

# DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Vicki Been, Commissioner



## WHAT WE DO

The New York City Department of Housing Preservation and Development (HPD) is the largest municipal housing preservation and development agency in the nation. The agency promotes the construction, rehabilitation and preservation of affordable, high quality housing for low- and moderate-income families in thriving and diverse neighborhoods in every borough by enforcing housing quality standards, financing affordable housing development and preservation and ensuring sound management of the City's affordable housing stock.

## FOCUS ON EQUITY

Using a variety of preservation, development and enforcement strategies, HPD strives to improve the availability, affordability and quality of housing in all neighborhoods of New York City. In enforcing the Housing Maintenance Code, HPD works to ensure that all New Yorkers live in safe and habitable neighborhoods and homes. In developing affordable housing, HPD seeks to serve households of a wide range of incomes, in all neighborhoods, with special attention to those with special needs, seniors and the formerly homeless. Through the Housing Connect lottery and marketing and outreach efforts, HPD has expanded the number and diversity of households applying to live in affordable housing, and ensures that eligible applicants have an equal and fair chance of receiving housing. Using a targeted, neighborhood-based approach for strategic preservation, HPD is working to protect the ability of low-income families to remain in their current neighborhoods even as rents increase. At the same time, the Department's development and preservation initiatives seek to open up new housing opportunities for even the lowest income households.

## OUR SERVICES AND GOALS

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### SERVICE 1 Enforce the Housing Maintenance Code.

- Goal 1a Resolve housing maintenance complaints efficiently.
- Goal 1b Improve compliance with the Housing Maintenance Code through enforcement.

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### SERVICE 2 Preserve and create quality affordable housing.

- Goal 2a Increase access to and improve the quality of affordable housing.

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### SERVICE 3 Effectively manage HPD affordable housing assets and maximize federal rent subsidies.

- Goal 3a Improve financial and physical stability of existing affordable housing.

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### SERVICE 4 Provide affordable housing opportunities for the lowest income New Yorkers.

- Goal 4a Maximize federal rent subsidies to make housing affordable for low-income New Yorkers.
- Goal 4b Target HPD financed housing to the lowest income New Yorkers.

# HOW WE PERFORMED IN FISCAL 2015

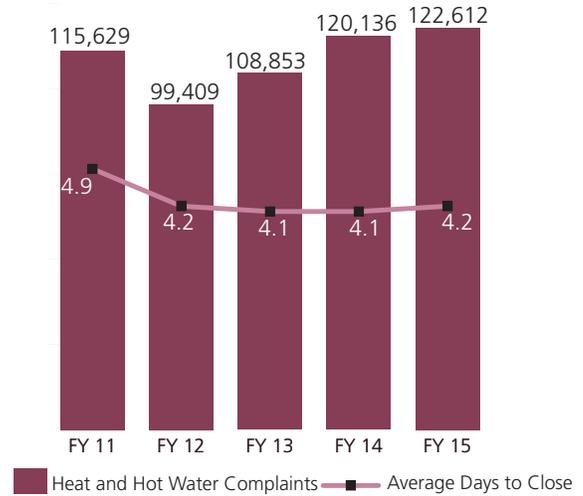
## SERVICE 1 Enforce the Housing Maintenance Code.

**Goal 1a** Resolve housing maintenance complaints efficiently.

For the fifth consecutive year, HPD saw a decline in the number of reported emergency complaints. Heat and hot water complaints, however, increased slightly from Fiscal 2014. HPD continued to increase accessibility for the public to file complaints. This year, the agency added 311's mobile application to already existing channels (311 Call Center and 311ONLINE).

The average time to close emergency and nonemergency complaints increased by 1.4 days and 9.8 days, respectively, from Fiscal 2014 due both to an increased focus on proactive activity and a temporary decline in the number of Housing Inspectors.

**Heat and Hot Water Complaints and Average Days to Close**



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Total complaints reported	611,989	589,245	541,397	548,626	553,135	*	*	Neutral	Down
★ - Emergency complaints reported	407,772	388,276	364,627	363,501	348,447	*	*	Neutral	Down
Inspections completed	678,038	697,736	661,206	675,760	664,960	600,000	600,000	Neutral	Neutral
Inspection visits per team per day	11.3	11.8	12.2	12.3	12.2	*	*	Up	Neutral
Ratio of completed inspections to attempted inspections (%)	71%	71%	72%	78%	80%	*	*	Up	Up
Total complaints closed	612,428	599,374	540,035	544,229	547,823	*	*	Neutral	Down
- Emergency complaints closed	408,379	389,952	364,049	363,995	346,603	*	*	Neutral	Down
- Heat and hot water	115,583	99,430	108,742	120,106	122,753	*	*	Neutral	Up
- Lead	38,047	39,862	34,022	33,600	32,528	*	*	Neutral	Down
- Other emergency	254,749	250,660	221,285	210,289	191,322	*	*	Neutral	Down
★Average time to close emergency complaints (days)	12.3	10.3	10.2	11.9	13.3	12.0	12.0	Down	Up
★Average time to close nonemergency complaints (days)	16.8	41.7	14.5	18.1	27.9	20.0	20.0	Down	Neutral
★Emergency complaints closed within 12 days of receipt (%)	NA	NA	73%	72%	70%	↑	↑	Up	NA
Nonemergency complaints closed within 20 days of receipt (%)	NA	NA	82%	78%	69%	*	*	Up	NA

★ Critical Indicator "NA" - means Not Available in this report ↑ ↓ shows desired direction

**Goal 1b** Improve compliance with the Housing Maintenance Code through enforcement.

The agency uses various tools to enforce the Housing Maintenance Code in order to ensure compliance with legal and regulatory obligations. Enforcement and Neighborhood Services (ENS) works closely with other HPD divisions and community partners to identify buildings with housing quality issues, assess conditions and develop appropriate strategies to address those properties. ENS works closely with responsible owners to develop plans to improve conditions. If HPD finds violations

during inspections, the agency directs the landlord to perform repairs within a timeframe specified by law. Code inspectors perform emergency inspections 24 hours a day, seven days a week.

HPD issued fewer emergency violations, a decrease of 3.6 percent, while issuance of nonemergency violations rose by 6.6 percent from Fiscal 2014 primarily due to a new law requiring property owners to post a notice about HPD's [ABCs of Housing](#), a document which provides guidance to tenants about housing related issues. Since the law became effective in February 2015, over 11,000 nonemergency violations were issued based on property owners' failure to post this notice.

HPD's Housing Litigation Division (HLD) initiates cases in Housing Court to enforce compliance with the housing quality standards contained in the New York State Multiple Dwelling Law and the New York City Housing Maintenance Code. HLD seeks correction of conditions; civil penalties for failure to comply with violations, filing false certifications of violations and failure to register a multiple dwelling building; the appointment of a 7A administrator; or access warrants. In Fiscal 2015 HLD initiated 6,299 cases. In the same period, 4,827 cases were settled and 721 judgments were entered in Court related to cases initiated by HPD. In addition, HLD appears in tenant-initiated proceedings if the tenant seeks repairs, claims harassment, or seeks the appointment of a 7A administrator; in Fiscal 2015 HLD appeared in more than 7,400 tenant-initiated actions.

Annually, HPD designates severely distressed multiple dwellings for participation in the Alternative Enforcement Program (AEP). Selection criteria includes the number of hazardous (class "B") and immediately hazardous (class "C") housing maintenance code violations along with the cost of emergency repair charges incurred as a result of the work performed by HPD. AEP provides for the issuance of orders to correct violations and replace building systems. Failure of a property owner to comply with AEP requirements for discharge within four months of the building selection results in the issuance of orders to correct violations, regular inspections, significant fees and emergency repair charges and liens. Since its inception in Fiscal 2008, AEP has successfully brought approximately 1,000 of the most distressed buildings in the City back into compliance. As of June 30, 2015, 581 buildings remained active in the AEP program. In Fiscal 2015 HPD increased the minimum number of buildings added to the program from 200 to 250, a year ahead of the mandated date required by Local Law 64 of 2014.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Total violations issued	462,721	468,644	385,507	390,951	408,874	*	*	Neutral	Down
- Emergency violations issued	88,342	92,665	78,564	77,909	75,122	*	*	Neutral	Down
- Heat and hot water	12,945	10,869	12,216	12,352	10,478	*	*	Neutral	Down
- Lead	21,973	20,496	13,615	13,046	11,132	*	*	Neutral	Down
- Other emergency	53,424	61,300	52,733	52,511	53,512	*	*	Neutral	Neutral
- Nonemergency violations issued	374,379	375,979	306,943	313,042	333,752	*	*	Neutral	Down
★ Violations issued and removed in the same fiscal year (%)	41%	43%	41%	38%	38%	40%	40%	Up	Down
★ Emergency violations corrected by owner (%)	56%	57%	53%	51%	53%	55%	55%	Up	Neutral
Emergency violations corrected by HPD (%)	14%	15%	15%	14%	12%	*	*	Down	Down
Violations closed	556,777	536,010	433,960	416,454	458,863	*	*	Up	Down
Violations certified as corrected by owner	NA	NA	134,369	118,867	141,484	*	*	Neutral	NA
Housing Court cases initiated by HPD	6,503	5,425	5,376	6,824	6,299	*	*	Neutral	Neutral
Housing Court cases initiated by HPD that were disposed	6,159	5,040	4,769	6,183	6,365	*	*	Neutral	Up
- Cases settled	4,350	3,534	3,301	4,802	4,827	*	*	Neutral	Up
- Cases resulting in judgments	733	634	610	571	721	*	*	Neutral	Neutral
Total dollars spent on emergency repairs (excluding demolition and AEP) (\$)	NA	NA	\$11,077,244	\$11,360,685	\$11,234,213	*	*	Neutral	NA
Alternative Enforcement Program - Buildings currently active	478	473	498	502	581	*	*	Neutral	Up

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
- Buildings discharged (cumulative)	322	527	702	885	1,056	*	*	Neutral	Up
- Buildings discharged from program (%) (cumulative)	40%	53%	59%	64%	65%	*	*	Up	Up
Total dollars spent on emergency repairs in the Alternative Enforcement Program (\$)	NA	NA	\$4,234,010	\$3,980,941	\$3,878,569	*	*	Neutral	NA

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## SERVICE 2 Preserve and create quality affordable housing.

**Goal 2a** Increase access to and improve the quality of affordable housing.

In Fiscal 2015 under [Housing New York: A Five Borough Plan](#), 20,326 affordable units were preserved or created, exceeding the City's housing starts target by more than 4,000 units. This was the largest number of units financed in 25 years. HPD also broke the record on new construction starts, financing 8,484 units – the largest number since the agency was established in 1978; the previous record was 7,036. More than 1,700 of the total units started were for low-income seniors.

Construction took longer than expected to complete for a portion of HPD's projects, mostly due to severe winter conditions. As a result, HPD only met 67 percent of its target for new construction completions and 82 percent of its target for preservation completions. Overall, HPD met 76 percent of the Fiscal 2015 completions target of 11,851. HPD is working on systems to improve project tracking in order to identify delays early in the process and take corrective measures to keep projects on schedule. The agency expects that many of the projects with delays will be completed within the first quarter of Fiscal 2016.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★ Total housing starts under Housing New York (units)	NA	NA	NA	8,990	20,326	16,000	18,000	Neutral	NA
- New construction starts	NA	NA	NA	2,737	8,484	5,962	7,257	Neutral	NA
- Preservation starts	NA	NA	NA	6,253	11,842	10,038	10,743	Neutral	NA
★ Total housing completions (New Housing Marketplace Plan and Housing New York) (units)	NA	NA	NA	9,370	8,984	11,851	11,708	Neutral	NA
- New construction completions	NA	NA	NA	3,234	3,301	4,950	4,912	Neutral	NA
- Preservation completions	NA	NA	NA	6,136	5,683	6,901	6,796	Neutral	NA

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## SERVICE 3 Effectively manage HPD affordable housing assets and maximize federal rent subsidies.

**Goal 3a** Improve financial and physical stability of existing affordable housing.

HPD's Division of Asset Management is responsible for ensuring the longevity and affordability of units that the agency has created or preserved. In Fiscal 2015 HPD increased the rental buildings in its portfolio by nine percent and the co-op buildings in its portfolio by five percent from the previous fiscal year. The agency tracks information on the physical and financial condition of properties, as well as oversees compliance with regulatory agreements ensuring affordability. This tracking is intended to be used as an early warning system to detect and mitigate potential risks to buildings and affordability.

Based on the program's criteria, less than one percent of the rental portfolio and 3.5 percent of the co-op portfolio were identified as distressed in Fiscal 2015. This represents a slight decline in the percentage of buildings in distress from Fiscal 2014, despite an increase in the overall number of rental and co-op buildings in the asset management portfolio. Working

with owners, partners, and multiple areas of HPD, the agency works to stabilize distressed projects, and helps to reposition projects using a variety of approaches including financial assistance, management changes, and ownership changes.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Asset management - Rental buildings in portfolio	NA	NA	2,651	3,110	3,396	*	*	Neutral	NA
Physically and financially distressed rental buildings in portfolio (%)	NA	NA	0.7%	0.6%	0.5%	*	*	Down	NA
Asset management - Co-op buildings in portfolio	NA	NA	1,069	1,151	1,207	*	*	Neutral	NA
Physically and financially distressed co-op buildings in portfolio (%)	NA	NA	4.8%	3.9%	3.5%	*	*	Down	NA

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## SERVICE 4 Provide affordable housing opportunities for the lowest income New Yorkers.

**Goal 4a** Maximize federal rent subsidies to make housing affordable for low-income New Yorkers.

Section 8, also known as the Housing Choice Voucher Program, provides federal funding for subsidies for eligible low-income families to rent quality, safe, and affordable housing in neighborhoods of their choice. Families pay a reasonable share of their income toward rent and the subsidy, paid by HPD directly to the landlord, makes up the difference, within specified limits. The unit must also meet federal Housing Quality Standards (HQS) and is inspected prior to move in and then annually.

In Fiscal 2015 HPD completed 33,758 HQS inspections. At the end of the year's reporting period, two percent of the subsidized units failed housing inspections and their rental subsidies were temporarily suspended (in abatement) until all conditions resulting in failure were corrected.

The agency issued more than twice the number of vouchers in Fiscal 2015 than in the previous fiscal year. The increase represents a rebound from temporary federal budget cuts imposed in Fiscal 2014 due to sequestration, as well as a joint initiative with the Department of Homeless Services to issue 500 vouchers to homeless households and an allocation of vouchers for special needs housing projects.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★ Section 8 - Voucher utilization rate	96.8%	97.1%	98.2%	98.2%	93.3%	96.0%	98.0%	Up	Neutral
- Vouchers issued	1,821	2,786	1,404	1,138	2,960	*	*	Up	Up
- Households assisted	36,259	37,116	37,232	36,859	38,128	*	*	Up	Neutral
Section 8 subsidized units in abatement (%)	NA	NA	NA	3%	2%	*	*	Down	NA

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**Goal 4b** Target HPD financed housing to the lowest income New Yorkers.

Approximately 16 percent of the units started in Fiscal 2015 under [Housing New York: A Five Borough Plan](#) are for households earning less than \$38,850 a year as a three-person family (extremely low and very low income families). The agency is on track to meet the plan's goal of creating or preserving 40,000 units in the extremely low and very low income bands. HPD also completed more than 1,000 affordable units for homeless households.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Housing New York units started – Extremely low income (0-30% AMI)	NA	NA	NA	NA	1,126	*	*	Neutral	NA
Housing New York units started – Very low income (31%- 50% AMI)	NA	NA	NA	NA	2,075	*	*	Neutral	NA

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## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Response to 311 Service Requests (SRs)									
Percent meeting time to close - Heating (5 days)	NA	83%	84%	83%	82%	78%	78%	Neutral	NA
Percent meeting time to close - Pests (30 days)	NA	65%	66%	64%	55%	59%	59%	Neutral	NA
Percent meeting time to close - Paint/Plaster - Ceiling (17 days)	NA	74%	76%	74%	69%	71%	71%	Neutral	NA
Percent meeting time to close - Paint/Plaster - Walls (17 days)	NA	72%	74%	70%	61%	69%	69%	Neutral	NA
Percent meeting time to close - Plumbing - Water-Leaks (17 days)	NA	71%	75%	69%	60%	68%	68%	Neutral	NA

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Customer Experience									
Emails responded to in 14 days (%)	48%	58%	60%	56%	76%	58%	58%	Up	Up
Letters responded to in 14 days (%)	54%	49%	53%	49%	47%	52%	52%	Up	Neutral
Average customer in-person wait time (minutes)	32	29	30	43	36	29	29	Down	Up
Visitors to the Division of Tenant Resources, Client and Owner Services rating customer service as good or better (%)	98%	99%	99%	NA	85%	95%	95%	Up	NA
Completed customer requests for interpretation	1,978	2,312	1,611	1,053	1,526	*	*	Neutral	Down
CORE customer experience rating (0-100)	87	85	87	89	90	85	85	Up	Neutral

# AGENCY RESOURCES

Resource Indicators	Actual					Plan <sup>1</sup>		5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16	
Expenditures (\$000,000) <sup>2</sup>	\$705.4	\$731.3	\$675.3	\$690.0	\$975.7	\$959.4	\$753.0	Up
Revenues (\$000,000)	\$72.4	\$43.8	\$78.9	\$52.6	\$65.7	\$41.4	\$22.6	Neutral
Personnel	2,282	2,153	2,062	2,001	2,130	2,331	2,375	Neutral
Overtime paid (\$000,000)	\$0.4	\$0.4	\$1.7	\$1.7	\$0.8	\$0.9	\$0.7	Up
Capital commitments (\$000,000)	\$342.9	\$297.7	\$375.7	\$415.4	\$412.3	\$672.0	\$826.5	Up
Work Experience Program (WEP) participants assigned	260	234	162	134	115	*	*	Down

<sup>1</sup>Authorized Budget Level      "NA" - Not Available in this report      <sup>2</sup>Expenditures include all funds.

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- HPD removed the indicators 'Nonemergency complaints reported' and 'Nonemergency complaints closed' and replaced the number of outstanding emergency and nonemergency complaints at the end of the month with the percent of emergency and nonemergency complaints closed within 12 and 20 days of receipt, respectively.
- HPD added 'Violations certified as corrected by owner' and renamed 'Violations removed' to 'Violations closed.'
- The agency replaced the three indicators that reported on the number of Housing Maintenance Code compliance cases that were opened, closed, and remained pending at the end of a month with indicators that report on the number of Housing Court cases that were initiated by HPD, the number of cases disposed of by the Court, and the number of cases that resulted in settlements and judgments.
- The agency also replaced the indicators that reported on the average cost of emergency and lead repair work with indicators that report on the total amount spent on emergency repairs (excluding demolition and the Alternative Enforcement Program), as well as the total amount spent on emergency repairs in the Alternative Enforcement Program.
- HPD updated Fiscal 2014 housing starts data under Housing New York (HNY). Total starts increased from 8,797 to 8,990 because City tax benefits for New York State Homes and Community Renewal projects were confirmed after the close of the fiscal year. As a result of its ongoing and detailed review, the Department also corrected the distribution of the Fiscal 2014 HNY housing starts to 2,737 new construction starts and 6,253 preservation starts from 3,826 new construction starts and 4,971 preservation starts. The corrected numbers reflect units from four preservation projects that had been reported as new construction units.
- HPD updated the Fiscal 2016 targets for new construction and preservation units started under Housing New York (HNY), with new units increasing to 7,257 from 7,200 and preservation decreasing to 10,743 from 10,800; the overall start target of 18,000 remained unchanged. The Department also updated Fiscal 2016 targets for new construction and preservation units completed under the New Housing Marketplace Plan and HNY, for a net increase of 763 units, with new units completed decreasing to 4,912 from 5,228 and preservation completions increasing to 6,796 from 5,717.
- The Department revised the Fiscal 2016 target for 'Section 8 utilization rate' from 96 percent to 98 percent.

## ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- ABCs of Housing  
<http://www1.nyc.gov/assets/hpd/downloads/pdf/ABCs-housing-singlepg.pdf>
- Housing New York: A Five-Borough, Ten-Year Plan:  
<http://www.nyc.gov/html/housing/pages/home/index.shtml>

For more information on the agency, please visit: [www.nyc.gov/hpd](http://www.nyc.gov/hpd).