

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 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 environments. 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

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.

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 and maximize federal rent subsidies.

- Goal 3a Ensure financial and physical stability of existing affordable housing.
- Goal 3b Maximize federal rent subsidies to make housing affordable for low-income New Yorkers.

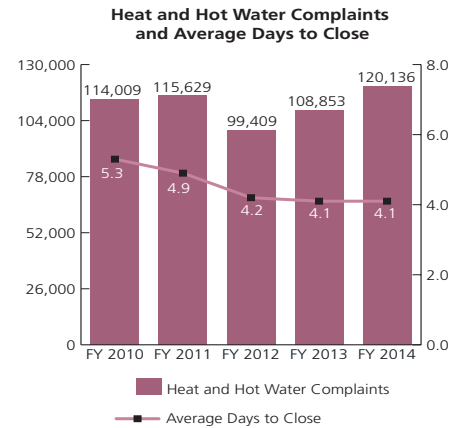
HOW WE PERFORMED IN FISCAL 2014

SERVICE 1 Enforce the Housing Maintenance Code.

Goal 1a Resolve housing maintenance complaints efficiently.

Although heat and hot water and nonemergency complaints increased, the overall number of complaints to the 311 Citizen Service Center regarding emergency housing conditions (ranging from lack of essential services to conditions like lead) decreased for the fifth consecutive year. In response to complaints, HPD conducted over 675,000 inspections in Fiscal 2014. If violations are found during inspections, HPD 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 2014 heat and hot water complaints increased by 10 percent. The agency prioritized responding to and closing these complaints and was able to maintain the same average response time to heat and hot water complaints as in Fiscal 2013 (4.1 days). Prioritizing heat and hot water complaints led to an increase in the time to close other complaints. On average, the time to close emergency and non-emergency complaints rose to 11.9 and 18.1 days, respectively.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Total complaints reported	616,408	611,989	589,245	541,397	548,626	*	*	Neutral	Down
★ - Emergency complaints reported	409,354	407,772	388,276	364,627	363,501	*	*	Neutral	Down
- Nonemergency complaints reported	207,054	204,217	200,969	176,770	185,125	*	*	Neutral	Down
Inspections completed	689,872	678,038	697,736	661,206	675,760	600,000	600,000	Neutral	Neutral
Inspection visits per team per day	11.0	11.3	11.8	12.2	12.3	*	*	Up	Up
Ratio of completed inspections to attempted inspections (%)	72%	71%	71%	72%	78%	*	*	Up	Neutral
Total complaints closed	613,836	612,428	599,374	540,035	544,229	*	*	Neutral	Down
- Emergency complaints closed	407,826	408,379	389,952	364,049	363,995	*	*	Neutral	Down
- Heat and hot water	114,100	115,583	99,430	108,742	120,106	*	*	Neutral	Neutral
- Lead	40,363	38,047	39,862	34,022	33,600	*	*	Neutral	Down
- Other emergency	253,373	254,749	250,660	221,285	210,289	*	*	Neutral	Down
- Nonemergency complaints closed	206,010	204,049	209,422	175,986	180,234	*	*	Neutral	Down
★Average time to close emergency complaints (days)	12.0	12.3	10.3	10.2	11.9	12.0	12.0	Down	Neutral
★Average time to close nonemergency complaints (days)	19.1	16.8	41.7	14.5	18.1	30.0	20.0	Down	Neutral
★Outstanding emergency complaints at end of month	12,210	11,603	10,089	10,667	10,173	11,000	10,000	Down	Down
★Outstanding nonemergency complaints at end of month	14,365	14,533	6,229	7,013	11,904	14,500	11,000	Down	Down

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

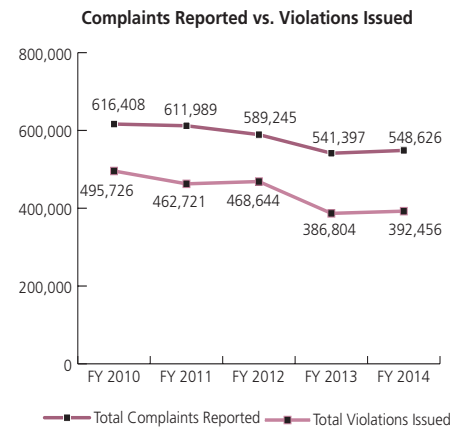
Goal 1b Improve compliance with the Housing Maintenance Code through enforcement.

The agency uses enforcement tools within the Office of Enforcement and Neighborhood Services (ENS) to ensure compliance with legal and regulatory obligations. ENS works closely with other HPD divisions and community partners to identify buildings with violation problems, assess conditions and develop appropriate strategies to address those properties, and works closely with responsible owners to develop plans to improve conditions.

HPD continues to vigorously enforce the Housing Maintenance Code; violation issuance increased by 1.5 percent in Fiscal 2014. The Housing Litigation Division (HLD) brings enforcement proceedings against non-compliant owners of buildings in which HPD has issued violations for a lack of adequate heat and hot water, as well as other emergency violations, seeking orders to correct and civil penalties. During the 2013-2014 heat season, which began on October 1, 2013, and

ended on May 31, 2014, HLD commenced 4,333 heat and hot water cases and collected \$3,244,041 in charges. During the comparable period last heat season, HLD commenced 2,819 heat and hot water cases and collected \$2,003,354 in charges.

HPD’s Alternative Enforcement Program (AEP) preserves housing by proactively using data and field experience to focus scarce resources on properties most in distress. The agency annually designates around 200 severely distressed buildings of three units or more for participation in AEP, based on the presence of hazardous housing code violations and charges incurred by the City for emergency repairs. Owners are given four months to correct the conditions, after which HPD exercises its statutory authority to repair the underlying conditions, impose heavy fines and, if necessary, place a lien on the property for any unpaid charges. Sixty-four percent of buildings selected for the program have successfully completed the program.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Total violations issued	495,726	462,721	468,644	386,804	392,456	*	*	Neutral	Down
- Emergency violations issued	97,506	88,342	92,665	78,564	77,909	*	*	Neutral	Down
- Heat and hot water	12,436	12,945	10,869	12,216	12,352	*	*	Neutral	Neutral
- Lead	26,022	21,973	20,496	13,615	13,046	*	*	Neutral	Down
- Other emergency	59,048	53,424	61,300	52,733	52,511	*	*	Neutral	Neutral
- Nonemergency violations issued	398,220	374,379	375,979	308,240	314,547	*	*	Neutral	Down
★Violations issued and removed in the same fiscal year (%)	38%	41%	43%	41%	38%	38%	40%	Up	Neutral
★Emergency violations corrected by owner (%)	55%	56%	57%	53%	51%	55%	55%	Up	Neutral
Emergency violations corrected by HPD (%)	15%	14%	15%	15%	14%	*	*	Down	Neutral
Violations removed	608,214	556,777	536,010	433,960	416,454	*	*	Up	Down
Housing Maintenance Code compliance - Cases opened	14,233	13,687	13,251	12,435	14,336	*	*	Neutral	Neutral
- Cases closed	15,226	14,846	14,109	12,106	14,296	*	*	Neutral	Down
Average cost of repair work performed by HPD (\$)	\$737	\$657	\$537	\$514	\$475	*	*	Neutral	Down
- Emergency (non-lead) (\$)	\$635	\$562	\$465	\$467	\$442	*	*	Neutral	Down
- Lead (\$)	\$2,338	\$2,623	\$2,302	\$2,108	\$1,653	*	*	Neutral	Down
Alternative Enforcement Program - Buildings currently active	NA	478	473	498	502	*	*	Neutral	NA
- Buildings discharged (cumulative)	NA	322	527	702	885	*	*	Neutral	NA
- Buildings discharged from program (%) (cumulative)	NA	40%	53%	59%	64%	*	*	Up	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.

HPD took the lead in creating the nation’s most expansive affordable housing plan to date. In May 2014 Mayor de Blasio announced [Housing New York: A Five-Borough, Ten-Year Plan](#), an ambitious \$41 billion plan to finance the creation and preservation of 200,000 units of affordable housing. The goal of Housing New York is to help address the crisis of affordability in the City by reaching more than a half million New Yorkers, ranging from those with very low incomes at the bottom of the economic ladder all the way to those in the middle class who face ever-rising rents in their neighborhoods.

The agency exceeded its housing starts target in Fiscal 2014 by two percent. The agency also exceeded the Fiscal 2014 new construction completion target but fell short of the preservation target by over 35 percent. Much of this shortfall is attributed to large Mitchell-Lama developments that were projected to be completed in Fiscal 2014. As of June 2014 these projects were 90 percent complete and awaiting final paperwork and loan payment drawdown and are anticipated to be completed in early Fiscal 2015.

HPD significantly increased the number of units completed for homeless individuals in Fiscal 2014, completing 350 units more than in Fiscal 2013. These units, along with HPD’s supportive housing and senior units, serve some of the City’s most vulnerable people.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Total housing starts under the New Housing Marketplace Plan (units)	14,747	15,735	17,042	15,382	4,484	13,000	*	Neutral	Down
- New construction starts	3,410	4,055	2,642	4,626	2,061	5,444	*	Neutral	Down
- Preservation starts	11,337	11,680	14,400	10,756	2,423	7,556	*	Neutral	Down
★Total housing starts under Housing New York (units)	NA	NA	NA	NA	8,797	*	16,000	Neutral	NA
- New construction starts	NA	NA	NA	NA	3,826	*	5,269	Neutral	NA
- Preservation starts	NA	NA	NA	NA	4,971	*	10,731	Neutral	NA
★Total housing completions (New Housing Marketplace Plan and Housing New York) (units)	NA	NA	NA	NA	9,070	*	11,851	Neutral	NA
- New construction completions	NA	NA	NA	NA	3,234	*	4,950	Neutral	NA
- Preservation completions	NA	NA	NA	NA	5,836	*	6,901	Neutral	NA
Total housing completions under the New Housing Marketplace Plan (units)	17,468	14,963	15,905	9,337	6,406	11,606	*	Neutral	Down
- New construction completions	5,281	7,754	4,598	3,167	3,139	4,184	*	Neutral	Down
- Preservation completions	12,187	7,209	11,307	6,170	3,258	7,422	*	Neutral	Down
Total housing completions under Housing New York (units)	NA	NA	NA	NA	2,664	*	*	Neutral	NA
- New construction completions	NA	NA	NA	NA	95	*	*	Neutral	NA
- Preservation completions	NA	NA	NA	NA	2,569	*	*	Neutral	NA

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

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

The agency continues to focus on the financial and physical health of properties in which the City has invested, prioritizing properties with significant physical and financial issues. The agency introduced new asset management indicators this year to better reflect its oversight role. In Fiscal 2014 the asset management portfolio had a net change of 541 additional buildings, a 17 percent increase in rental buildings and eight percent increase in co-op buildings. In addition to tracking the physical and financial condition of properties, asset managers work with property owners to provide assistance on reducing municipal arrears and housing code violations. They also coordinate with other departments within HPD, other City agencies and HPD’s partner organizations to assist in resolving financial, physical and regulatory issues. Based on the program’s criteria, less than one percent of the rental portfolio and four percent of the co-op portfolio were identified as distressed.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Asset management - Rental buildings in portfolio	NA	NA	NA	2,651	3,110	*	*	Neutral	NA
Physically and financially distressed rental buildings in portfolio (%)	NA	NA	NA	0.7%	0.6%	*	*	Down	NA
Asset management - Co-op buildings in portfolio	NA	NA	NA	1,069	1,151	*	*	Neutral	NA
Physically and financially distressed co-op buildings in portfolio (%)	NA	NA	NA	4.8%	3.9%	*	*	Down	NA

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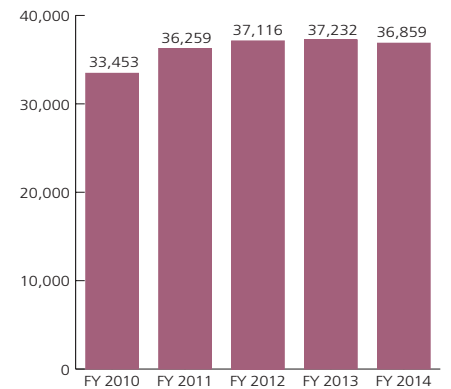
Goal 3b Maximize federal rent subsidies to make housing affordable for low-income New Yorkers.

Section 8, also known as the Housing Choice Voucher Program, provides funding for rent subsidies for eligible low-income families to locate quality, safe affordable housing. Families can select housing within a neighborhood of their choice. Rent subsidies (vouchers) allow families to pay a reasonable share of their income toward rent while the program, within specific limits, makes up the difference. HPD's Section 8 program is the fifth largest in the United States.

In Fiscal 2014 HPD completed 55,499 inspections of subsidized units as required by federal regulations. At the end of the year's reporting period, three percent of subsidized units failed housing quality inspections and rental subsidies were temporarily suspended (in abatement) until all conditions resulting in failure were corrected.

Due to the ongoing impact of federal sequestration and corresponding budget cuts, HPD issued 19 percent fewer Section 8 vouchers but continued to maintain an optimal voucher utilization rate of 98.2 percent and did not revoke vouchers for any subsidized households.

Section 8 - Total Number of Households Assisted



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ Section 8									
- Utilization rate	97.3%	96.8%	97.1%	98.2%	98.2%	96.0%	96.0%	Up	Neutral
- Vouchers issued	1,456	1,821	2,786	1,404	1,138	*	*	Up	Down
- Households assisted	33,453	36,259	37,116	37,232	36,859	*	*	Up	Neutral
Section 8 subsidized units in abatement (%)	NA	NA	NA	NA	3%	*	*	Down	NA

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AGENCY CUSTOMER SERVICE

HPD is developing improved customer service surveys and did not collect surveys in Fiscal 2014. Survey data will be provided again in Fiscal 2015.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Customer Experience	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
Emails responded to in 14 days (%)	64%	48%	58%	60%	56%	58%	58%	Up	Neutral
Letters responded to in 14 days (%)	57%	54%	49%	53%	49%	52%	52%	Up	Down
Average customer in-person wait time (minutes)	31	32	29	30	43	29	29	Down	Up
Visitors to the Division of Tenant Resources, Client and Owner Services rating customer service as good or better (%)	NA	98%	99%	99%	NA	95%	95%	Up	NA
Completed customer requests for interpretation	3,972	1,978	2,312	1,611	1,053	*	*	Neutral	Down
CORE customer experience rating (0-100)	NA	87	85	87	89	85	85	Up	NA

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Response to 311 Service Requests (SRs)	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
Percent meeting time to close - Heating (5 days)	68	NA	83	84	83	78	78	Neutral	NA
Percent meeting time to close - Vermin (17 days)	46	NA	65	66	64	59	59	Neutral	NA
Percent meeting time to close - Paint/Plaster - Ceiling (17 days)	65	NA	74	76	74	71	71	Neutral	NA
Percent meeting time to close - Paint/Plaster - Walls (17 days)	61	NA	72	74	70	69	69	Neutral	NA
Percent meeting time to close - Plumbing - Water-Leaks (17 days)	59	NA	71	75	69	68	68	Neutral	NA

AGENCY RESOURCES

Resource Indicators	Actual					Plan ¹		5-year Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	
Expenditures (\$000,000) ²	\$727.9	\$705.4	\$731.3	\$675.3	\$803.3	\$765.3	\$555.3	Neutral
Revenues (\$000,000)	\$60.1	\$72.4	\$43.8	\$78.9	\$53.0	\$33.3	\$22.1	Neutral
Personnel	2,424	2,282	2,153	2,062	2,001	2,321	2,245	Down
Overtime paid (\$000,000)	\$0.7	\$0.4	\$0.4	\$1.7	\$0.9	\$0.8	\$0.8	Up
Capital commitments (\$000,000)	\$292.8	\$342.9	\$297.7	\$375.7	\$415.4	\$809.2	\$482.1	Up
Work Experience Program (WEP) participants assigned	382	260	234	162	134	*	*	Down

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

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- HPD revised the Fiscal 2015 target for the indicator 'Average time to close nonemergency complaints (days)' from 30 days to 20 days.
- The agency replaced the indicator 'Section 8 subsidized units passing annual Housing Quality Standard inspections (%)' with 'Section 8 subsidized units in abatement (%)'.
- HPD added housing start and completion indicators for Housing New York and will retire New Housing Marketplace Plan start indicators in the Fiscal 2015 Preliminary Mayor's Management Report. Completion data will be reported as a cumulative fiscal year total as well as by the plan under which the completion was counted. Additionally, the agency will no longer report data for the percent of housing starts initiated and completed.

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/hpd/html/about/Housing-New-York.shtml>

For more information on the agency, please visit: www.nyc.gov/hpd.

