

TESTIMONY OF HOUSING PRESERVATION & DEVELOPMENT TO THE NEW
YORK CITY COUNCIL'S FINANCE COMMITTEE
MARCH 11, 2009 – 11AM

GOOD MORNING CHAIRMAN WEPRIN AND MEMBERS OF THE FINANCE COMMITTEE. I AM BARBARA FLYNN, CHIEF OF STAFF OF THE INTERGOVERNMENTAL AFFAIRS DIVISION AT THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT (HPD). I AM JOINED TODAY BY GRACE DEFINA, DIRECTOR OF PLANNING AND SUPPORT OPERATIONS FOR CODE ENFORCEMENT AND CHRISTOPHER BROWNE, SENIOR DIRECTOR OF GOVERNMENT AFFAIRS AT THE DEPARTMENT OF FINANCE. THANK YOU FOR THE OPPORTUNITY TO TESTIFY ON INTRODUCTORY NUMBER 852, WHICH WOULD STREAMLINE THE BILLING AND PAYMENT PROCESS FOR EMERGENCY REPAIR WORK PERFORMED BY HPD.

HPD PERFORMS EMERGENCY REPAIRS IN PRIVATELY OWNED RESIDENTIAL BUILDINGS IN ORDER TO ADDRESS IMMEDIATELY HAZARDOUS VIOLATIONS THAT ARE NOT CORRECTED BY THE OWNER. REPAIRS ARE ALSO PERFORMED IN RESPONSE TO EMERGENCIES REPORTED TO HPD BY OUTSIDE AGENCIES WHICH INCLUDE THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (DOHMH) AND THE DEPARTMENT OF BUILDINGS (DOB). EMERGENCY REPAIRS ARE PERFORMED BY OUTSIDE CONTRACTORS OR IN HOUSE TECHNICAL STAFF. EMERGENCY REPAIR CHARGES INCURRED BY HPD ARE BILLED TO THE

OWNER. ALL EMERGENCY REPAIR CHARGES MAY BE PROTESTED BY THE OWNER.

INTRO 852 CONTAINS TWO CHANGES TO CURRENT LAW. THE FIRST SIMPLY ENSURES THAT THE DEPARTMENT OF FINANCE'S STATEMENT OF ACCOUNT (SOA) CONTINUES TO BE SENT ON SOME REGULAR INTERVAL, SUCH AS QUARTERLY OR TWICE A YEAR. MOST PROPERTY OWNERS KNOW THE SOA AS THEIR "PROPERTY TAX BILL" AND KNOW THAT THE BILL IS USUALLY RECEIVED QUARTERLY WITH A SUMMARY OF CHARGES THAT INCLUDES REAL ESTATE TAXES AND ALL AGENCY CHARGES THAT ARE OWED AND THE DATE BY WHICH SUCH CHARGES MUST BE PAID. THE FIRST PART OF THIS LEGISLATION MERELY CODIFIES CURRENT PRACTICE.

THE SECOND CHANGE CONFORMS HPD'S EMERGENCY REPAIR PROGRAM (ERP) BILLING AND LIEN CREATION PROCESS TO THE DEPARTMENT OF FINANCE'S CURRENT BILLING PROCESS, THEREBY ELIMINATING THE NEED FOR FINANCE TO SEND OUT A SEPARATE EMERGENCY REPAIR CHARGE BILL. ABOUT FIVE YEARS AGO, FINANCE CONSOLIDATED ALL AGENCIES' CHARGES ON THE QUARTERLY STATEMENT OF ACCOUNT NOTICE TO PROPERTY OWNERS, EXCEPT THAT IT CONTINUED TO SEND OUT A SEPARATE BILL FOR HPD'S EMERGENCY REPAIR CHARGES. INTRO 852 ALLOWS THE DEPARTMENT OF FINANCE TO ELIMINATE THE SEPARATE BILL FOR HPD'S EMERGENCY REPAIR CHARGES SO THAT CHARGES WILL

ONLY APPEAR ON THE PROPERTY STATEMENT. THE OWNER WILL THEREFORE ONLY NEED TO BE CONCERNED WITH THEIR STATEMENT OF ACCOUNT BILL, WHICH SHOULD ELIMINATE ANY CONFUSION AS TO WHEN CHARGES BECOME LIENS AND WHEN THEY ARE DUE AND PAYABLE.

CURRENTLY, IF HPD PERFORMS AN EMERGENCY REPAIR AND THE OWNER DOES NOT PAY THE BILL WITHIN 30 DAYS OF RECEIPT, THE CHARGE BECOMES A LIEN ON THE PROPERTY. HPD SENDS FINANCE A LIST OF CHARGES AND BLOCK AND LOTS WHERE HPD HAS PERFORMED EMERGENCY REPAIR WORK AND FINANCE IN TURN SENDS OUT A BILL TO THE OWNERS. THE PROPERTY OWNERS ALSO RECEIVE A QUARTERLY STATEMENT OF ACCOUNT FROM FINANCE. AS A RESULT MANY BUILDING OWNERS ARE OFTEN CONFUSED AS TO WHICH "DUE DATE" THEY MUST COMPLY WITH.

UNDER INTRO 852, HPD WILL CONTINUE SENDING CHARGES AND A LIST OF ADDRESSES TO FINANCE, BUT THE PROPERTY OWNER WILL NOW ONLY RECEIVE ONE BILL FROM THE DEPARTMENT OF FINANCE – THEIR NEXT QUARTERLY SOA. OWNERS WILL NOW HAVE APPROXIMATELY 90 DAYS TO PAY THIS CHARGE INSTEAD OF THE CURRENT 30 DAYS.

LET ME GIVE YOU AN EXAMPLE OF THE NEW PROCESS: HPD REPLACES A BOILER IN OCTOBER AND SENDS FINANCE THE ADDRESS AND CHARGE.

FINANCE WILL INCLUDE THIS IN THEIR JANUARY 1ST QUARTERLY STATEMENT OF ACCOUNT AS A FUTURE CHARGE ON THE BILL. THIS MEANS THAT WHILE AN OWNER MAY PAY THE ERP CHARGE LISTED ON THIS BILL, ALONG WITH THEIR REAL PROPERTY TAXES, BY JANUARY 1ST, THE EMERGENCY REPAIR CHARGE IS REALLY NOT DUE UNTIL THE NEXT QUARTERLY STATEMENT OF ACCOUNT IS DUE AND PAYABLE WHICH IS APRIL 1ST.

CURRENTLY, IF A HOMEOWNER WANTS TO PROTEST AN ERP CHARGE, HE/SHE MUST DO SO IN WRITING WITHIN 30 DAYS OF RECEIVING A BILL FOR EMERGENCY REPAIR WORK. IF THEY DON'T, THE OWNER FORFEITS THEIR RIGHT TO DO SO IN FUTURE PROCEEDINGS. INTRO 852 ALSO REQUIRES AN OWNER TO PROTEST IN WRITING ALTHOUGH THEY HAVE 90 DAYS, OR UNTIL THE DUE AND PAYABLE DATE OF THE SECOND STATEMENT OF ACCOUNT THAT THEY RECEIVE AFTER THE EMERGENCY REPAIR WORK WAS COMPLETED.

THIS LEGISLATION PROVIDES FOR MORE GOVERNMENT TRANSPARENCY AND AT THE SAME TIME SAVES THE CITY RESOURCES BY ELIMINATING THE SEPARATE FIRST BILL. MOST SIGNIFICANTLY, IT FINALLY CONSOLIDATES ALL AGENCIES' CHARGES INTO THE FINANCE STATEMENT OF ACCOUNT PROCESS.

WE WANT TO THANK YOU FOR PLACING THIS BILL ON YOUR AGENDA
TODAY AND WE URGE ITS PASSAGE. THANK YOU.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card 852-A

I intend to appear and speak on Int. No. 825 Res. No. _____

in favor in opposition

Date: 3-11-09

(PLEASE PRINT)

Name: Barbara Flynn Chief of Staff

Address: HPD Intergovernmental

I represent: 100 Gold St

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card 852-A

I intend to appear and speak on Int. No. 825 Res. No. _____

in favor in opposition

Date: 3-11-09

(PLEASE PRINT)

Name: Grace De Fina

Address: 100 Gold St

I represent: HPD

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card 852-A

I intend to appear and speak on Int. No. 825 Res. No. _____

in favor in opposition

Date: 3-11-09

(PLEASE PRINT)

Name: Christopher Browne

Address: 66 John St

I represent: Dept of Finance

Address: _____

Please complete this card and return to the Sergeant-at-Arms