

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, 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 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 households at a range of incomes, including the lowest income households.

OUR SERVICES AND GOALS

SERVICE 1 Enforce the Housing Maintenance Code.

Goal 1a Resolve housing maintenance complaints efficiently.

Goal 1b Improve compliance with the Housing Maintenance Code.

SERVICE 2 Preserve and create quality affordable housing.

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

SERVICE 3 Effectively manage HPD affordable housing assets.

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

SERVICE 4 Provide affordable housing opportunities for the lowest income New Yorkers and maximize federal rent subsidies.

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 2016

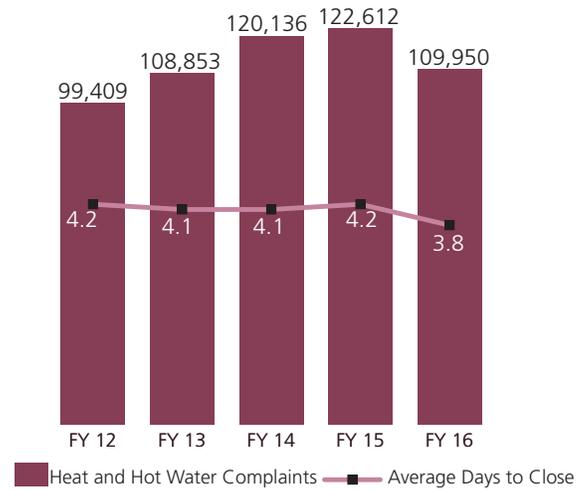
SERVICE 1 Enforce the Housing Maintenance Code.

Goal 1a Resolve housing maintenance complaints efficiently.

For the sixth consecutive year, HPD saw a decline in the number of reported emergency complaints, which decreased to approximately 337,800. Heat and hot water complaints declined by 10 percent, while the number of lead complaints declined by two percent.

In Fiscal 2016 the average time to close complaints decreased from the previous fiscal year as HPD increased the number of staff in its Code Enforcement operations. This increase in inspection resources helped the agency improve its tracking and response time to complaints, particularly for lead and other emergency complaints, to ensure they are addressed in a timely manner. On average, HPD closed emergency complaints in 11.3 days, two days faster than in Fiscal 2015, and better than the 12-day target. Seventy-one percent of all emergency complaints were closed within 12 days of receipt. The average time to close nonemergency complaints was also better than in Fiscal 2015, decreasing by 4.6 days to 23.3 days, but still falling short of HPD's target of 20 days.

Heat and Hot Water Complaints and Average Days to Close



| Performance Indicators | Actual | | | | | Target | | Desired Direction | 5yr Trend |
|--|---------|---------|---------|---------|---------|---------|---------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| Total complaints reported | 589,245 | 541,397 | 548,626 | 553,135 | 549,640 | * | * | Neutral | Neutral |
| ★ - Emergency complaints reported | 388,276 | 364,627 | 363,501 | 348,447 | 337,791 | * | * | Neutral | Down |
| Inspections completed | 697,736 | 661,206 | 675,760 | 664,960 | 692,943 | 600,000 | 600,000 | Neutral | Neutral |
| Inspection visits per team per day | 11.8 | 12.2 | 12.3 | 12.2 | 12.6 | * | * | Up | Neutral |
| Ratio of completed inspections to attempted inspections (%) | 71% | 72% | 78% | 80% | 78% | * | * | Up | Up |
| Total complaints closed | 599,374 | 540,035 | 544,229 | 547,823 | 558,417 | * | * | Neutral | Neutral |
| - Emergency complaints closed | 389,952 | 364,049 | 363,995 | 346,603 | 339,524 | * | * | Neutral | Down |
| - Heat and hot water | 99,430 | 108,742 | 120,106 | 122,753 | 110,007 | * | * | Neutral | Up |
| - Lead | 39,862 | 34,022 | 33,600 | 32,528 | 32,170 | * | * | Neutral | Down |
| - Other emergency | 250,660 | 221,285 | 210,289 | 191,322 | 197,347 | * | * | Neutral | Down |
| ★Average time to close emergency complaints (days) | 10.3 | 10.2 | 11.9 | 13.3 | 11.3 | 12.0 | 12.0 | Down | Up |
| ★Average time to close nonemergency complaints (days) | 41.7 | 14.5 | 18.1 | 27.9 | 23.3 | 20.0 | 20.0 | Down | Down |
| ★Emergency complaints closed within 12 days of receipt (%) | NA | 73% | 72% | 70% | 71% | ↑ | ↑ | Up | NA |
| Nonemergency complaints closed within 20 days of receipt (%) | NA | 82% | 78% | 69% | 75% | * | * | Up | NA |

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

Goal 1b Improve compliance with the Housing Maintenance Code.

The agency uses various tools to enforce the Housing Maintenance Code in order to ensure housing quality and 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.

In Fiscal 2016 HPD issued four percent fewer emergency violations from the previous fiscal year, while issuing 11 percent more nonemergency violations. This increase in nonemergency violations is largely due to an increase in complaints as well as an increase in violations for failure to post required signage.

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 2016 HLD initiated 5,659 cases. In the same period, 4,308 cases were settled and 842 judgments related to cases initiated by HPD were entered in Court.

Annually, HPD designates severely distressed multiple dwellings for participation in the Alternative Enforcement Program (AEP). Selection criteria include 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 work performed by HPD. AEP allows HPD to issue orders to correct violations and replace building systems. If a property owner fails to comply with AEP requirements for discharge from the program within the first four months, HPD issues orders to correct violations; conducts regular inspections; and imposes significant fees, emergency repair charges and liens. Since its inception in Fiscal 2008, AEP has successfully brought 1,278 of the most distressed buildings in the City back into compliance. As of June 30, 2016, 609 buildings remained active in the AEP program.

| Performance Indicators | Actual | | | | | Target | | Desired Direction | 5yr Trend |
|--|---------|--------------|--------------|--------------|--------------|--------|------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| Total violations issued | 468,644 | 385,507 | 390,951 | 408,874 | 440,849 | * | * | Neutral | Neutral |
| - Emergency violations issued | 92,665 | 78,564 | 77,909 | 75,122 | 72,000 | * | * | Neutral | Down |
| - Heat and hot water | 10,869 | 12,216 | 12,352 | 10,478 | 8,858 | * | * | Neutral | Down |
| - Lead | 20,496 | 13,615 | 13,046 | 11,132 | 11,625 | * | * | Neutral | Down |
| - Other emergency | 61,300 | 52,733 | 52,511 | 53,512 | 51,517 | * | * | Neutral | Down |
| - Nonemergency violations issued | 375,979 | 306,943 | 313,042 | 333,752 | 368,849 | * | * | Neutral | Neutral |
| ★Violations issued and removed in the same fiscal year (%) | 43% | 41% | 38% | 38% | 45% | 40% | 40% | Up | Neutral |
| ★Emergency violations corrected by owner (%) | 57% | 53% | 51% | 53% | 57% | 55% | 55% | Up | Neutral |
| Emergency violations corrected by HPD (%) | 15% | 15% | 14% | 12% | 11% | * | * | Down | Down |
| Violations closed | 536,010 | 433,960 | 416,454 | 458,863 | 489,900 | * | * | Up | Neutral |
| Violations certified as corrected by owner | NA | 134,369 | 118,867 | 141,484 | 170,109 | * | * | Neutral | NA |
| Housing Court cases initiated by HPD | 5,425 | 5,376 | 6,824 | 6,299 | 5,659 | * | * | Neutral | Neutral |
| Housing Court cases initiated by HPD that were disposed | 5,040 | 4,769 | 6,183 | 6,365 | 5,633 | * | * | Neutral | Up |
| - Cases settled | 3,534 | 3,301 | 4,802 | 4,827 | 4,308 | * | * | Neutral | Up |
| - Cases resulting in judgments | 634 | 610 | 571 | 721 | 842 | * | * | Neutral | Up |
| Total dollars spent on emergency repairs (excluding demolition and AEP) (\$) | NA | \$11,077,244 | \$11,360,685 | \$11,234,213 | \$10,139,937 | * | * | Neutral | NA |
| Alternative Enforcement Program - Buildings currently active | 473 | 498 | 502 | 581 | 609 | * | * | Neutral | Up |
| - Buildings discharged (cumulative) | 527 | 702 | 885 | 1,056 | 1,278 | * | * | Neutral | Up |
| - Buildings discharged from program (%) (cumulative) | 53% | 59% | 64% | 65% | 64% | * | * | Up | Up |
| Total dollars spent on emergency repairs in the Alternative Enforcement Program (\$) | NA | \$4,234,010 | \$3,980,941 | \$3,878,569 | \$1,935,904 | * | * | Neutral | NA |

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

SERVICE 2 Preserve and create quality affordable housing.

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

In Fiscal 2016, under [Housing New York: A Five-Borough, Ten-Year Plan](#), the City financed the creation and preservation of 23,287 affordable units across the five boroughs, exceeding projections by more than 5,000 units. In the second full fiscal year of the Mayor's ten-year plan to build or preserve 200,000 affordable homes, the City financed 6,097 new construction units and 17,190 preservation units. The Fiscal 2016 housing production figure is the second highest in New York City history. Included in the total are nearly 1,400 units for seniors.

The agency also exceeded its Fiscal 2016 completions target of 11,708 by 6,734 units. While HPD only met 86 percent of its new construction completions target, it exceeded its preservation completions target due, in part, to two large preservation projects, Stuyvesant Town and Peter Cooper Village (STPCV) and Riverton Houses, which account for 5,976 affordable units. Due to the lock-in of affordability for the two projects and the lack of construction associated with the deals, STPCV and Riverton Houses are regarded as having reached completion on their date of closing.

| Performance Indicators | Actual | | | | | Target | | Desired Direction | 5yr Trend |
|---|--------|------|-------|--------|--------|--------|--------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| ★ Total housing starts under Housing New York (units) | NA | NA | 9,328 | 20,324 | 23,287 | 18,000 | 20,000 | Neutral | NA |
| - New construction starts | NA | NA | 2,759 | 8,485 | 6,097 | 7,257 | 8,000 | Neutral | NA |
| - Preservation starts | NA | NA | 6,569 | 11,839 | 17,190 | 10,743 | 12,000 | Neutral | NA |
| ★ Total housing completions (New Housing Marketplace Plan and Housing New York) (units) | NA | NA | 9,284 | 10,128 | 18,442 | 11,708 | 17,343 | Neutral | NA |
| - New construction completions | NA | NA | 2,113 | 2,025 | 4,230 | 4,912 | 6,910 | Neutral | NA |
| - Preservation completions | NA | NA | 7,171 | 8,103 | 14,212 | 6,796 | 10,433 | Neutral | NA |

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SERVICE 3 Effectively manage HPD affordable housing assets.

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 2016 HPD increased the rental buildings in its portfolio by six percent and the co-op buildings in its portfolio by one percent from the previous fiscal year. The Asset Management portfolio of rental buildings has grown as additional affordable housing units financed by HPD are leased up and transferred to Asset Management. Additional growth is expected in future years, based on the successful development of projects under the Housing New York plan.

The agency tracks information on the physical and financial condition of properties it has financed and oversees regulatory agreements ensuring the affordability of properties financed or receiving tax exemptions. This tracking is intended to be used as an early warning system to detect and mitigate potential risks to buildings and affordability. Less than one half of one percent of the buildings in the rental portfolio and approximately four percent of the buildings in the co-op portfolio met the program's criteria for distress in Fiscal 2016. This represents only a slight change in the percentage of buildings in distress from the previous fiscal year despite an increase in the overall number of rental and co-op buildings in the Asset Management portfolio. In collaboration with owners, partners, and multiple divisions 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 |
|---|--------|-------|-------|-------|-------|--------|------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| Asset management - Rental buildings in portfolio | NA | 2,651 | 3,110 | 3,396 | 3,604 | * | * | Neutral | NA |
| Physically and financially distressed rental buildings in portfolio (%) | NA | 0.7% | 0.6% | 0.5% | 0.3% | * | * | Down | NA |
| Asset management - Co-op buildings in portfolio | NA | 1,069 | 1,151 | 1,207 | 1,217 | * | * | Neutral | NA |
| Physically and financially distressed co-op buildings in portfolio (%) | NA | 4.8% | 3.9% | 3.5% | 4.1% | * | * | Down | NA |

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SERVICE 4 Provide affordable housing opportunities for the lowest income New Yorkers and maximize federal rent subsidies.

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

Primarily through the housing choice voucher program, Section 8 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 dwelling unit must also meet federal Housing Quality Standards (HQS) and is inspected prior to move in and then biennially.

In Fiscal 2016 the overall voucher utilization rate rose to 94.5 percent. The number of households assisted through housing choice vouchers increased by two percent to 34,353 largely due to two large project-based voucher conversions, totaling more than 1,200 units. Both projects were part of the HUD Rental Assistance Demonstration, under which older HUD subsidy programs are converted to the housing choice voucher program. In total, the number of households receiving a rent subsidy through all of the voucher programs grew to over 39,000.

HPD completed 26,422 HQS inspections during the year. Two percent of the subsidized units failed housing inspections, comparable to Fiscal 2015, and their rental subsidies were temporarily suspended until all conditions resulting in failure were corrected.

| Performance Indicators | Actual | | | | | Target | | Desired Direction | 5yr Trend |
|---|--------|--------|--------|--------|--------|--------|-------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| ★ Section 8 - Voucher utilization rate | 97.1% | 98.2% | 98.2% | 93.3% | 94.5% | 98.0% | 98.0% | Up | Neutral |
| - Vouchers issued | 2,786 | 1,404 | 1,138 | 2,960 | 2,999 | * | * | Up | Up |
| - Households assisted | 37,116 | 37,232 | 36,859 | 38,128 | 39,058 | * | * | Up | Neutral |
| Section 8 subsidized units in abatement (%) | NA | NA | 3% | 2% | 2% | * | * | Down | NA |

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

Approximately 29 percent of the units started in Fiscal 2016 under [Housing New York: A Five-Borough, Ten-Year Plan](#) are for households earning less than the equivalent of \$40,800 a year as a three-person family. About 3,800 of these units, or 16 percent of the Fiscal 2016 total, are for extremely low income families making up to \$24,500 for a family of three. The agency is on track to exceed the plan’s goal of creating or preserving 40,000 units, or 20 percent of the entire Housing New York plan, 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 |
|---|--------|------|-------|-------|-------|--------|------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| Housing New York units started – Extremely low income (0-30% AMI) | NA | NA | 896 | 2,653 | 3,767 | * | * | Neutral | NA |
| Housing New York units started – Very low income (31%-50% AMI) | NA | NA | 1,426 | 2,375 | 2,879 | * | * | Neutral | NA |

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AGENCY CUSTOMER SERVICE

| Performance Indicators | Actual | | | | | Target | | Desired Direction | 5yr Trend |
|---|--------|-------|-------|-------|-------|--------|------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| Customer Experience | | | | | | | | | |
| E-mails responded to in 14 days (%) | 58% | 60% | 56% | 76% | 55% | 58% | 58% | Up | Neutral |
| Letters responded to in 14 days (%) | 49% | 53% | 49% | 47% | 53% | 52% | 52% | Up | Neutral |
| Average customer in-person wait time (minutes) | 29 | 30 | 43 | 36 | 27 | 29 | 29 | Down | Neutral |
| Visitors to the Division of Tenant Resources, Client and Owner Services rating customer service as good or better (%) | 99% | 99% | NA | 85% | 83% | 95% | 95% | Up | NA |
| Completed customer requests for interpretation | 2,312 | 1,611 | 1,053 | 1,526 | 1,202 | * | * | Neutral | Down |
| CORE customer experience rating (0-100) | 85 | 87 | 89 | 90 | 97 | 85 | 85 | Up | Up |

| Performance Indicators | Actual | | | | | Target | | Desired Direction | 5yr Trend |
|---|--------|------|------|------|------|--------|------|-------------------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | | |
| Response to 311 Service Requests (SRs) | | | | | | | | | |
| Percent meeting time to close - Heating (5 days) | 83% | 84% | 83% | 82% | 73% | 78% | 78% | Neutral | Down |
| Percent meeting time to close - Pests (30 days) | 65% | 66% | 64% | 55% | 75% | 59% | 59% | Neutral | Neutral |
| Percent meeting time to close - Paint/Plaster - Ceiling (17 days) | 74% | 76% | 74% | 69% | 84% | 71% | 71% | Neutral | Neutral |
| Percent meeting time to close - Paint/Plaster - Walls (17 days) | 72% | 74% | 70% | 61% | 79% | 69% | 69% | Neutral | Neutral |
| Percent meeting time to close - Plumbing - Water-Leaks (17 days) | 71% | 75% | 69% | 60% | 78% | 68% | 68% | Neutral | Neutral |

AGENCY RESOURCES

| Resource Indicators | Actual ¹ | | | | | Plan ² | | 5yr Trend |
|--|---------------------|---------|---------|---------|-----------|-------------------|-----------|-----------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16 | FY17 | |
| Expenditures (\$000,000) ³ | \$731.3 | \$675.3 | \$690.0 | \$718.4 | \$1,054.5 | \$1,118.1 | \$1,271.9 | Up |
| Revenues (\$000,000) | \$43.8 | \$78.9 | \$52.6 | \$64.7 | \$62.8 | \$32.8 | \$28.1 | Up |
| Personnel | 2,153 | 2,062 | 2,001 | 2,130 | 2,246 | 2,483 | 2,486 | Neutral |
| Overtime paid (\$000,000) | \$0.4 | \$1.7 | \$1.7 | \$1.9 | \$2.4 | \$2.0 | \$1.7 | Up |
| Capital commitments (\$000,000) | \$297.7 | \$375.7 | \$415.4 | \$412.8 | \$632.9 | \$1,070.3 | \$683.2 | Up |
| Work Experience Program (WEP) enrollment | NA | NA | NA | NA | 66 | * | * | NA |

¹Actual financial amounts for the most current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at nyc.gov/mmr for details. ²Authorized Budget Level ³Expenditures include all funds
 "NA" - Not Available in this report

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- HPD updated Fiscal 2017 completion targets for new construction and preservation units under the New Housing Marketplace Plan and Housing New York for an increase of 5,471 units. The target for new construction completions increased from 5,304 to 6,910 and the target for preservation completions increased from 6,568 to 10,433.
- HPD updated Fiscal 2014 housing starts data for Housing New York (HNY) for a revised total of 9,328 units, an increase of 338 units. Fiscal 2014 data for the two HNY indicators that report on housing starts for extremely low and very low income households, previously reported as NA, has been added. HPD also updated housing completions data for both the New Housing Marketplace Plan (NHMP) and HNY for a revised overall total of 9,284 units, an increase of 648 units. NHMP completions increased by 485 units and HNY by 163 units. The subset of NHMP and HNY units completed in Fiscal 2014 for homeless individuals and families was corrected to 571 from 688.
- The agency also updated Fiscal 2015 housing data. The total number of housing starts under HNY was revised to 20,324, a decrease of three units. The overall number of units completed for both NHMP and HNY was updated to 10,128, an increase of 999 units. HNY completions increased by 242 to 2,079 and NHMP by 757 to 8,049. NHMP data also reflects corrections to the distribution of completions. New construction was corrected to 1,901 from 3,189 and preservation completions were revised to 6,148 from 4,103. The subset of NHMP and HNY units completed in Fiscal 2015 for homeless individuals and families rose to 1,065 from 1,027.
- The agency reclassified the types of vouchers used to measure households assisted through 'Housing choice vouchers' to include regular and enhanced housing choice vouchers as well as project-based vouchers. The latter two categories had previously been included as part of the vouchers reported under 'All other programs.' Fiscal 2015 data has been updated to reflect these changes.
- Fiscal 2016 data for Customers Observing and Reporting Experiences (CORE) ratings represents a change in methodology. For agencies with multiple service centers, inspectors focused on sites that had historically lower scores, specifically sites that received an average overall site score of 85 or lower over the last three years and sites that received a score of 85 or lower in Fiscal 2015. If all agency service centers scored above 85 last year, the service center with the lowest overall score was inspected.

ADDITIONAL RESOURCES

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

- 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.

