COUNCIL MEMBER LANDER: Maybe if you just  
11 have some--you know, where you are in the rule making  
12 process and if you have some sense of both how many  
13 buildings and units we're talking about, what the  
14 costs potentially might be, and what benefits we will  
15 be getting for those costs.

16 COMMISSIONER BEEN: So--so thank you for,  
17 you know, for all of your work on the Certificate of  
18 No Harassment, and on so many other things, and we  
19 really look forward to working with you on that. On  
20 the extended affordability piece, it is puzzling that  
21 the MOU requirement that has resulted in the  
22 suspension of the broader 421-A program for whatever  
23 reason was not made applicable to the Extended  
24 Benefit period--Program. So the Extended Benefit  
25 Program is in effect independently of everything else



1  
2 that's swirling around--around 421-A. The Extended  
3 Benefit Program basically allowed buildings that were  
4 built I think prior to--I'm forgetting now, 2008.  
5 No, no even further back. It allowed them to--to  
6 come into the program to get an extension of  
7 essentially prior 421-A benefits in exchange for  
8 keeping the current 20% of the units that had been  
9 promised as affordable, keeping them affordable for--  
10 for the--for the extended benefit period, and also  
11 providing another 5% of the units in the building as  
12 affordable during that time. The reason that that  
13 was valuable to us as a city was that many of those  
14 early 421-A regulatory agreements, which often were  
15 not done by the city, did--did not require that when  
16 the benefit came to an end that the tenant [bell]  
17 then in place would continue to enjoy the benefits of  
18 rent regulation. When we do a rent--when we do a  
19 regulatory agreement now, rent regulation applies to  
20 every affordable unit, and when--even the  
21 affordability period comes to an end, rent regulation  
22 continues to protect the City and tenant. That was  
23 not done in many of those earlier reg agreements, and  
24 so they extended them to a program was meant to  
25 address that problem. The comment period we

1  
2 promulgated regulations that basically made clear  
3 that in order to opt into the extended benefit  
4 period, you had to provide the 5% additional units up  
5 front. That was the main gist of the--of the rule  
6 change, or of the rule promulgation. We had hearing  
7 now I think it was about three weeks ago. We got  
8 some comments. We, you know, continued to keep the  
9 comment period open, but I believe that the final  
10 rule was published either Friday or Monday. I forget  
11 exactly when, but I believe that it has now been  
12 published. I will double check that, but I--I  
13 believe it was.

14 COUNCIL MEMBER LANDER: Can I ask one  
15 small final question?

16 CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

17 COUNCIL MEMBER LANDER: Thank you. I  
18 just want to make sure that in the new regulatory  
19 agreements some of the loopholes like preferential  
20 rents or other ways that landlords have found in some  
21 of those earlier are also covered as well. So you  
22 have to keep that tenant in. Even if you have like  
23 the magic language, you can't evict when they're  
24 done, and you can't register preferential rents to--  
25 you have to keep it regulated at the, you know, it

1  
2 starts at the affordable rent for the remainder of  
3 that tenant's lease.

4 COMMISSIONER BEEN: Yes, our regulatory  
5 agreements don't allow many of the ways that rent  
6 regulation, you know, various provisions in the rent  
7 regulation rules can be used to raise the rents that--  
8 --that they are only allowed the RGB increases.

9 COUNCIL MEMBER LANDER: Okay, and the new  
10 Compliance Unit or strengthen the Compliance Unit  
11 that you have in place. That's the kind of thing  
12 that are helping make sure we--

13 COMMISSIONER BEEN: Absolutely.

14 CHAIRPERSON FERRERAS-COPELAND: Thank  
15 you, Council Member.

16 COUNCIL MEMBER LANDER: Thank you, Madam  
17 Chair.

18 CHAIRPERSON FERRERAS-COPELAND: We will  
19 not hear from Council Member Miller followed by  
20 Council Member Rosenthal followed by Council Member  
21 Grodenchik.

22 COUNCIL MEMBER MILLER: Thank you, Madam  
23 Chair. Good morning, Commissioner.

24 COMMISSIONER BEEN: Good morning.  
25

1  
2 COUNCIL MEMBER MILLER: Good afternoon,  
3 Commissioner, you and your team. Thank you for your  
4 work. Obviously, there's been a lot of praising, and  
5 I've had the opportunity to work first hand over the  
6 past two years, and the team has been very, very  
7 helpful at all levels on the ground, and as we  
8 negotiate with developers, and all those things that  
9 are occurring. So, with that, I'd like to segue into  
10 what Council Member Lander talked about Intro 421-A.  
11 What has been the impact since the expiration? I  
12 know you kind of talked about the other tools in the  
13 toolbox--

14 COMMISSIONER BEEN: [interposing] Uh-huh.

15 COUNCIL MEMBER MILLER: --that allow us  
16 to maintain and create affordability, you know, in  
17 this battle that we are fighting now.

18 COMMISSIONER BEEN: Well, look, I mean I  
19 think that the real impact of 420--the suspension of  
20 421-A is--is now being seen in the pipeline of market  
21 rate rentals, and what I hear from all of the lenders  
22 that I talk to is that there basically is no pipeline  
23 other than finishing up the projects that were  
24 grandfathered in. That, you know, we are seeing a  
25 real slow down in the production of market rate

1 rentals, right. And remember that part of what we  
2 achieved in the 421-A that was suspended was that  
3 every market rate project that took a 421-A benefit  
4 would have to provide either 25% or 30% affordable  
5 housing. So, if we don't have the market rate  
6 housing, we're not going to get that 25 to 30%  
7 affordable housing being generated by that. What we  
8 are able to keep going is our--basically 100%  
9 affordable or at least two-thirds affordable  
10 buildings that can qualify for some of these other  
11 benefits. But that's not enough. We need more  
12 market rate housing, and we need that market rate  
13 housing to be generating and cross-subsidizing that  
14 25 to 30% affordable housing that we hope to get, you  
15 know, through the market--through the market, right.  
16 So, you know, I--we're not seeing it immediately, but  
17 usually projects are in the pipeline for about 18  
18 months before we ever even see them because you've  
19 got to, you know, do your drawings. You've got to  
20 buy the land. You've got to get the financing, all  
21 of that stuff, and if there's nothing in the pipeline  
22 right now, then 18 months from now we'll start to see  
23 that things are not going in the ground.

1  
2 COUNCIL MEMBER MILLER: Basically in your  
3 earlier testimony, there tends to be a bit of concern  
4 around safety in affordability construction.

5 COMMISSIONER BEEN: Absolutely.

6 COUNCIL MEMBER MILLER: Not just safety,  
7 but obviously areas of--of--of developers that you  
8 can treat your workers and so forth to the point that  
9 you're doing spot checks, and there has been increase  
10 in the--in the--in hiring--

11 COMMISSIONER BEEN: Uh-huh.

12 COUNCIL MEMBER MILLER: --to address  
13 these issues. Could you tell me what has been the  
14 result of the additional hires as of 2015--

15 COMMISSIONER BEEN: [interposing] Uh-huh.

16 COUNCIL MEMBER MILLER: --and what we're  
17 seeing in the industries. I know that we've had some  
18 very intense hearing around safety. I know we've  
19 talked to builders who were saying the same thing  
20 that we've had a record number of accidents and  
21 fatalities in 2015. It's certainly something that we  
22 want to be able to address. Let me know what you're  
23 doing and in turn what can we do to--to assist and  
24 making sure that we have a safer work environment and  
25

1  
2 ultimately a better product for all the residents of  
3 the city.

4                   COMMISSIONER BEEN: Absolutely, and--and  
5 let me first of all thank you because you have been a  
6 consistent voice on those issues, and--and we have  
7 moved as a result of your nudging. So thank you for  
8 that. You know, as--and one of the things that we  
9 have done and in direct response to some of your  
10 comments, and to those earlier hearings is that now  
11 when our inspectors are out on a job and they see a  
12 site safety problem, first of all, they take  
13 immediate action to, you know, work with the  
14 contractor and get it fixed right then whether it's a  
15 weekend or a--or a night or--or during the week. But  
16 they also are very carefully documenting that, and  
17 that information is now going back into our sponsor  
18 review. So when we are looking to see, you know,  
19 should we do business with a--a developer and the  
20 developer and whoever the general contractor is that  
21 the developer is bringing in, we are feeding back  
22 into that sponsor review process the safety  
23 information that we are getting on the jobs. Okay,  
24 so that's one thing. The second thing is that as you  
25 said, we are--we are adding inspectors to do more

1  
2 inspections. That is in this year's budget. So we  
3 are just hiring [bell] those inspectors. So I don't  
4 yet have numbers as to what they're finding, or--or  
5 what a difference that makes, but we will certainly  
6 be tracking that. And, more generally I mean we have  
7 been--thank goodness we have been very lucky that,  
8 you know, the--the accidents--the tragic accidents  
9 that we have seen have not been on HPD projects. We  
10 work very hard to ensure the safety of our projects.  
11 We can always do more and I, you know, appreciate all  
12 of your suggestions and guidance on that.

13 CHAIRPERSON FERRERAS-COPELAND: Thank  
14 you, Council Member Miller. We'll hear from Council  
15 Member Rosenthal followed by Council Member  
16 Grodenchik followed by Council Member Barron.

17 COUNCIL MEMBER ROSENTHAL: Thank you so  
18 much, Chair, and thank you Commissioner for all the  
19 work that you're doing. I mean it sounds like you've  
20 made tremendous improvement over the last year in  
21 terms of the things that you've said you were  
22 committed to doing, and it's just so impressive.

23 COMMISSIONER BEEN: Thank you.

24 COUNCIL MEMBER ROSENTHAL: And I know a  
25 lot of that praise goes to your staff.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMISSIONER BEEN: Absolutely.

COUNCIL MEMBER ROSENTHAL: It's been a  
pleasure working--

COMMISSIONER BEEN: [interposing]  
Incredible job.

COUNCIL MEMBER ROSENTHAL: --with them.  
I want to take you up on your office for gentle  
nudging--

COMMISSIONER BEEN: Uh-huh.

COUNCIL MEMBER ROSENTHAL: --in two  
areas. One, to follow up on what Council Member  
Salamanca said about the district service cabinet  
meetings, the same is true in my district, and I have  
been wondering about why that's true. So I'm  
interested to hear that it's happening in yours as  
well. It seems to be in--in Community Board 7 anyway  
that the meetings are more the line agencies sort of  
Sanitation, transportation, police.

COMMISSIONER BEEN: Uh-huh.

COUNCIL MEMBER ROSENTHAL: And the  
benefit of having HPD there in frankly Buildings as  
well is that it's an opportunity for communication  
between the agencies on issues that affect many  
different agencies.

1

2

COMMISSIONER BEEN: Uh-huh.

3

4

COUNCIL MEMBER ROSENTHAL: You know, an  
obvious example is the sink hole where it travels--

5

you would know about this, but it travels between DOT

6

and DDC and Con Ed for some mysterious reasons.

7

COMMISSIONER BEEN: Uh-huh.

8

9

COUNCIL MEMBER ROSENTHAL: But, you know,

the Anti-Harassment Task Force is--is a great example

10

of a place where a variety of agencies come together

11

to work on an issue, and the District Service Cabinet

12

could--could benefit in the same way. So, gentle

13

nudge plug for that. The second thing I want to ask

14

you is it sounds like you guys are really keeping

15

track of the new term sheets that you're putting out

16

and--and keeping a good analysis of all of that.

17

Similarly, is it still the case that it's hard to

18

track the loss units? Can you do--have you guys

19

figured out a way to track the number of rent

20

regulated apartments lost every year?

21

COMMISSIONER BEEN: So, that's a great

22

question. I mean so we get data from--so we don't

23

keep that data because we don't--

24

COUNCIL MEMBER ROSENTHAL: [interposing]

25

Yeah.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COMMISSIONER BEEN: --of course, manage the rent regulation process. We get data from the-- HCR, the state agency. It is under a confidentiality agreement where we are not allowed to release any of the results of our analysis. So we are limited in what we--

COUNCIL MEMBER ROSENTHAL: [interposing] I'm sorry, could you just say that again because I--I couldn't hear it.

COMMISSIONER BEEN: We are only given the data from the state pursuant to a confidentiality agreement where they limit our ability to use any of that data.

COUNCIL MEMBER ROSENTHAL: How do you--

COMMISSIONER BEEN: To release it, to release any information--

COUNCIL MEMBER ROSENTHAL: [interposing] Okay.

COMMISSIONER BEEN: --about a couple things. (sic)

COUNCIL MEMBER ROSENTHAL: [interposing] Even aggregate.

COMMISSIONER BEEN: Even aggregate.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COUNCIL MEMBER ROSENTHAL: Okay, how is

it used?

COMMISSIONER BEEN: So we use it for our

own internal analysis to try to pinpoint problems,

harassment, unusual--

COUNCIL MEMBER ROSENTHAL: [interposing]

Got it.

COMMISSIONER BEEN: --activity, and to

try to formulate policies. So, for example, when we

work in Albany on rent regulation policies, we have a

great deal of analysis that tells us, for example,

you know, how much of a difference preferential rents

might make, those kinds of issues. But we don't

publish any of that data because we only

COUNCIL MEMBER ROSENTHAL: [interposing]

Okay.

COMMISSIONER BEEN: --have it on the

basis of that confidentiality agreement. We are

always trying to convince the state that to loosen up

on that, but--but so far we have not had enormous

success there. And also the data that we get from

them is sort of a yearly snapshot. So it's--we would

prefer to get the data more often so that we could

see trends as they are developing. And then the last

1  
2 thing I would say about that is that the--even the  
3 data that we get is far from perfect because--

4 COUNCIL MEMBER ROSENTHAL: [interposing]

5 Oh, sure.

6 COMMISSIONER BEEN: -because, you know.

7 COUNCIL MEMBER ROSENTHAL: Yes.

8 COMMISSIONER BEEN: So--so we have--

9 COUNCIL MEMBER ROSENTHAL: [interposing]

10 Well, you have control.

11 COMMISSIONER BEEN: --internal analysis.

12 COUNCIL MEMBER ROSENTHAL: Yep, and then

13 for your--okay, and then in the gentle nudge

14 department--

15 COMMISSIONER BEEN: [interposing] Uh-huh.

16 COUNCIL MEMBER ROSENTHAL: --a lot of the

17 building addresses in my district--I'll them up. You

18 know there's a new issue or ongoing issues, and I

19 look at a building on the HPD website, and it just

20 has [bell] you know, dozens of open violations--

21 COMMISSIONER BEEN: [interposing] Uh-huh.

22 COUNCIL MEMBER ROSENTHAL: --and I--is

23 there anyway to see whether or not the building owner

24 is in the process of curing those violations, or

25

1  
2 would I have to go to the OATH? Like how would I  
3 find out sort of the so what?

4                   COMMISSIONER BEEN: Well, so once a  
5 violation is issued, a--the owner has a--a period of  
6 time in which to correct it, and to certify that  
7 they've corrected it. If they don't certify that  
8 they've corrected it within that period of time, then  
9 they have to pay a fee to have the--the violations  
10 removed. Sometimes they don't remove those  
11 violations. We--especially if we're in a building on  
12 a new complaint or that kind of thing, we will check  
13 the open violations, and try to remove them. We try  
14 to work with--with owners to remove those open  
15 violations as quickly and efficiently as they--as we  
16 can, but they don't always do that. We work  
17 constantly to try to, you know, get those violations  
18 cleared. One thing, for example, that we do is have  
19 owners nights in districts, partnering with City  
20 Council members where owners can come in and--and we  
21 can teach them how to do it. We can walk--walk them  
22 through the process. So all--and we're happy to work  
23 with anyone on--on those kinds of issues. All that  
24 said, there's no way that you can see are they--do  
25 they say they are correct it because they are

1 supposed to be correcting it, you know. And they  
2 don't have to say yes I am doing what I'm supposed to  
3 be doing. That is what they're supposed to do within  
4 that certification period, and if they haven't done  
5 that then, you know, either we can devote a lot of  
6 resources into going in and re-inspecting all of that  
7 or, you know, they just stay open for a while, and  
8 that's the unfortunate trade-off that we're making.

9  
10 COUNCIL MEMBER ROSENTHAL: Thank you,  
11 Commissioner.

12 CHAIRPERSON FERRERAS-COPELAND: Thank  
13 you, Council Member Rosenthal. We will now hear from  
14 Council Member Grodenchik followed by Council Member  
15 Barron, followed by Council Member Levine.

16 COUNCIL MEMBER GRODENCHIK: Thank you,  
17 Madam Chair. Good morning or good afternoon,  
18 Commissioner.

19 COMMISSIONER BEEN: Good afternoon.

20 COUNCIL MEMBER GRODENCHIK: Thank you for  
21 your always sunny disposition.

22 COMMISSIONER BEEN: Well, I wouldn't say  
23 that. [laughs]

24 COUNCIL MEMBER GRODENCHIK: Definitely  
25 not. I'll say that. I wanted to ask you a question.

1  
2 I appreciate the housing snapshot on page 2. Can you  
3 break down the actual numbers of units preserved and  
4 units constructed or started to be constructed. I--I  
5 realize that things take time, but because as of the  
6 end of last fiscal year, we were at 20,324.

7 COMMISSIONER BEEN: Uh-huh.

8 COUNCIL MEMBER GRODENCHIK: Or actually  
9 that was for fiscal year, but the--the cumulative was  
10 almost 30,000. I'm just wondering what the  
11 difference is between, you know, you know, between  
12 what we started and this fraction on what we're  
13 preserving?

14 COMMISSIONER BEEN: Okay, so as of March  
15 31st of 2016, we have started new construction on  
16 14,152 units, and we had preserved 29,363. So that's  
17 the breakdown between preservation--

18 COUNCIL MEMBER GRODENCHIK: [interposing]  
19 It's roughly--

20 COMMISSIONER BEEN: --and construction.

21 COUNCIL MEMBER GRODENCHIK: It's roughly  
22 two to one then.

23 COMMISSIONER BEEN: Right.

24 COUNCIL MEMBER GRODENCHIK: Do you expect  
25 that to be the case as we go along?



1  
2                   COMMISSIONER BEEN: I--I think we  
3 committed in the Housing Plan to--to do 60%  
4 preservation and 40% new construction. New  
5 construction takes a lot longer to bring on line so  
6 we're--we're--we're behind on that 60/40. We're not  
7 quite at that 60/40 quite yet, but we are close.

8                   COUNCIL MEMBER GRODENCHIK: I'm not going  
9 to hold you too much to that. The last question  
10 because I don't want to--I know you've been here a  
11 while. Someone--one of my colleagues before asked  
12 about an average cost per unit, and I realized that  
13 we could get an average, but that would be a  
14 cumulative average. Would it be--could you give me  
15 what would be a reasonable sum to create a unit of  
16 affordable housing the capital costs? Is it--is it  
17 the \$100,000 range or is it \$200,000?

18                   COMMISSIONER BEEN: So, I--I mean--

19                   COUNCIL MEMBER GRODENCHIK: [interposing]  
20 So let's assume there's no land costs, which is--so  
21 just--just for the purpose of this argument.

22                   COMMISSIONER BEEN: So on new con--let's--  
23 -let's just talk about new construction that isn't  
24 supportive housing, right--

25

1

2

COUNCIL MEMBER GRODENCHIK: [interposing]

3

Right.

4

5

COMMISSIONER BEEN: --because supportive  
housing is--is more expensive to build. I mean

6

generally speaking a unit all-in--total--what we call

7

total development costs will range between about \$350

8

to sometimes \$480, \$490,000 a unit.

9

10

COUNCIL MEMBER GRODENCHIK: Wow, that's a

lot.

11

COMMISSIONER BEEN: That is a lot.

12

COUNCIL MEMBER GRODENCHIK: That is a

13

lot. Oh, you almost left me speechless.

14

COMMISSIONER BEEN: [interposing] I'm

15

sorry.

16

COUNCIL MEMBER GRODENCHIK: If you get

17

into it, well that's--

18

COMMISSIONER BEEN: [interposing] I am--

19

COUNCIL MEMBER GRODENCHIK: --and is

20

that--now I had asked you about land costs. Does

21

that included land costs or?

22

COMMISSIONER BEEN: That would usually

23

include some land costs.

24

COUNCIL MEMBER GRODENCHIK: Okay.

25

1  
2                   COMMISSIONER BEEN: Yes, that's the--  
3 again, that's the total develop costs. So we're  
4 putting in maybe 65 of that, but total all-in, all  
5 private and that--

6                   COUNCIL MEMBER GRODENCHIK: [interposing]  
7 And would that be a 2-bedroom unit or--?

8                   COMMISSIONER BEEN: That's just in--I  
9 mean that could range from. It--it could even be a  
10 3-bedroom or in some cases a 4-bedroom unit.

11                   COUNCIL MEMBER GRODENCHIK: Okay, thank  
12 you.

13                   COMMISSIONER BEEN: But I--it is my  
14 fervent hope and wish never to be the most expensive  
15 unit. I am horrified to tell you that for example in  
16 San Francisco some units are costing \$700,000,  
17 \$750,000 a unit.

18                   COUNCIL MEMBER GRODENCHIK: It's a much  
19 smaller city. It's only--I think it's 49 square  
20 miles.

21                   COMMISSIONER BEEN: Well, my goal is to  
22 lower the costs not be at the top.

23                   COUNCIL MEMBER GRODENCHIK: [interposing]  
24 I appreciate that. My--my and my--and my  
25 constituents all appreciate that as well.

1

2

3

4

5

6

7

COMMISSIONER BEEN: Yes. We are trying very hard to--and--and one of our projects for the new fiscal year is really to take apart all of the different costs of construction and think through each and every one of them and see where we could cut--cut costs.

8

9

10

11

COUNCIL MEMBER GRODENCHIK: And the last--since I started this, the average cost of preservation for an--for an apartment? I--I assume it's much lower.

12

13

14

15

16

17

COMMISSIONER BEEN: Much, much lower. I mean some--some preservation projects, many preservation projects cost us the tax exemption, which is an operating subsidy right. Others, you know, that total all-in not just our money, but total all-in, will be, you know, around \$10,000 a unit--

18

19

COUNCIL MEMBER GRODENCHIK: [interposing]

Yes.

20

21

22

COMMISSIONER BEEN: --because, you know. So it--that's really the trade-off that you're making.

23

24

25

COUNCIL MEMBER GRODENCHIK: Thank you very much, Commissioner. Thank you, Madam Chair.

1  
2           CHAIRPERSON FERRERAS-COPELAND: Thank  
3 you, Council Member. We will hear from Council  
4 Member Barron followed by Council Member Levine,  
5 followed by Council Member Matteo. We've been joined  
6 by Council Members Ulrich and Rodriguez.

7           COUNCIL MEMBER BARRON: Thank you, Madam  
8 Chair. I want to thank the panel for coming and  
9 presenting testimony. In your comments you said that  
10 the Housing Connects has created 2,628 units.

11           COMMISSIONER BEEN: The--the 2,628 units  
12 were allocated through Housing Connects.

13           COUNCIL MEMBER BARRON: Okay, and you  
14 said that the credit score alone is not used in  
15 evaluating the applicants. Just briefly what other  
16 criteria is used to determine the credit worthiness  
17 and how are they rated?

18           COMMISSIONER BEEN: So, other criteria  
19 that can be used are things like, you know, your  
20 record in paying rent. Your--the steadiness of your  
21 income. Those--those kinds of, you know, trends  
22 (sic) and I'm sorry.

23           COUNCIL MEMBER BARRON: And is it  
24 standardized. Do all of the developments use the  
25 same formula to the same degree?

1  
2                   COMMISSIONER BEEN:  It's--it's not a  
3 formula so they--they are--they are limited in the  
4 criteria that they can use, and they--and we mandate  
5 certain things that they cannot do, and certain  
6 things that they must do.  But they're making a  
7 judgment about the person's reliability in paying the  
8 bills.

9                   COUNCIL MEMBER BARRON:  So there may be  
10 some subjectivity there as to--

11                   COMMISSIONER BEEN:  [interposing]  
12 Exactly.

13                   COUNCIL MEMBER BARRON:  --that.  I think  
14 that might be problematic, but to move onto my next  
15 question.  How many--how many families that were  
16 homeless might be included in that number or in any  
17 general number of apartments that have been awarded  
18 over the last two or three years?

19                   COMMISSIONER BEEN:  So homeless fam--  
20 families that are in the shelters are referred to our  
21 homeless set-aside units.  They are referred  
22 directly.  They don't go through the Housing  
23 Connects.  That doesn't get--those units don't get  
24 lotteried off.  They are referred from the--the  
25 homeless shelters.

1  
2 COUNCIL MEMBER BARRON: And do we have a  
3 number?

4 COMMISSIONER BEEN: Yes. What was that  
5 number? [background comments] Yeah, but we have the  
6 number of--we'll look for it and--

7 COUNCIL MEMBER BARRON: [interposing]  
8 Okay.

9 COMMISSIONER BEEN: --ask me your next  
10 question.

11 COUNCIL MEMBER BARRON: Thank you. There  
12 was a report in an issue I believe this week of the  
13 New York Times, which talks about 500 units that will  
14 be developed on NYCHA sites.

15 COMMISSIONER BEEN: Uh-huh.

16 COUNCIL MEMBER BARRON: And there were  
17 three developments that were indicated as the  
18 selected sites, and all of them according to the  
19 article will be designed for people at least 40% of  
20 the AMI. How are those developments selected, and  
21 what other developments will be selected for  
22 completely affordable housing that would be developed  
23 on their property.

24 COMMISSIONER BEEN: So we issued an RFP  
25 for the first three of those properties. We

1  
2 anticipate that there will be many more property  
3 projects on NYCHA property over the next, you know,  
4 eight years. The criteria that were used were a wide  
5 range of things, the--obviously the--the--the design  
6 of the buildings, how they fit into the NYCHA  
7 property. The people who were being served whether  
8 some of them were seniors. For example, one of the  
9 projects that was awarded was a senior project for  
10 LGBT seniors, the AMI served. The return to NYCHA  
11 for leasing its land, the experience of the  
12 development team. All of those things go into the--  
13 the selection of--

14 COUNCIL MEMBER BARRON: [interposing]  
15 Well, presently--I'm hurrying up because my time is  
16 running.

17 COMMISSIONER BEEN: I'm sorry. Uh-huh.

18 COUNCIL MEMBER BARRON: So other NYCHA  
19 residents are permanently locked into the 30% rate of  
20 their income. Does that also apply to the new  
21 development? Will they be locked in? Will they be  
22 guaranteed--

23 COMMISSIONER BEEN: [interposing] Yes.

24 COUNCIL MEMBER BARRON: --that because I  
25 understood that it was a 60-year arrangement. So



1  
2 they will be guaranteed beyond the 60 years that the  
3 rental they will be paying is what they will continue  
4 to pay?

5 COMMISSIONER BEEN: So all the residents  
6 of--of those affordable units will pay only 30% of  
7 their income. That's standard in all of our  
8 buildings. The ground lease I think is four 60  
9 years, and then has to be renegotiated.

10 COUNCIL MEMBER BARRON: And the Governor  
11 had said in his State of the State Address that he  
12 was going to create 100,000 units statewide. Do we  
13 have any collaboration with the state as to how many  
14 units we expect will come to New York City through  
15 that plan, and what does he define as affordable?  
16 Does that match what we--what the city presently uses  
17 or is it a state formula for affordable or will it be  
18 tailored made to each of the regions where he plans  
19 to develop the housing?

20 COMMISSIONER BEEN: I wish we knew. We  
21 have gotten very little detail. We are trying very  
22 hard to collaborate with the state as we have always  
23 [bell] done for the last really four decades.

1  
2 COUNCIL MEMBER BARRON: Okay, and just  
3 quickly, Madam Chair, if I could ask one more  
4 question.

5 CHAIRPERSON FERRERAS-COPELAND: Yes.

6 COUNCIL MEMBER BARRON: The--the last  
7 question talks about your answer to units that have  
8 been perhaps taken out of protection through  
9 unscrupulous methods used by landlords. We last week  
10 had testimony from Florence Rice who's 93 years old  
11 and at the age of 85, her landlord forced her out  
12 through extensive redevelopment while she was still  
13 there. What do we do--if we get the data from the  
14 State identifying units that have been lost, is there  
15 any way to recapture those units. We have data but  
16 how can we use that to bring those units back into  
17 the pool of preserved and protected housing?

18 COMMISSIONER BEEN: Well, so for example  
19 where units have been--have not been registered under  
20 the Rent Regulation Program or have been--the rents  
21 have been raised above the legal rent, but the owner  
22 has received some tax exemption like the J51 or a  
23 421-A. We have gone back and enforced those rent  
24 regulation requirements since we have required that  
25 they re--you know, relist those as rent regulated

1  
2 units that they reset the rents, et cetera. So we  
3 can in those cases do that--that kind of thing.

4 COUNCIL MEMBER BARRON: Thank you and  
5 thank you, Madam Chair.

6 COMMISSIONER BEEN: And I--I will get you  
7 the number. I know we have placed 698 homeless  
8 households in Fiscal Year 2016 through our Voucher  
9 Program. I don't have the numbers with me about  
10 exactly how many we've placed in our homeless set-  
11 aside units. It's several thousand, but I don't  
12 exactly have it with me, but we'll get it to you.

13 COUNCIL MEMBER BARRON: Thank you.

14 CHAIRPERSON FERRERAS-COPELAND: Thank  
15 you, council member. We will now hear from Council  
16 Member Mendez. Is she in the department yet? (sic)  
17 Council Member Rodriguez.

18 COUNCIL MEMBER RODRIGUEZ: Thank you for  
19 [off mic] all the support that you've been providing  
20 for our community, and it's a great start, it started  
21 with our great Vito Mustaciuolo for always being  
22 there. To all and three and the money. It's also a  
23 matter of time. You're always there doing  
24 inspections also. I know that--and again also the  
25 HPD been working with a particular case at 560

1  
2 Ottoman (sic) Street. Very critical. I know that we  
3 are limited on what you can do because most of the  
4 thing is subject to, you know, what the judge decide.  
5 But I hope that 560 as recently have in the  
6 newspaper, the landlord that they've been creating  
7 fake leaks. I believe that 560 is in that category  
8 or more than 30 apartments having the rent  
9 established, but the landlord without having the  
10 proper the right to make the rent to that amount.  
11 Bringing tenants to live there for a few months, and  
12 bringing new ones, and that's how we're able to make  
13 more than 30 of those apartments to a level of rent  
14 that is not legal. So besides what, you know, what  
15 HPD has been able to do on making that landlord to  
16 pay or do a deal, I hope that working with the AG and  
17 the City you should go after this landlord because  
18 it's one of those few bad apples that we have, this  
19 is about creating fake leaks to increase the rent.  
20 So I jus hope that we continue working on that  
21 particular case.

22 COMMISSIONER BEEN: Okay.

23 COUNCIL MEMBER RODRIGUEZ: We have big  
24 plans, and you know, we've been meeting and walking  
25 through our community when it comes to rezoning and

1  
2 preservation. We have a plan there. We have a great  
3 team doing the assessment on how can we preserve the  
4 largest numbers of units as possible as we are going  
5 to be building new units with the support and  
6 leadership of Mayor de Blasio. But I need your  
7 support to renovate the two filled buildings in my  
8 community 83 Post Avenue and 21 Arden Street. I've  
9 been fighting for those two buildings since the  
10 previous administration and as you know, that jack,  
11 you know, how much it took for us to renovate 552  
12 Academy for three years I came here asking for  
13 funding. They money was never there. It took for  
14 the snow storm to put the tenants at risk. Then we  
15 find the money to renovate 552 Academy. A great  
16 project and we were there for the recent cutting.  
17 Now, 21 Arden Street. Tenants being relocated for  
18 more than three or four years. We've been waiting.  
19 In the previous administration the money was supposed  
20 to be there. I know that when the new administration  
21 started reorganization the field building, 21 was  
22 leaving up in the air. Tenants are desperate.  
23 They're crying. We've been meeting, and I just hope  
24 that as we have the big plan for the other area, I  
25 should not be waiting weeks or months because 21

1  
2 Arden should be renovated as also 83 Post Avenue,  
3 too, and I just need, you know, your support and--and  
4 your staff to work with Northern Manhattan  
5 Improvement Corporation who are the ones building and  
6 tried to renovate 21 Arden. They say that the money  
7 that had been allocated from HPD is not enough to  
8 renovate it. We need help. I put in \$200,000 last  
9 year. I put in an additional \$300,000 now, but we  
10 need to get the money because they've been waiting so  
11 long.

12 COMMISSIONER BEEN: Okay. Is this the  
13 roof issue? Yeah.

14 COUNCIL MEMBER RODRIGUEZ: [off mic]

15 COMMISSIONER BEEN: Yeah, okay. Okay,  
16 pardon. Yeah, so I--I don't know the specifics of 21  
17 Arden or 83 Post, although I have--it certainly have--  
18 -both have come across my desk. Let me work with my  
19 team and see what more we can do. Okay?

20 COUNCIL MEMBER RODRIGUEZ: Thank you, and  
21 my other question in--in the few minutes is  
22 preservation--

23 COMMISSIONER BEEN: [interposing] Uh-huh.

24 COUNCIL MEMBER RODRIGUEZ: --and I have a  
25 great team, very little people that have a big heart

1

2

caring for our people. But, how is that we're going  
to be, you know, being able to send--continue doing  
the best we can to send a message to abuse the power.

5

You know, everyday I call tell you that in my own

6

building a senior citizen she was living there for 40

7

years paying \$850.

8

COMMISSIONER BEEN: Uh-huh.

9

COUNCIL MEMBER RODRIGUEZ: This apartment

10

is in the market today for \$2,900. How is it that

11

we're going to be--what is the loops that we have

12

that allow, you know, landlords [bell] not only is

13

that being about citywide to improve the--to bring

14

the rent so high at that particular place?

15

COMMISSIONER BEEN: I don't know the

16

specifics or obviously it doesn't sound like there

17

was a vacancy so I don't know how they brought the

18

legal rent up that high, or if they did. Did you

19

check? Did we check? Let's talk about it, right, if

20

that's a huge increase and there was no vacancy so I

21

don't understand that, but let's look into it. Okay?

22

CHAIRPERSON FERRERAS-COPELAND: Thank

23

you, Council Member. We will now here from Council

24

Member Salamanca.

25

1  
2 COUNCIL MEMBER SALAMANCA: Thank you,  
3 Madam Chair. So, Commissioner, I have another  
4 question in terms of a 7A Administrator.

5 COMMISSIONER BEEN: Uh-huh.

6 COUNCIL MEMBER SALAMANCA: In my council  
7 district I have I believe one of the worst landlords  
8 in the city of New York, Mr. Ved Parkash at 750 Grand  
9 Concourse. Not too long ago in--in March I rallied  
10 with the tenants in Housing Court because the--the  
11 gas was cut off--

12 COMMISSIONER BEEN: [interposing] Uh-huh.

13 COUNCIL MEMBER SALAMANCA: --and this  
14 building had over 500 violations. They had not had  
15 gas in over three months. I was working with your--  
16 your office with Vito in terms of to seen how we can  
17 be of assistance. The tenants brought in a tenant  
18 action against the--the landlord and the--the judge  
19 allowed him--gave him 30 days to address these 500  
20 violations. This is my understanding that they have  
21 been addressed. However, still no gas, and he is one  
22 of the worst landlords in the city of New York. At  
23 what point does HPD step in and assign a 7A  
24 Administrator to take over the management of this  
25 building?



1  
2                   COMMISSIONER BEEN: So I don't know the  
3 specifics of this building although I certainly know  
4 of the Parkash Portfolio and--and Vito and I have  
5 spent a lot of time in discussion that portfolio. So  
6 I--I would need to find out exactly what's happening  
7 with those--the violations and the gas. I don't  
8 understand how the violations could be cleared  
9 without the gas being on. That doesn't sound right.  
10 But we will look into it, but in terms of your  
11 broader question, I mean we make a case-by-case  
12 determination of whether or not a 7A Administrator,  
13 you know, whether we think that that will the  
14 building back to good health. We work very closely  
15 with the tenant advocates with Legal Services, with  
16 our Housing Litigation Division to try to figure out  
17 what's the best course of action, but it is a very  
18 individual judgment. But happy to talk with you  
19 about that building, and the entire portfolio.

20                   COUNCIL MEMBER SALAMANCA: How--how  
21 aggressive is HPD in terms of assigning a 7A  
22 administrator, for example for this landlord who has  
23 a total disregard for tenant rights?

24                   COMMISSIONER BEEN: So I mean I think we  
25 are very aggressive. We have, you know, a legal

1  
2 staff in the Housing Litigation Division of--I think  
3 it's about 40. Is that right? About--I think it's  
4 about 40, lawyers who are in court with the tenants,  
5 advocates with legal services all the time on these  
6 comprehensive cases 7A Alternative Enforcement  
7 Program, et cetera, but we--we do make a case-by-case  
8 about which of the tools is most likely to get the  
9 building into good health and, you know, [bell] we  
10 can talk about a particular instance, but it really  
11 is a case-by-case determination. For example, we  
12 found that in our Alternative Enforcement Program it  
13 doesn't work nearly as well for very small buildings  
14 as it works for bigger buildings. So we tend, you  
15 now, it's--it's a very case--it's a--it's a very fact  
16 specific determination.

17 COUNCIL MEMBER SALAMANCA: All right,  
18 thank you. Thank you, Madam.

19 COMMISSIONER BEEN: Uh-huh.

20 CHAIRPERSON FERRERAS-COPELAND: Thank  
21 you, Council Member Salamanca. Chair and  
22 Commissioner, we have additional questions, but we're  
23 going to get them sent to you. So if you can get  
24 them back to us we would really appreciate it. We're  
25 going to focus on rezoning, affirmatively furthering

1  
2 the Fair Housing Rule, and the New York City--and  
3 additional questions on New York City Connect and  
4 some other committee questions.

5 COMMISSIONER BEEN: Okay.

6 CHAIRPERSON FERRERAS-COPELAND: So we're  
7 just hoping you can get those back to us as soon as  
8 possible because we're going to be using some  
9 components of it while we're negotiating the budget.

10 COMMISSIONER BEEN: Absolutely.

11 CHAIRPERSON FERRERAS-COPELAND:  
12 Excellent. Thank you so much for coming to testify  
13 today.

14 COMMISSIONER BEEN: Thank you.

15 CHAIRPERSON FERRERAS-COPELAND: We are  
16 going to take a 15-minute break before we hear from  
17 the Department of Buildings. Thank you.

18 [background comments, pause]

19 CHAIRPERSON FERRERAS-COPELAND: We will  
20 now resume the City Council's Hearing on the Mayor's  
21 Executive Budget for Fiscal 2017. The Finance  
22 Committee is joined by the Committee on Housing and  
23 Buildings chaired by Council Member Williams. As I  
24 mentioned earlier, unfortunately, Council member  
25 Williams will not be able to join us today due to

1  
2 medical reasons, but we wish him all the best and a  
3 speedy recovery. We just heard from the Department  
4 of Housing Preservation and Development, and now we  
5 will hear from the Department of Buildings. The  
6 DOB's Executive Budget totals \$172.1 million, \$117--  
7 \$17.6 million more than in Fiscal 2016's Adopted  
8 Budget. Since 2009, construction across the city is  
9 up by 300%. In fact, the New York Building Congress  
10 reported yesterday that the DOB issued a record  
11 56,528 residential permits in 2015, with 46% of these  
12 of those permits issued in Brooklyn. However, with  
13 this increased construction comes increased  
14 construction related accidents, which are up about  
15 98%. While the Executive Budget includes funding for  
16 additional inspectors, the committee would like to  
17 hear testimony regarding other steps or regulations  
18 DOB is implementing in order to increase safety on  
19 construction sites. In addition, the Council has  
20 repeatedly called on the department to increase  
21 transparency in its budget. Approximately 76% of the  
22 agency's entire budget fits in one personal service  
23 unit of appropriation. Lumping so much funding into  
24 one bucket without any further breakdown makes it  
25 extremely difficult for the Council and the Public to

1  
2 track the areas in which DOB is adding resources such  
3 as additional resources to ensure construction  
4 safeguards, as I previously referenced. We will now  
5 hear testimony from Commissioner Rick Chandler after  
6 he is sworn in by my counsel.

7           LEGAL COUNSEL: Do you affirm that your  
8 testimony will be truthful to the best of your  
9 knowledge, information and belief.

10           I do.

11           CHAIRPERSON FERRERAS-COPELAND:

12 Excellent. You may begin Commissioner.

13           COMMISSIONER CHANDLER: Good afternoon  
14 Chair Ferreras-Copeland and members of the Housing  
15 and Buildings and Finance Committees. I'm Rick  
16 Chandler, Commissioner of the New York City  
17 Department of Buildings. I'm joined by First Deputy  
18 Commissioner Thomas Fariello and Deputy Commissioner  
19 of Finance and Administration Sharon Neill. I would  
20 like to extend my well wishes to Council Member  
21 Williams. I'm sorry that he couldn't be here, and we  
22 look forward to seeing him soon. I'm pleased to be  
23 here to discuss with you at the Departments--with you  
24 the Department's Fiscal Year 2017 Executive Budget,  
25 and how it allows us to provide critical services to

1  
2 protect the safety of the public, and facilitate  
3 develop and continue to support our bold initiative  
4 announced last year to transform the department. Our  
5 Building One City Plan seeks to fundamentally reform  
6 the department to enhance public and worksite safety,  
7 reduce wait times and delays, and modernize all  
8 aspects of the department to meet the needs of the  
9 largest and most complex city in American. The  
10 Fiscal Year 2017 Executive Budget allocates  
11 approximately \$172 million in expense funds to the  
12 department. Of this, approximately \$130 million is  
13 for personnel services and \$42 million is for other  
14 than personnel services. The Executive Budget  
15 provides approximately \$16.6 million in additional PS  
16 and OTPS funding, and 51 new staff positions. This  
17 includes \$6 million to fund 14 positions to advance  
18 initiatives contained in our Building One City Plan;  
19 \$3.7 million to fund 22 positions focusing on a  
20 variety of critical agency operations. \$1.2 million  
21 to fund 14 positions focusing on energy code  
22 compliance. \$65,000 to fund one position focusing on  
23 transitional housing inspections, and finally \$5.6  
24 million for miscellaneous adjustments including  
25 utility and--utility costs and leases. The

1  
2 department is a revenue producing agency, offsetting  
3 the \$172 million in expense funding in the Executive  
4 Budget. The revenue forecast for the department is  
5 approximately \$252 million, which does not include  
6 the more than \$40 million in department issued  
7 Environmental Control Board fines that the city  
8 collects each year. The Executive Budget provides  
9 for 1,630 budgeted employees.

10 In Fiscal Year 2015, more than 3,100 new  
11 building applications were filed with the department,  
12 a 23% increase from the prior year and more than  
13 88,000 alteration applications were filed, an 11%  
14 increase. In Fiscal Year 2015, the department issued  
15 more than 104,000 initial construction permits, a  
16 5.9% increase from the prior year, and more than  
17 44,000 permit renewals, a .5% increase. Finally, one  
18 sign of future new building activity is initial  
19 demolition permits. In Fiscal Year 2015, the  
20 department issued nearly 1,900 demolition permits,  
21 which was a 24.2% increase from the prior year. As  
22 you can see, construction activity throughout the  
23 city has shown little sign of abating. When I  
24 testified before the Housing and Buildings Committee  
25 in March on the department's Fiscal Year 2017

1  
2 Preliminary Budget, I updated the Committee on the  
3 progress we've made toward the goals set forth in our  
4 Building One City Plan. Whether it is hiring new  
5 inspectors and leveraging data to advance our  
6 enforcement efforts or hiring plan examiners and--and  
7 transforming our online presence to facilitate  
8 development, we are quite pleased with our progress  
9 so far and look forward to advancing our goals in the  
10 months ahead.

11                   Since I last appeared before you to  
12 discuss the Preliminary Budget there are several  
13 initiatives on which I'd like to update you. To  
14 start, I'd like to thank Chair Williams, member of  
15 the Committee and the entire Council for their  
16 supportive legislation that establishes a more  
17 equitable fee structure for construction applications  
18 filed with the department. This legislation signed  
19 by the Mayor yesterday reduces by half the fees paid  
20 by one, two and three-family homeowners for new  
21 building and major alteration applications, and  
22 increases the same application fees for major  
23 developments. These larger projects have not seen a  
24 fee increase in a quarter century despite their  
25 increased complexity and the improved service the



1  
2 department has provided, and through Building One  
3 City will advance further. Following extensive  
4 consultation with a variety of stakeholders including  
5 invaluable input from the City Council the department  
6 has drafted legislation that makes significant  
7 improvements to the City's Energy Conservation Code.  
8 When enacted, our updated Energy Code will reduce  
9 energy use for new buildings and major renovations by  
10 approximately 25% for new residential building and  
11 8.5% for new commercial buildings as compared to  
12 existing Energy Code standards. The department  
13 applauds the City Council for its cooperation in  
14 advancing a more sustainable city, and looks forward  
15 to hearing on this--to a hearing on this legislation.  
16 We have also embarked on an long-term initiative to  
17 develop a waterfront construction code, and assume  
18 permitting and enforcement responsibility for  
19 construction on the City's waterfront. Currently,  
20 this authority resides with the Department of Small  
21 Business Services. By regulating waterfront  
22 construction, the department will further the goals  
23 in our Building One City Plan to improve safety and  
24 streamline the development process.

1  
2           Last week was Construction Safety Week  
3 during which the department hosted its Annual Build  
4 Safe Live Safe Conference. Hundreds of construction  
5 professionals attended department led seminars where  
6 they learned about the latest accident trends and the  
7 best practices for improving safety. For the first  
8 time at this conference the department provided  
9 instruction on methods to properly protect tenants  
10 during construction. Throughout the week, department  
11 staff also distributed thousands of multi-lingual  
12 educational flyers at construction sites throughout  
13 the city as part of its Experience is Not Enough  
14 Campaign. While we are pleased with our progress  
15 thus there is more work still to be done. We thank  
16 the Council for its support, and look forward to  
17 continuing our work together to improve the  
18 department for the benefit of all New Yorkers. Thank  
19 you for your attention and the opportunity to testify  
20 before you today. I welcome any questions you may  
21 have.

22           CHAIRPERSON FERRERAS-COPELAND: Thank  
23 you, Commissioner. The Council called got greater  
24 budget transparency with DOB's budget in previous  
25 years. I think we've had this conversation before.

1  
2 The department's Fiscal 2017 Executive Budget  
3 currently appropriates \$130 million of the  
4 department's \$172 million total budget in a single  
5 unit of appropriation for personnel services. Would  
6 DOB consider adding an additional unit of  
7 appropriations of its budget line to allow for more  
8 transparency and better outline how the costs are  
9 impacting the overall budget? And have you discussed  
10 this with OMB?

11 [pause]

12 DEPUTY COMMISSIONER NEILL: Hi. How are  
13 you? [coughing] Do I need to--?

14 CHAIRPERSON FERRERAS-COPELAND: State  
15 your name for the record.

16 DEPUTY COMMISSIONER NEILL: I'm Sharon  
17 Neill. I'm the Deputy Commissioner for Finance and  
18 Administration. This question concern our U of A has  
19 come up in the past, and we often times recommend  
20 that it be deferred to the Office of Management and  
21 Budget. We also have additional budget transparency  
22 as it relates to the structure of the budget, but we  
23 do have budget codes within unit of appropriation  
24 that provides some transparency in terms of how  
25 funding is allocated.

1  
2                   COMMISSIONER CHANDLER: So we're asking  
3 for additional. We'll circle back with the OMB  
4 Director, but it's very challenging for the Finance  
5 Division staff to get into the details if we don't  
6 have it broken up, and we don't--you know, we just  
7 see an increase. We don't know exactly where the  
8 increases are happening. So it should be as easy for  
9 the Finance Division or anyone that's looking into  
10 the portal to get information. Let's talk about  
11 cooling towers. DOB is adding funding in Fiscal 2016  
12 and Fiscal 2017 for additional staff to support work  
13 related to the registration of cooling towers under  
14 Emergency Health Regulations adopted under Local Law  
15 77 of 2015. Building owners and property managers of  
16 cooling towers are required to register cooling  
17 towers with DOB. Can you provide the committee with  
18 the number or figures on the number of cooling towers  
19 that have been registered with DOB since the  
20 legislation went into effect, and when are property  
21 owners required to submit their annual certification  
22 to DOB?

23                   COMMISSIONER CHANDLER: I can tell you  
24 that there are 5,806 cooling towers that have been  
25 registered, and a reminder that pursuant to Local Law

1  
2 77 property owners are required to submit annual  
3 certification on or before November 1, 2016, and by  
4 November 1 of each year thereafter.

5 CHAIRPERSON FERRERAS-COPELAND: Okay. So  
6 I wanted to also ask about crane regulations. In  
7 February 2016 following the follow--the fatal crane  
8 collapses, and you know, in Lower Manhattan, the  
9 Administration announced the City would tighten  
10 safety measures for crane operations in all five  
11 boroughs and technical working groups. Would you  
12 perform--will you perform a 90-day review of the  
13 incident? Can you share with the committee any  
14 details or recommendations resulting from this  
15 review, and what is your plan to reduce these  
16 incidents on how the measures--and I know that you  
17 spoke about the--the training I guess that you did,  
18 your event, which was successful in training the  
19 industry. But is there anything that specifically  
20 came out of the working group? Are there any  
21 legislative ideas that you think would help?

22 COMMISSIONER CHANDLER: Well, thank you  
23 for asking that. The review is not complete.

24 CHAIRPERSON FERRERAS-COPELAND: Okay.  
25

1  
2                   COMMISSIONER CHANDLER:  A--a prominent  
3 forensic engineering firm has been retained to  
4 identify the cause of the collapse and that work is  
5 ongoing.  Additionally, the Mayor and I announced the  
6 formation of a crane safety technical working group  
7 of independent experts.  The working group is charged  
8 with evaluating the circumstances around the collapse  
9 and proposing recommendations to improve crane  
10 safety.  The working group is still consulting with  
11 the department staff, and an advisory committee of  
12 industry stakeholders about the--about the incident,  
13 and we expect that the report will be released later  
14 this month.  The--we're--as I said, we're waiting for  
15 those recommendations, and following the collapse,  
16 Mayor de Blasio and I announced four proposals to  
17 increase safety, and when large cranes are operating  
18 including a significant increase in fines for safety  
19 lapses related to cranes.  Since the we've--we've  
20 banned from city streets the crane configuration that  
21 collapsed on February 5th.  In conjunction with FDNY,  
22 the department has also put in place stronger  
23 protections for pedestrians when cranes are being  
24 lowered to the ground.  Prior to moving a crane,  
25 operators are now required to notify occupants in

1  
2 neigh--of neighboring buildings. Additionally, the  
3 department is in the process of updating our rules  
4 related to cranes. That process was in place prior  
5 to the accident. It's ongoing and we expect our  
6 rules to continue its update process after the  
7 Technical Working Group and with the Advisory  
8 Committee

9 CHAIRPERSON FERRERAS-COPELAND: So we  
10 should expect a report or some recommendations in a  
11 month?

12 COMMISSIONER CHANDLER: Yes.

13 CHAIRPERSON FERRERAS-COPELAND: Okay. I  
14 want to talk about something very peculiar, a process  
15 that I think anybody would find daunting. I was  
16 incredibly frustrated to try to figure out which  
17 agency was responsible for curb cuts, and I--to my  
18 surprise it says it was DOB. I contacted DOT, the  
19 MTA because there was a private business owner who  
20 decided that the bus stop was an inconvenience for  
21 how he did business so he would move it. So he moved  
22 the bus stop about 200 feet, created a curb cut,  
23 knocked down two homes that he had purchased, poured  
24 asphalt and created his own parking lot where there  
25 were homes before. So now, there is a new curb cut,

1  
2 the bus stop that he moved, the actual bus stop, a  
3 fire hydrant, and another curb cut that he created  
4 for the other side of this parking lot that just  
5 popped out of nowhere. I've since reached out to  
6 several agencies including yours, and we're trying to  
7 see, you know, we noted there were fines, stop work  
8 orders, but over the weekend there's customers  
9 parking in the lot like usual. Someone had to move  
10 from waiting in the stop because a car was coming in,  
11 and there's--there's not even a curb cut on that part  
12 of Astoria Boulevard. It's just really a mess, and  
13 we've brought attention to it. You guys have since  
14 put your stop work order, but they're doing business  
15 as usual. So it doesn't seem--you know, I want to  
16 understand what the efforts are to dissuade people  
17 because it's almost like well, we'll get the finance  
18 part of doing business. No one--where are you  
19 stopping the work if everything has already been  
20 done?

21 COMMISSIONER CHANDLER: That's a good  
22 question. That's outrageous, outrageous what this  
23 person did. You heard me testify I think before that  
24 the scope of what our agency does is--is extremely  
25 broad from the 1,000-foot skyscrapers to roller



1  
2 coasters to tree planting and yes curb cuts. Curb  
3 cuts are very much related to zoning because that's  
4 what we do in terms of--in--in addition with  
5 everything else is--is enforce the Zoning Resolution,  
6 which where parking, off-street is--includes. So  
7 curb cuts are very much related to off-street  
8 parking. So that's why we enforce it. You're right  
9 that when issue stop work orders often times it's--  
10 it's viewed as the cost of doing business. It's  
11 infuriating but that's--we are--we are absolutely  
12 engaged in changing the culture of violations as the  
13 cost of doing business. Right now, we're very much  
14 focused on safety and the loss of lives where people  
15 are taking shortcuts in their worksites that have  
16 resulted in the loss of life. But it's no less  
17 frustrating to see business owners making these  
18 outrageous maneuvers knowing that it's contrary to  
19 the law. What--what--once you brought it to our  
20 attention, we absolutely acted and issued those  
21 violations. You're right. It seems that they're  
22 seeing it as the--the cost of doing business, but we  
23 will investigate other tools. Sometimes that  
24 depending on the zoning district because it's now--  
25 it's the same everywhere--

1  
2 CHAIRPERSON FERRERAS-COPELAND:

3 [interposing] Right.

4 COMMISSIONER CHANDLER: --depending on  
5 the use that's on the lot, depending on a--a number  
6 of things. The MTA also factors in to a certain  
7 point so once we've got it--

8 CHAIRPERSON FERRERAS-COPELAND:

9 [interposing] It just seems like this is the perfect  
10 storm--

11 COMMISSIONER CHANDLER: It's crazy.

12 CHAIRPERSON FERRERAS-COPELAND: --and  
13 this is week four and nothing has been done. It's  
14 actually just getting worse because the--and the MTA  
15 hasn't moved the stop back to its original location.  
16 They have not remediate the curb cut. People are  
17 parking there, which I never knew that you could--

18 COMMISSIONER CHANDLER: [interposing]  
19 Parking on the street?

20 CHAIRPERSON FERRERAS-COPELAND: Parking  
21 on the lot.

22 COMMISSIONER CHANDLER: The lot, yeah.

23 CHAIRPERSON FERRERAS-COPELAND: So I've  
24 never known that you can knock down a house and turn  
25 it into a parking lot. Because if that's the case,

1  
2 in our neighborhoods where there's no parking, people  
3 will be making a lot of money.

4 COMMISSIONER CHANDLER: It's not  
5 uncommon, Council Member. If the--if the zoning  
6 district would permit off-street parking for  
7 commercial use, it's not an illegal use, but  
8 frequently owner--people will do it in zoning  
9 districts where it's not permitted. So he doesn't  
10 have to sing up. (sic)

11 CHAIRPERSON FERRERAS-COPELAND:  
12 [interposing] You know, I don't--I don't particularly  
13 know the zoning district and we can follow up.

14 COMMISSIONER CHANDLER: We will evaluate  
15 it.

16 CHAIRPERSON FERRERAS-COPELAND: But I  
17 don't believe that the zoning would allow for parking  
18 because it's completely residential.

19 COMMISSIONER CHANDLER: I tend to agree,  
20 and so we will look to see what our tolls are.  
21 Sometimes it might be an offense that will us more  
22 tools if it's in a residential district.

23 CHAIRPERSON FERRERAS-COPELAND: But is--  
24 is part of the violation aren't they supposed to  
25 remediate like if there's supposed to not be a curb

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

cut then they should put it back to the way it was  
or--

COMMISSIONER CHANDLER: [interposing] Of-  
-of course.

CHAIRPERSON FERRERAS-COPELAND: --did he  
do that? Who does that?

COMMISSIONER CHANDLER: Of course, it's  
the owner. I mean that's--our role is to write the  
violation, tell them what it is they have to do to  
correct the violation and then provide the  
incentives, fines, multiple violations, other tools.  
If we can somehow bring criminal court violations  
against them, and I'm not saying that's a possibility  
here, but it might be.

CHAIRPERSON FERRERAS-COPELAND: I think  
it is criminal with this--with this particular  
business owner is doing is taking the--the liberty.  
It is very disrespect to the community, and I don't  
know how many more agencies you need to--to enforce  
this, but it's incredibly frustrating, and what's  
worse is my constituents are like what are you doing?  
How, you know, we--we went to your office, and  
they're still there. They're actually worse now.

1  
2                   COMMISSIONER CHANDLER: I assure you we  
3 take this very seriously, and it is almost as  
4 frustrating to us as it is to your constituents. Of  
5 course, they have to live with it, but it is  
6 frustrating and we--it something we--we take it on.  
7 It's our enforcement challenge and our obligation.  
8 We will follow up. If need be, we will ask  
9 assistance from preparation counsel if it rises to  
10 the level of a criminal offense, which I know you and  
11 I just walking think that it--that it is absolutely  
12 criminal--

13                   CHAIRPERSON FERRERAS-COPELAND: Right.

14                   COMMISSIONER CHANDLER: --but it needs to  
15 withstand--

16                   CHAIRPERSON FERRERAS-COPELAND:  
17 [interposing] Right.

18                   COMMISSIONER CHANDLER: --the court  
19 process--

20                   CHAIRPERSON FERRERAS-COPELAND: Of course  
21 it does.

22                   COMMISSIONER CHANDLER: --as you know.

23                   CHAIRPERSON FERRERAS-COPELAND:  
24 Understood. All right, well, we're going to follow  
25 up and--and I think their facility with the

1  
2 supermarket is across the street, and they wouldn't  
3 have a parking issue if they didn't put--if--if their  
4 parking was in storage. So they've managed to expand  
5 the supermarket into the parking lot. So they have--  
6 they've created like aisles of commerce outside.

7 It's--

8 COMMISSIONER CHANDLER: [interposing] We--  
9 -we need to investigate that as well.

10 CHAIRPERSON FERRERAS-COPELAND: Why don't  
11 you come out? I'm going to invite you out.

12 COMMISSIONER CHANDLER: Well, I'm happy  
13 to do that.

14 CHAIRPERSON FERRERAS-COPELAND: Let's go  
15 out. Well, not--

16 COMMISSIONER CHANDLER: It's rained here.

17 CHAIRPERSON FERRERAS-COPELAND: --you  
18 know, I'm--[laughter] No, not to the district. I'm  
19 going to clarify.

20 COMMISSIONER CHANDLER: We'll--

21 CHAIRPERSON FERRERAS-COPELAND: I'm  
22 recently married. I want you to know that.

23 COMMISSIONER CHANDLER: It will be  
24 outreach together.

25

1

2

CHAIRPERSON FERRERAS-COPELAND:

3

Excellent. Thank you very much. I'm going to now

4

have Council Member Matteo followed by Council Member

5

Gentile, and we've been joined by Council Member

6

Mendez, Gentile and Matteo. Thank you.

7

COUNCIL MEMBER MATTEO: Thank you madam

8

chair. Welcome Commissioner. I want to go through a

9

few issues. I want to start with waivers on street

10

widening waivers in Staten Island. I don't know how

11

much you're familiar with it, but a lot of--

12

COMMISSIONER CHANDLER: Waivers on what,

13

Council Member?

14

COUNCIL MEMBER MATTEO: Street widening.

15

COMMISSIONER CHANDLER: : Okay

16

COUNCIL MEMBER MATTEO: Obviously, the

17

overdevelopment of Staten Island historically has led

18

to issues, but--one--one of the issues that--we're

19

trying to correct now are when someone applies for a

20

new building and they had--the built into the street,

21

and they applied for a--a waiver on BPP to continue

22

there. The borough president and I are--have

23

adamantly said that we want to get our street beds

24

back, and I was just wondering--I know DOT obviously

25

has to be involved. My concern when we're--there's

1  
2 an application with BPP is that Buildings and DOT are  
3 not on the same page, and I just wanted to get your  
4 opinion if you're aware of this--of--of the--what we  
5 call, you know, waivering of widenings, and your work  
6 with DOT to ensure that we're getting our streets  
7 back, and that we're not granting unnecessary waivers  
8 in Staten Island. And if you could just comment and--  
9 -

10 TOM FARIELLO: Tom Fariello. I'm the  
11 First Deputy Commissioner with DOB. So we work  
12 closely with DOT, and we are looking for those.  
13 We're not waiving it unless we have a waiver in hand  
14 from DOT on the BPP application.

15 COUNCIL MEMBER MATTEO: But you're not  
16 signing off on anything without talking to DOT?

17 TOM FARIELLO: On the BPP application we  
18 are looking for that piece from DOT.

19 COUNCIL MEMBER MATTEO: First?

20 TOM FARIELLO: Yes.

21 COUNCIL MEMBER MATTEO: Okay, I just  
22 wanted to clarify that--

23 TOM FARIELLO: [interposing] And the  
24 approval--and the approval piece of it.

25



1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COUNCIL MEMBER MATTEO: --because some, you know, in the past sometimes that hasn't always happened, but I'm--I'm glad that you said that. Do you have any numbers on new--new building permits or alterations in Staten Island or for all five boroughs? Are you seeing an increase in--in new building permits being pulled, and if you don't have them can you please get them to this committee and--

COMMISSIONER CHANDLER: We have new buildings for the--for the city. It's--I want to say that--[background comments]. We can break it out for Staten Island?

COUNCIL MEMBER MATTEO: Could you get us that or do you have it?

TOM FARIELLO: Yeah, how far would you like to go back for--

COUNCIL MEMBER MATTEO: I would like to know in the last five years where we are compared to the last five years on Staten Island.

TOM FARIELLO: Yeah, we'll get back to you with this.

COUNCIL MEMBER MATTEO: You could email it to us. That's--that's fine if you could just email

1  
2 to the--to the myself and the committee for all five  
3 boroughs.

4 TOM FARIELLO: Sure I could certainly--I  
5 mean the last three years, I--I review them by  
6 calendar but, you know, we had--in 2014 we had a  
7 spike. Certainly at the end of 2014, which was  
8 attributable to the 421-A. We had a new code that  
9 was kicking December 31st. So there was a lot of new  
10 building filing in that month right there. I mean we  
11 saw an immediate drop right in the beginning of 2015.

12 COUNCIL MEMBER MATTEO: Right.

13 TOM FARIELLO: But then it come right  
14 back up, and so without that little up and down  
15 piece, we've been pretty steady in up.

16 COUNCIL MEMBER MATTEO: Pretty steady.

17 TOM FARIELLO: You know, I don't have  
18 build up in Staten Island, too.

19 COUNCIL MEMBER MATTEO: That's all right  
20 Juts to be sure you know--

21 TOM FARIELLO: Yeah.

22 COUNCIL MEMBER MATTEO: --I appreciate  
23 it. I just--I just want the numbers. Speaking of  
24 Sandy, you know, we have our task force--our Sandy  
25 Task Force on Staten Island at Borough Hall every

1  
2 month, and the cooperation with DOB has been--been  
3 very, very good.

4 COMMISSIONER CHANDLER: Thank you. We  
5 think it's going well.

6 COUNCIL MEMBER MATTEO: Yeah, I mean  
7 we've had some issues in the beginning, but that's  
8 because it's just the nature of rebuilding, not  
9 through any blame, just-- But I think we're at place  
10 where Built it Back applicants are, you know, their  
11 architects, it is we're--we're moving. There are  
12 some issues. We continue. You have to work on a  
13 case-by-case basis. Are you seeing any--any issues  
14 that have arisen that we haven't thought. You know,  
15 and I--I just say I think we're moving in the right  
16 direction. I appreciate that, but just from your end  
17 I can see it.

18 COMMISSIONER CHANDLER: Well, very  
19 quickly, I--I think people are starting to get a  
20 little bit more of a routine. One of the things that  
21 we're trying to tell the applicants is much of this  
22 seems to be repetitive and we're starting to see some  
23 of those issues. Raising a--a building to the proper  
24 elevation is--is a significant engineering maneuver.

25 COUNCIL MEMBER MATTEO: Uh-huh.

1  
2                   COMMISSIONER CHANDLER:  So they're--  
3 they're getting better at it, and that's not as fast  
4 as we'd like, but we meet with Amy Peterson and the  
5 Deputy Mayor and Commissioner Pena--Pena Mora every--  
6 every week.

7                   COUNCIL MEMBER MATTEO:  Great, and are  
8 you getting any complaints or issues about those who  
9 may not be going through the proper process and, you  
10 know, rebuilding now and not through, you know,  
11 permits and you have to see a--I'm just asking to  
12 have a complaint rise or anything and--and--?

13                   COMMISSIONER CHANDLER:  No, I think that  
14 was early on, and I haven't heard anything new.

15                   COUNCIL MEMBER MATTEO:  [interposing]  
16 Okay, yeah, I just wanted to see where were are from  
17 the beginning and now obviously we've moved ahead in  
18 the last year.

19                   COMMISSIONER CHANDLER:  Uh-huh.

20                   COUNCIL MEMBER MATTEO:  Okay.  Another  
21 issue in my district that is starting to arise is the  
22 residential homes renting out and a breakfast.  You  
23 know, I know a feeling one in Light House, one in  
24 Richmond Town, and I guess you have the same issues  
25 you would trying to find out illegal occupancy or

1  
2 illegal basement. Can you comment? I mean I'm sure  
3 that you've been out to--you've--you've I believed  
4 violated both of them. If you're going to get to  
5 these properties, do you have to get inside to find  
6 out? Can you look at the websites that they're  
7 renting? I mean for--for this area it's obviously a  
8 zoning issue. I've got an R2 zone, and R1 zone, you  
9 know, residential homes, and they're using a few of  
10 these as these, you know, quote, unquote bed and  
11 breakfast. Your--so how are the inspectors getting  
12 there, and that goes to my next question after hours  
13 inspections. Do we have enough resources where we  
14 have people who are going out after hours, after, you  
15 know, 4 o'clock? A lot of these issues are being  
16 brought to us on the weekends. So by the time Monday  
17 comes, obviously issues may not be there? Could you  
18 comment generally and or get as specific as you can?

19 COMMISSIONER CHANDLER: Sure that's a  
20 multi-part question. I'll try to hit--

21 COUNCIL MEMBER MATTEO: [interposing]  
22 Yeah it is.

23 COMMISSIONER CHANDLER: --at all of them.

24 COUNCIL MEMBER MATTEO: We could ident--  
25 you know--

1  
2 COMMISSIONER CHANDLER: [interposing]

3 Illegal conversions--

4 COUNCIL MEMBER MATTEO: --get you to  
5 think and--

6 COMMISSIONER CHANDLER: --is a problem we  
7 take seriously. It's something that we hear  
8 everywhere all the time, and we are serious about it.  
9 We have a Quality of Life Unit based out of our  
10 Queens Office, and they're both very, very focused.  
11 We've added five new inspectors recently to increase  
12 our capacity there.

13 COUNCIL MEMBER MATTEO: Is that citywide?  
14 Five inspectors citywide?

15 COMMISSIONER CHANDLER: Yes, well for  
16 that division.

17 COUNCIL MEMBER MATTEO: Okay.

18 COMMISSIONER CHANDLER: Yeah, there--that  
19 one division is focused--is out of that--is that  
20 office, and yes, they--they go citywide, but-- So--so  
21 we've added some capacity. We take it very  
22 seriously, and we work with the Fire Department and  
23 electeds and community boards to try to focus on  
24 particular areas where needed. But, we also work  
25 with the Mayor's Office of Data Analytics in trying

1  
2 to identify areas of--that we think are more likely  
3 to be illegally converted. Now, that's slightly  
4 different than what you referred to as a bed and  
5 breakfast. That's not something that's--that's in  
6 the zoning resolution. It's not something that  
7 legalize. We don't have any certificate of occupancy  
8 that says that. If you occupy a space in your  
9 dwelling for less than 30 days then that's not legal,  
10 and so, we would have a concern about that, and we  
11 would issue a violation about that. So that's  
12 something else that we--that we look for. If we see  
13 an imminently hazardous condition, then we will order  
14 a vacate. If it's not imminently hazardous, then we  
15 will issue a violation and request it to be corrected  
16 either to be legalized or to move out on your own,  
17 and so that's another approach that we taken.  
18 That's--it doesn't--that somewhat unrelated to the  
19 after hour variance issue, but after hour variances--  
20 Oh, let me speak back to your point before about this  
21 often times being a weekend matter. We do have  
22 overnight and weekend teams. So we do have staff and  
23 inspectors that work overnight seven days a week, and  
24 so they typically will pick up that work load.  
25 We'll--we'll assign it to our Quality of Life team

1  
2 during the week, and then sometimes in the evening it  
3 will go to our emergency response time so that we do  
4 go at night. And we're happy to collaborate with  
5 your office if you have some particular areas that we  
6 would--that you want us to focus on, particularly if  
7 you think it's more likely for us to get in, in the  
8 evening. We coordinate and we'll--we'll try to get  
9 our--our night folks to go out there if you think  
10 that's better. Sometimes if--sometimes we will team  
11 up with FDNY because we are often afforded access  
12 more readily when we have a uniformed FDNY partner.  
13 It's not required, but often time that helps.

14 COUNCIL MEMBER MATTEO: Yeah, and--and  
15 your borough office has been--has been very helpful.  
16 Frank Marshall--

17 COMMISSIONER CHANDLER: [interposing]  
18 Yeah.

19 COUNCIL MEMBER MATTEO: --you know, does  
20 a very good job.

21 COMMISSIONER CHANDLER: He is great.

22 COUNCIL MEMBER MATTEO: And, you know,  
23 the two that I had that were talking to Frank about,  
24 you know, we--I'm trying to give it to you not Friday  
25 at 4 o'clock. You know, I'm trying to give you



1  
2 enough time to say, you know, my constituents are  
3 saying this activity is happening, you know, Saturday  
4 night, and give you enough time to plan, and  
5 obviously the more information for you guys the  
6 better.

7 COMMISSIONER CHANDLER: Yeah, give it to  
8 Frank anyway, and we'll try to get out there faster.

9 COUNCIL MEMBER MATTEO: [interposing]  
10 Yeah, and Frank has been great and, you know--

11 COMMISSIONER CHANDLER: [interposing] He  
12 knows how to read out of the--

13 COUNCIL MEMBER MATTEO: --it will be out  
14 of the borough commissioner.

15 COMMISSIONER CHANDLER: All the borough  
16 commissioners know how to work with our night folks  
17 to try to schedule things in the evening.

18 COUNCIL MEMBER MATTEO: So, he's been--  
19 he's been working very well with our office.

20 COMMISSIONER CHANDLER: Thank you.

21 COUNCIL MEMBER MATTEO: The last point I  
22 want to make, and I'll--so it's--it's a bill that I  
23 have, and I don't know if you're going to have an  
24 opinion or if you--if you're discussing this, but one  
25 of the bills that I've had introduce since I was

1  
2 elected is this 311 anonymous complaint issue. 311  
3 is used for a lot of good reasons. Unfortunately,  
4 it's also used to be vindictive, and they get a lot  
5 of neighbor verse neighbor complaints, and the most  
6 neighbor, neighbor complaints that someone will call  
7 my office will be about someone call about DOB  
8 issues. And they'll say well they have an illegal  
9 room or they're renting out, and they go back and  
10 forth and back and forth, and you guys are sending  
11 inspectors out, which because you're responding to a  
12 311 complaint. It is a convoluted issue because  
13 it's--and we could just ban anonymous complaints  
14 quite frankly and that could solve it. Because most  
15 people who are going to leave a name are not going to  
16 make that complaint. But, in my district  
17 unfortunately these type of complaints are--are  
18 rising and going back and forth and it's making the  
19 lives of my constituents difficult and stressful  
20 because they keep getting on.

21 COMMISSIONER CHANDLER: Not to mention  
22 that it's an enormous waste of taxpayer's--

23 COUNCIL MEMBER MATTEO: [interposing]  
24 Without a doubt it's going to get there and then the  
25

1  
2 resources that we're wasting when we have other  
3 issues that we need you to go to ours--

4 COMMISSIONER CHANDLER: [interposing]  
5 Thank you.

6 COUNCIL MEMBER MATTEO: --and you're not  
7 getting there.

8 COMMISSIONER CHANDLER: Right.

9 COUNCIL MEMBER MATTEO: So, you know,  
10 like I said, I have a building and hopefully to have  
11 a hearing soon. I think this is a--a huge--huge  
12 issue, a huge waste of resources. So, you know, I  
13 don't know if you want to comment or we could talk  
14 offline.

15 COMMISSIONER CHANDLER: About the  
16 anonymity of free--

17 COUNCIL MEMBER MATTEO: [interposing] I  
18 mean are you--do--do you see that? I mean--

19 COMMISSIONER CHANDLER: Yes we see it all  
20 over the city, and it's--it's--it's very frustrating.  
21 However, we have this debate as well about the  
22 anonymity and it can be very frustrating. It can be  
23 for vindictive purposes and using our agency as a  
24 hammer, which we--we don't like because it--it cuts  
25 into our service levels. When have to report how

1 we're doing, we feel like we're wasting a lot time.  
2  
3 However, we also do not want to inhibit anyone from  
4 making a full complaint about something if they--if  
5 it absolutely need to be. So we would err on the  
6 side of safety because we want someone to let us know  
7 particularly if there's a potential for a corroded  
8 gas pipe or--or--

9 COUNCIL MEMBER MATTEO: [interposing] I  
10 agree.

11 COMMISSIONER CHANDLER: So we're all  
12 about that, and so what we have done is implemented  
13 triage inspectors that will go through a large volume  
14 of complaints, and if they see a pattern, like for  
15 example the two people that at your--I'm assuming  
16 it's two. If they see that there's been a pattern,  
17 then they will triage it and make a decision if  
18 that's something that we want to respond to for the  
19 tenth time.

20 COUNCIL MEMBER MATTEO: And I'd--and I'd  
21 like to discuss that with for further off line.

22 COMMISSIONER CHANDLER: Sure, I'm happy  
23 to do that.

24 COUNCIL MEMBER MATTEO: And just so you  
25 know, my bill does not stop anonymous complaint.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMISSIONER CHANDLER: Okay.

COUNCIL MEMBER MATTEO: I agree with you.

COMMISSIONER CHANDLER: Yep.

COUNCIL MEMBER MATTEO: We have to err on safety. If you see truck and you think something is unsafe you've got to call. That--that's not what the bill does. What the bill does is it recognizes someone has called on a house for the same issue say three times in a month, and you keep going out there, and you are dismissing it.

COMMISSIONER CHANDLER: [interposing] We welcome that.

COUNCIL MEMBER MATTEO: That's where the trigger comes.

COMMISSIONER CHANDLER: [interposing] Councilman, if there's something that would help us to triage with more robust ability to--to not go out when it's not necessary then we would--we would welcome that.

COUNCIL MEMBER MATTEO: I--I--I would love to discuss this further.

COMMISSIONER CHANDLER: Happy to talk to you.

1  
2 COUNCIL MEMBER GENTILE: Thank you, Madam  
3 Chair and Commissioner thank you for being here with  
4 your staff, and for the day-to-day work that you do  
5 to--to try to tackle a very big issue in our city.  
6 I'm glad you spoke about illegal conversions with  
7 Councilman Matteo because I often speak about illegal  
8 residential conversions, and I speak about not the  
9 Airbnb pass-through conversions. I speak more about  
10 the permanent illegal conversions that are the  
11 scourge of the outer boroughs, rampantly increasing  
12 throughout the neighborhoods and, you know, the--the  
13 consequences of such is that they--they create  
14 dangerous housing situations throughout our  
15 neighborhoods. So with that and we've spoken about  
16 this before I see in your budget that \$3.7 million  
17 would be--will be added for 20--to add 22 positions  
18 to DOB's headcount for operations including new  
19 inspectors, and that's in addition to the \$18.9  
20 million in personnel services that you originally  
21 added in the FY17 Budget for--and--and part of that  
22 money would be hiring of 28 inspectors. Obviously,  
23 given the scope of the problem particularly in  
24 Brooklyn and Queens, how many of the 28 inspected  
25 positions and the 22 operations positions will be for

1  
2 construction inspectors, and where will they be  
3 assigned if you know that at this point?

4 [pause]

5 COMMISSIONER CHANDLER: I'm sorry. We're  
6 just going over our table here.

7 COUNCIL MEMBER GENTILE: That's okay.

8 [pause]

9 COMMISSIONER CHANDLER: So, as I  
10 mentioned previously we have five new inspectors that  
11 are assigned to our Quality of Life Unit, as I  
12 mentioned a minute ago. We do have 22 that are going  
13 to our Plumbing Unit to allow us to do 100% auditing  
14 of gas installations starting in Manhattan, but  
15 expected to expand to the remaining boroughs  
16 thereafter.

17 COUNCIL MEMBER GENTILE: Yes, we're--  
18 we're looking--I'm looking for the issued of rooting  
19 out--

20 COMMISSIONER CHANDLER: [interposing]  
21 Well, five--

22 COUNCIL MEMBER GENTILE: --inspectors  
23 throughout.

24 COMMISSIONER CHANDLER: So, the five on  
25 the Quality of Life is absolutely dedicated to that.

1

2

COUNCIL MEMBER GENTILE: Yeah.

3

4

COMMISSIONER CHANDLER: So we--I'm told  
we're getting nine inspectors for the Quality of  
Life.

5

6

7

COUNCIL MEMBER GENTILE: Okay, so that's  
far--that's far too--far too few to handle a problem  
of this magnitude.

8

9

10

11

12

13

14

15

16

17

18

19

COMMISSIONER CHANDLER: Well, I think  
that's debatable and I'm sure--you know, if you look  
at the--the amount of complaints that we get, and the  
amount of--of productivity that we get of each  
inspector, I think that one could make an argument  
that--that it's not far too few. I think that one  
could make an argument that in many different ways.  
You could probably make an argument to be at 109. We  
could probably keep them busy, but we're going to do--  
we--we get thousands of inspections done every  
month.

20

21

22

23

COUNCIL MEMBER GENTILE: So--so are you  
telling me of the 28 inspector positions and the 22  
operation positions none of them will be for  
construction inspectors?

24

[pause]

25



1  
2                   DEPUTY COMMISSIONER NEILL: Hi. I'm  
3 Sharon Neill. I'm the Deputy Commissioner for Finance  
4 and Administration. So just overall, when you can--  
5 when you're referring to the 22 agency operations  
6 those are distributed amongst a variety of different  
7 units. We--the overall plan for inspectors is going  
8 from 496 in Fiscal Year 16 to 524. So that's the--  
9 the increase of the 22 inspector positions. They're  
10 typically distributed amongst different disciplines,  
11 and we do not allocate them specifically from a  
12 budget perspective oh this is how many are going to  
13 this borough and this is how many are going into this  
14 particular community district. A lot of this will be  
15 inspected and forces would--would be assigned based  
16 on workload needs. We receive a significant amount  
17 of additional funding last year in the Exec that  
18 helped increase this Fiscal Year's inspector line.  
19 So you may not be seeing such a huge difference this--  
20 -in this particular plan as it relates to  
21 inspections. Much of that was put into place during  
22 this past fiscal year.

23                   COUNCIL MEMBER GENTILE: Well, but you  
24 say that you--you're--you will assign them as the  
25 need arises, but you came to a number of 22 based on

1 something that you needed an additional 22. So what  
2 was that based on?

3  
4 DEPUTY COMMISSIONER NEILL: The--the 22  
5 that you're referring is my--inspectors that were  
6 out, assigned specifically last--the last plan, which  
7 was to address the--the gas enforcement gas  
8 enforcement inspections.

9 COUNCIL MEMBER GENTILE: So these are  
10 gas enforcement inspections?

11 DEPUTY COMMISSIONER NEILL: Yes, yes,  
12 about--that's--so when you're referring to 22, your

13 COUNCIL MEMBER GENTILE: [interposing]  
14 Okay, so what---

15 DEPUTY COMMISSIONER NEILL: --was a  
16 little bit convoluted because it's being mixed up  
17 with other--another set of 22 positions. So if we're  
18 not answering your question we can work to make sure  
19 that we understand specifically what you're asking  
20 and we can get back to you.

21 COUNCIL MEMBER GENTILE: I'm--I'm trying  
22 to zero in and you can help me on this. I'm trying  
23 to zero in on the inspectors that you are looking to  
24 add, if any, to--to cover the complaints about  
25 illegal residential conversions. Those that have

1  
2 been converted from a two-family house to a 12-family  
3 house, and--and happening over and over again.

4 Inspectors and maybe they're the buildings marshals.  
5 I don't know. Are you adding buildings marshals?

6 COMMISSIONER CHANDLER: We have multiple  
7 divisions that work on that particular issue, but  
8 this particular instance--this particular division  
9 that I've mentioned several times already is that  
10 we're adding nine new inspectors for that division  
11 that's dedicated to that complaint. But you're  
12 right, our Building Marshals Office does get involved  
13 as well since we are engaged with HPD and the  
14 district attorney's offices and other elected  
15 officials so they get involved. Our Emergency  
16 Response Team gets involved as well when they do  
17 overnight and weekend inspections. Our Borough  
18 Enforcement Units in Queens and Brooklyn and the  
19 individual boroughs also get involved. So there  
20 really isn't one answer as to how many are devoted  
21 because of this 75 or so different complaint  
22 categories we have those that are in the construction  
23 area that is spread out over all of the nearly 500  
24 inspectors that Deputy Commissioner Neill just  
25

1 mentioned. So, it's--it's not really one hard  
2 answer.  
3

4 COUNCIL MEMBER GENTILE: So there's no  
5 way to get a handle on how many people in your agency  
6 are focused on--on dealing with that issue? Just  
7 tell me. If there's--if there's no way to--to--to  
8 come to that because I see 28 inspectors, 22 to the  
9 Operations. The question is are any of them devoted,  
10 the new positions devoted to helping root and  
11 identifying the conversion?

12 [pause]

13 COMMISSIONER CHANDLER: Nine.

14 COUNCIL MEMBER GENTILE: I'm sorry.

15 COMMISSIONER CHANDLER: Is what--I've  
16 answered this question several times. After this, we  
17 can talk offline.

18 COUNCIL MEMBER GENTILE: Okay.

19 COMMISSIONER CHANDLER: Nine new ones for  
20 the year. I'm not sure how I could say it  
21 differently, Council Member.

22 COUNCIL MEMBER GENTILE: Okay. Let me  
23 con--continue then. The New York Building Congress  
24 recently said that the number of construction permits  
25 issued in Brooklyn last year outnumber the combined

1  
2 total permits issued in Manhattan and Queens for the  
3 same year. If that's true and that's the case with  
4 the rapid increase in permits in Brooklyn a lot of us  
5 in Brooklyn are concerned over DOB's ability to force  
6 the laws related to construction. And if--if the--if  
7 the increase is as dramatic as the New York Building  
8 Congress is telling us, I'm concerned that the  
9 extremely large number of permits being issued does  
10 not correspond to the number of inspectors you have  
11 to--to look at those permits, and maybe evaluate them  
12 and--and try to span the tide at that point when  
13 permits are being applied for.

14 [pause]

15 COMMISSIONER CHANDLER: So I can't speak  
16 directly to what the Building Congress is reporting  
17 about our activity because we don't talk to them  
18 about our activity, and they don't talk to us about  
19 our activity. I assume they're getting it off the  
20 Open Data just like anyone else. So I don't  
21 necessarily---

22 COUNCIL MEMBER GENTILE: [interposing]  
23 I'm just showing them as the source.

24 COMMISSIONER CHANDLER: --I don't  
25 necessarily concur with the information that you're

1  
2 pulling from--from an organization that represents  
3 industry stakeholders. I don't doubt that it's  
4 fairly close. Also, with regard to compliance, we  
5 have a--a full set of examiners that review those  
6 plans. We have borough enforcement personnel who  
7 work out of the office. We also have a large set of  
8 examiners that work out of a Manhattan office. Soon,  
9 all of our examiners regardless of where they sit  
10 will be examining plans all over the city regardless  
11 of where it was filed, and to that--to a certain  
12 extent that will happen with inspectors as well. So,  
13 it's--it's--it's a more detailed conversation to  
14 respond to how well we are assigning inspectors per a  
15 particular geographic location, and frankly I think  
16 that that's exactly what the taxpayers deserve is a  
17 more intelligent way to assign our resources. So,  
18 we're not asking you for large dollars to make  
19 sweeping hires for large volumes. What we're doing  
20 is creating an Analytics Unit so that we are devising  
21 plans to focus on particular problems, and to make  
22 tactical moves, to focus on those areas that have the  
23 higher risks, and those particular contractors who  
24 are posing a risk to particular neighborhoods.  
25 Because what we know is that the overwhelming

1 majority of applicants and contractors are doing the  
2 right thing. What we want to find out is where the  
3 folks are focusing on their shortcuts, and then we're  
4 going to bombard them with our resources.  
5

6 COUNCIL MEMBER GENTILE: I heard you.

7 Let me--my time is running out. Let me just say that  
8 it--the concern is increased when the Building One  
9 City initiative includes the streamlining of online  
10 applications, and the fact that we could see that  
11 number shoot up even more, and the question is can we  
12 police those applications as they--they come in. Let  
13 me just quickly ask you, the last issue in--in regard  
14 to all this is are you aware of the end run  
15 developers are--and construction entities are doing  
16 around the Alteration One Permits, i.e., applying and  
17 getting approved for an alteration to permit, and--  
18 which is easier.

19 COMMISSIONER CHANDLER: We--we are very  
20 much aware of it. I'm very much aware of it. We  
21 know it when we see it, and we pay attention to it,  
22 and that's what I meant earlier about focusing on  
23 those people who are the minority of people, but  
24 they're--they make a--a very good living out of  
25 misrepresenting things to us. And we shut down an

1  
2 engineer a few weeks ago, put him out of business,  
3 and we proceeded to shut down 300 jobs accordingly  
4 because of people like that who misrepresent things.  
5 So I assure you we are as aggressive as we can be,  
6 and it's only going to get more--more so.

7 COUNCIL MEMBER GENTILE: Because those  
8 bad actors do get post-approval amendments done by--  
9 through DOB, and they make an Alt-2 and Alt-1, but  
10 they're getting an Alt-2 Permit.

11 COMMISSIONER CHANDLER: They're not  
12 fooling anybody in our shop. I assure you.

13 COUNCIL MEMBER GENTILE: I'm sorry?

14 COMMISSIONER CHANDLER: They're not  
15 fooling anybody in our shop, I assure you.

16 COUNCIL MEMBER GENTILE: Okay. So you're  
17 weeding out the bad actors. That's good, and--

18 COMMISSIONER CHANDLER: [interposing]  
19 We're--we're working on it slowly.

20 COUNCIL MEMBER GENTILE: Madam Chair, I  
21 thank you.

22 CHAIRPERSON FERRERAS-COPELAND: Thank  
23 you, very much Council Member Salamanca. We've been  
24 joined by Council Members Cumber, Miller, Espinal,  
25 Salamanca and Grodenchik.



1  
2 COUNCIL MEMBER SALAMANCA: Thank you,  
3 Madam Chair. Commissioner, how are you?

4 COMMISSIONER CHANDLER: Fine, thank you.

5 COUNCIL MEMBER SALAMANCA: So,  
6 Commissioner I--prior to becoming a City Council  
7 Member I was District Manger of Bronx Community Board  
8 2, and we had an issue there with a--a homeless  
9 shelter, a building that was built with the wrong use  
10 group, and eventually the landlord what he did after-  
11 -after the construction he handed over the building  
12 to a not-for-profit that's running a homeless  
13 shelter. The problem here is that he built the  
14 building two stories bigger than what he should have,  
15 and back in 2013 he tried to justify the situation by  
16 going through a zoning change through a ULURP  
17 process. The Community Board, the borough president  
18 turned it down. City Planning approved it, but it  
19 ultimately came here to City Council, and in October  
20 of 2013, the City Council turned down the ULURP  
21 application. For quite some time, this building was  
22 getting a temporary certificate of occupancy, and  
23 then Buildings decided that they would no longer give  
24 him a Certificate a Temporary Certificate of  
25 Occupancy. This owner of this property owns another

1 building in my council district with similar issues.  
2  
3 So I have two buildings in my council district that  
4 are operating as shelters, and they don't have  
5 Certificate of Occupancy. I just want to know when  
6 the Buildings Department number one go to this  
7 building at 731 Southern Boulevard to see if number  
8 one, the owner will comply with the rule and knock  
9 those two stories down. And in terms of Hall--the  
10 other building at Hall Place to see, you know, what  
11 Buildings will do in terms of vacating that entire  
12 building. And the reason for this is not that we  
13 want to displace these families, but we need to hold  
14 this owner accountable. He purposely built these  
15 buildings taller so that he can add more units that  
16 weren't allowed so that he can collect more rent.

17 [pause] I have no problem speaking to you off line--

18 COMMISSIONER CHANDLER: [interposing]

19 We'll have to get back to you.

20 COUNCIL MEMBER SALAMANCA: --after this--

21 COMMISSIONER CHANDLER: [interposing]

22 Yeah, we're not familiar with it.

23 COUNCIL MEMBER SALAMANCA: --and we can

24 get you more information on this. All right, so my--

25 my other--my last question would be in the--so in my-

1  
2 -in my council district I--I--while I was District  
3 Manager I would receive vacate orders from HPD in  
4 terms of illegal encumbered apartments. Something  
5 that I noticed was when HPD will--will hand over a  
6 vacate order, and you go onto the Buildings' website,  
7 it is not listed on the Buildings' website. Is  
8 there--does Buildings and HPD do you communicate so  
9 as to share this information?

10 [pause]

11 COMMISSIONER CHANDLER: No, we don't  
12 share that information, and it just should be noted  
13 that--note that they have different powers to  
14 different issued vacate orders, and they would just  
15 issue a vacate order a particular reason that we  
16 would--would not--that would not fall within our  
17 jurisdiction. The same--that goes the same for the  
18 Fire Department as well. So that's another agency  
19 that has vacate powers. It's not something that--  
20 that we have on our--on our website or on our  
21 Building information system.

22 COUNCIL MEMBER SALAMANCA: So who  
23 enforces the vacate order?

24 COMMISSIONER CHANDLER: If HPD issued it,  
25 HPD enforces it.

1  
2 COUNCIL MEMBER SALAMANCA: HPD enforces  
3 it. Okay, so a building is illegally converted. You  
4 apartments that have been illegally converted, and  
5 the landlord knocks the building, you know, knocks  
6 the illegally converted apartments, and goes back to  
7 HPD. Now, in order for the landlord to do that work  
8 he should have gotten permits from Buildings  
9 Department. Is there--I should--maybe I could--is  
10 should actually with you, but do know if there's a  
11 requirement for HPD to--to knock down the vacate  
12 order not knowing that Buildings Department permits  
13 were not shown or shown?

14 COMMISSIONER CHANDLER: If I'm  
15 understanding your question, if--should HPD see a  
16 permit from us in order for them to remove the vacate  
17 order?

18 COUNCIL MEMBER SALAMANCA: Yes.

19 COMMISSIONER CHANDLER: You know, I--I'm  
20 going to defer to HPD as to what their methods are to  
21 dismiss a vacate order. I--I would say in general  
22 probably yes if it requires a permit to do that work.  
23 I would think that they would have to do that, but  
24 we--we would be glad to talk to you and to the Deputy  
25 Commission Banos Catulo (sic) on that at HPD and--and

1  
2 who we work with every day, and we can get that  
3 process straightened out. But if they required a  
4 permit from us, they should come to us and we'll  
5 issue to them and--and give them guidance on how to  
6 get it removed from HPD if that's necessary.

7 COUNCIL MEMBER SALAMANCA: All right,  
8 thank you very much. Thank you Madam Chair.

9 CHAIRPERSON FERRERAS-COPELAND: Thank you  
10 Council Member. Commissioner, I have one question in  
11 reference to Intro 810, the suspension and revocation  
12 of city issued licenses and permits for person with  
13 unpaid ECB penalties to incentivize respondents to  
14 pay their outstanding ECB debt, the Council passed  
15 Intro 810, which allows issuing city agencies  
16 including DOB to suspend or revoke--revoke or deny  
17 applications for licenses and permits in specific--in  
18 specific circumstances. Has DOB taken steps that  
19 consider or promulgate rules to effectively implement  
20 this law?

21 COMMISSIONER CHANDLER: So, the  
22 legislation provides an exemption for agencies that  
23 substantially comply with the law. Given that the  
24 department currently does not renew a license if the  
25 applicant owes money to the city, the department

1  
2 substantially complies. The legislation acknowledges  
3 that an agency may appropriately choose to not deny  
4 permits for outstanding debt if doing so would  
5 create an incentive to perform unsafe work. So we  
6 think that we substantially comply with this.

7 CHAIRPERSON FERRERAS-COPELAND: So, you--  
8 you did not bring new permits. Do you issue new  
9 permits if someone has not paid their debt? I just  
10 want it for clarity because you said you wouldn't--

11 COMMISSIONER CHANDLER: [interposing]  
12 Well, my comments were mostly about licenses.

13 CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

14 COMMISSIONER CHANDLER: So we currently  
15 do not renew a license if that applicant owes money  
16 or has debt to the city.

17 CHAIRPERSON FERRERAS-COPELAND: And a  
18 permit?

19 COMMISSIONER CHANDLER: Permits we have  
20 chosen to not deny those permits for outstanding debt  
21 if it's related to work that particularly--if it's  
22 for--we have chosen not to deny permits for  
23 outstanding debt in general.

24 CHAIRPERSON FERRERAS-COPELAND: Okay.  
25

1  
2                   COMMISSIONER CHANDLER: Again, we think  
3 that that's going--we think that that's going to  
4 incentivize people to do work underground, and we  
5 struggle with that as it is. People work without  
6 permits. So we don't think that it's an incentive to  
7 deny permits if they owe violations.

8                   CHAIRPERSON FERRERAS-COPELAND: So  
9 someone can owe the city \$10,000 and you will  
10 continue to issue them permits?

11                   COMMISSIONER CHANDLER: Often times the--  
12 the respondent on our violations is a multi--other  
13 people. It's hard to identify the exact person on a  
14 particular violation to know if that's the specific  
15 person that owes the violation. But even so, we  
16 don't get involved with the circumstances under which  
17 those violations were issued, and we--we would  
18 encourage them to take the permit if--particularly if  
19 it's going to help correct the violation.

20                   CHAIRPERSON FERRERAS-COPELAND: So, I--I  
21 guess you can understand what my position is. We're  
22 here to collect on a billion dollars of revenue.

23                   COMMISSIONER CHANDLER: [off mic] Hold on  
24 a second. So, again, we withhold license--licensees  
25 from getting their license--

1

CHAIRPERSON FERRERAS-COPELAND:

2

[interposing] Uh-huh.

3

COMMISSIONER CHANDLER: --if they owe

4

debt. [pause] So again, getting back to the license

5

itself. We would pull the license, not the permit

6

if--if it was not the licensee--

7

CHAIRPERSON FERRERAS-COPELAND:

8

[interposing] So do you have to have a license to get

9

issued a permit, I guess is my question?

10

COMMISSIONER CHANDLER: For some things.

11

I mean we issue licenses for over 25 trades.

12

CHAIRPERSON FERRERAS-COPELAND: Right.

13

COMMISSIONER CHANDLER: And so if it's--

14

if it was a license to--

15

CHAIRPERSON FERRERAS-COPELAND:

16

[interposing] I--I just--so maybe you can help me

17

since you're the expert in the industry. We have a

18

billion dollars of uncollected fines. Most of the

19

large debt comes from your agency. We are saying

20

we'd like to not, which you're saying you already do.

21

So clearly, there--this legislation, which you're

22

choosing not to stop permitting for the underground.

23

So it goes back to our point where people think that

24

this is just the cost of doing business or it doesn't

25



1

2

matter. I'm going to do it anyway. So, I'm trying to

3

figure out what is the carrot or what is the obstacle

4

that we create when you're telling me well, we'd

5

rather do it this way because then everything is

6

going underground.

7

COMMISSIONER CHANDLER: We struggle with

8

that problem as well, and so the--the effective way

9

is if you have a license that's what you--that's what

10

the carrot--carrot or the stick actually. If we--if

11

we withhold that, then you're going to pay what you

12

need to pay. But the billion dollars worth of debt

13

that you're referring to is there's only a drop in

14

the bucket that applied to licensees.

15

CHAIRPERSON FERRERAS-COPELAND: Right.

16

COMMISSIONER CHANDLER: Most of it is to

17

owners and some subcontractors.

18

CHAIRPERSON FERRERAS-COPELAND: Right,

19

and we're trying to terrify the owner. So an owner

20

needs to get a permit to do whatever they need to do.

21

I'm not talking about the big--an owner needs to get

22

a permit, but your--an owner will not be able to get

23

a license. So then what's your stick?

24

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COMMISSIONER CHANDLER: So I--I--I want to clarify the context of this. Licenses that we issue are for trades people.

CHAIRPERSON FERRERAS-COPELAND: I understand that.

COMMISSIONER CHANDLER: So most owners are not trades people.

CHAIRPERSON FERRERAS-COPELAND: I understand that.

COMMISSIONER CHANDLER: So they own buildings and they hire work done by contractors. Some of those--

CHAIRPERSON FERRERAS-COPELAND: [interposing] In some cases or they go and get permits themselves or do they always get a licensed person to do their work at their homes?

COMMISSIONER CHANDLER: It depends. If it's--if it's a trade that requires a license, they have to get those people. If they want to do construction work on their own, they can get a permit on their own. If they register and show the proper insurance like most contractors that register with us, that's--people do do that. It's the exception rather than the rule. We're getting into the weeds

1 here a little bit, and I'm sorry to--if I'm confusing  
2 you, but again most of the violations of that billion  
3 are related to owners and their contractors who are  
4 not trades people that we license.  
5

6 CHAIRPERSON FERRERAS-COPELAND: Okay,  
7 well these hearings are so that we can get into the  
8 weeds.

9 COMMISSIONER CHANDLER: So I'm happy to  
10 do that.

11 CHAIRPERSON FERRERAS-COPELAND: So, but I  
12 think that we--is best for us to do is when we have a  
13 follow--we need to have a follow-up conversation  
14 because we just legislated something hoping that we  
15 would give you a stick, and they you're saying well,  
16 it doesn't matter because we're not going to do that.  
17 We're actually going to keep on doing whatever we  
18 were doing before.

19 COMMISSIONER CHANDLER: I think what  
20 would happen is that I'd be back here next year  
21 talking to you about all the violations and--that  
22 we're not responding to or the complaints that we're  
23 not responding to quickly enough for illegal work  
24 done without a permit. So, we're looking to not  
25 create or add to the problem that's already

1  
2 significant. We have a significant problem out there  
3 for work without a permit. We think that this will  
4 inflame that. It has the potential to inflame it.

5 CHAIRPERSON FERRERAS-COPELAND: Well, I  
6 think commissioners and elected officials have often  
7 not agreed when it comes to legislation. So, we need  
8 to take this conversation offline and we will  
9 continue--

10 COMMISSIONER CHANDLER: [interposing] I'm  
11 happy to.

12 CHAIRPERSON FERRERAS-COPELAND: --because  
13 something has to be done and, you know, the fact that  
14 your agency has so much pending debt for so many  
15 years doing business as usual clearly is not going to  
16 address that. So I thank you for coming to testify  
17 today. We would like to actually wish Council Member  
18 Williams a very happy birthday today. [background  
19 comments] Oh, I'm sorry, Council Member Garodnick--  
20 Grodenchik. Why did I do that? [laughter] Why did I  
21 do that. I am so sorry. You know what it is, I'm--  
22 I'm a little wound up by the Commissioner's answer  
23 so--

24 COMMISSIONER GRODENCHIK: You can blame  
25 me. It's okay.

1  
2                   CHAIRPERSON FERRERAS-COPELAND: I  
3 apologize to you.

4                   COUNCIL MEMBER GRODENCHIK: You can blame  
5 my mother for all of it.

6                   CHAIRPERSON FERRERAS-COPELAND: [laughs]  
7 Council Member Grodenchik.

8                   COUNCIL MEMBER GRODENCHIK: Had I known.  
9 Thank you, Madam Chair, and I want to tug at that  
10 root a little in a different direction.  
11 Commissioner, since you're here and I don't get to  
12 see you as much as I'd like to, I have a problem,  
13 which probably most of my colleagues have. It's the  
14 house that never gets finished, and in a very, very  
15 lovely section right next to Cunningham Park, I have  
16 a house that's been under construction for 14 years,  
17 and I know that's probably extreme. We all know  
18 houses that are under construction you know one year,  
19 two years, three years, people die, they get  
20 divorced, they get arrested, they go bankrupt, they  
21 lose their job, their contractor goes under. All  
22 kinds of things happening. I've heard every story,  
23 and I don't have anything to tell these poor folks  
24 who are living next to--they have two architects  
25 living on that block. So they're really tearing

1  
2 their hair out of their head, people that you would  
3 know if I mentioned their name, very well respected  
4 architects in the city of New York. And I have  
5 nothing to tell them. I'm just wondering if the  
6 agency has talked about this issue. I'd like to  
7 probably meet with your staff, and--and maybe we  
8 could kick it around. My counsel and I have talked  
9 about perhaps raising the fees as you go forward  
10 maybe--I'm not talking about a year or two but maybe  
11 four or five years out if you don't get your  
12 construction done. And then at least there would be  
13 something, a mechanism whereby the City would be able  
14 to enforce something, but if they keep-- And I know  
15 we--I'm very happy we just lowered the fees on one,  
16 two and three-family houses, which will help my  
17 constituents, but I really feel bad for these people  
18 because they've had a construction fence up for 14  
19 years, and there's really--I have no mechanism to  
20 help them with. So, I'll--I'll take an answer from  
21 anybody on this.

22 COMMISSIONER CHANDLER: You're right, I--  
23 and--and we don't have a great answer. I think we  
24 need to start by conducting an inspection to make  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

sure it's safe. Let's start there. Make sure the fence is safe.

COUNCIL MEMBER GRODENCHIK: The fence it seems to be safe.

COMMISSIONER CHANDLER: And there's no access, and--and then try to strategize from there. I'm happy to sit down with your counsel and--and yourself and--

COUNCIL MEMBER GRODENCHIK: Okay, so we'll--

COMMISSIONER CHANDLER: --even absence of--

COUNCIL MEMBER GRODENCHIK: [interposing] We will call and set up a meeting there. Thank you very much. It's just something that at least I can tell them I talked to the Buildings Commissioner and you, they--you know, your Deputy Borough Commissioner Mr. Lee was out last week and this came up and, you know, Anthony Guiliano (sp?) is wonderful and they're both wonderful, but it's just--if I had some more hair I'd pull it out of my head, but I can't give that up. Thank you, Madam Chair. Thank you, Mr. Commissioner.

CHAIRPERSON FERRERAS-COPELAND: Thank you  
Council Member Grodenchik.

COUNCIL MEMBER GRODENCHIK: Thank you.

CHAIRPERSON FERRERAS-COPELAND: This  
concludes our hearing for today. The Finance  
Committee will resume Executive Budget Hearings for  
Fiscal 2017 tomorrow, Thursday, May 12, 2016 at 10:00  
a.m. in this room. Tomorrow the Finance Committee  
will hear from the Human Resources Administration,  
the Department of Homeless Services and the  
Administration for Children's Services. As a  
reminder, the public will be invited to testify on  
Tuesday, May 24, the last day of budget hearings at  
approximately 3:00 p.m. in this room. For any member  
of the public who wishes to testify but cannot make  
it to the hearing, you can email your testimony to  
the Finance Division at  
financetestimony@council.nyc.gov and the staff will  
make it a part of the official record. Again, a very  
happy 40th birthday to Jumaane Williams and thank  
you. This hearing is now adjourned.

[gavel]



COMMITTEE ON FINANCE JOINTLY WITH THE  
COMMITTEE ON HOUSING AND BUILDINGS

161

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

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 May 27, 2016