

Statement of Christian Klossner

Executive Director, Mayor's Office of Special Enforcement

New York City Council

Int 0823-2015 (Increasing transparency in enforcement against illegal conversions of dwelling units)

Int 0826-2015 (Civil penalties for illegal conversions of dwelling units from permanent residences)

Committee on Housing and Buildings

October 30, 2015

Good morning, Chair Williams and members of the Committee on Housing and Buildings. My name is Christian Klossner and I am the Executive Director of the Office of Special Enforcement, which is overseen by the Mayor's Office of Criminal Justice. With me today is Alex Crohn, who is General Counsel to the Office. Thank you for the opportunity to testify before this committee regarding proposed legislation concerning short-term occupancies, the City's successful track record of enforcement activities over the past year, and our plan to expand the Office of Special Enforcement's pro-active enforcement over the coming year.

To date, the Office of Special Enforcement (OSE) has effectively responded to incoming complaints. My office's mandate, originating from a Mayoral Executive Order in 2006, is to focus on addressing issues affecting public safety, community livability, property values, and the growth of serious crime.

Most of the complaints that OSE receives – predominantly from 311 – concern short-term transient rentals. A multi-agency team of inspectors responds to those complaints by conducting administrative inspections and issuing violations to landlords for non-compliance with required building and fire code provisions that relate to transient use. For example, this includes codes requiring necessary egresses, sprinkler systems and fire safety and alarm systems. The data we collect in the field is used to detect patterns and to set enforcement priorities. Where violations are found, the office's enforcement response can range from issuing a violation to pursuing civil litigation.

From January through September of 2015, the first three quarters of this calendar year, OSE received a total of 681 complaints via 311 reporting an "illegal hotel" operation. During this period, OSE conducted 1192 inspections in response to these "illegal hotel" complaints and issued approximately 1325 violations. OSE has a track record of effectively fielding complaints, conducting investigations, and imposing appropriate sanctions.

OSE is in a transitional phase during which we are expanding upon previous successes and developing a strategic approach to more pro-active enforcement. This will mean expanding staff and skillsets, identifying the most egregious offenders, and deploying a wider array of tactics calibrated to specific trends.

OSE is currently made up of twelve staff members: three sworn members of the New York City Police Department, two Department of Buildings inspectors, one Fire Department inspector, an investigator from the Department of Finance, two attorneys, one full-time investigator, an office manager, and now an Executive Director. In the adopted budget for FY2015, OSE was allocated an additional 17 staff members. These new positions will allow the office to deploy targeted strategies, expand our analytic capacity, and conduct more sustained and proactive investigations aimed at the most egregious offenders.

The problem of illegal hotel rentals in New York City is not homogenous. Effective enforcement requires tactics calibrated for specific trends. OSE is looking to gather additional data about our enforcement efforts, the targets, and the outcomes in order to arm the City with a better understanding of the universe of violators and the effectiveness of our remedies, so that the City can respond appropriately. With respect to Intro. 826, OSE supports the overarching goal of reexamining the current civil penalty structure so that it effectively deters the most egregious violators of illegal hotels. OSE is also in favor of maintaining a civil penalty structure that acknowledges that the universe of violators is not the same, and therefore the range of civil penalties for less egregious violators should reflect that reality.

Additionally, the Office believes public education is an important component in tackling the problem of illegal hotel rentals in New York City. The Office supports strengthening efforts to raise public awareness of how to report illegal hotels as well as how to avoid illegal short-term occupancies, and is currently developing such strategies. To this end, OSE supports a reporting mechanism that highlights the City's consistent level of responsiveness to public inquires as well as increases government transparency. OSE supports the spirit of Intro. No. 823, as it requires the City to report on illegal conversions of dwelling units from permanent residences, and is willing to work with the Committee on moving this issue forward.

I look forward to continuing to refine these strategies through evaluation and input from the Council and other key partners. I am confident that the Office of Special Enforcement is playing an important role in addressing illegal transient rentals and the office will continue to work diligently to pursue its mandate.

Thank you for the opportunity to testify. I am available to answer any questions the Committee may have.