



**Department of
Consumer Affairs**

Testimony of Sanford Cohen, Executive Deputy General Counsel,
New York City Department of Consumer Affairs

Before the
New York City Council Committee on Consumer Affairs

Int 0265-2014

A Local Law to amend the administrative code of the city of
New York, in relation to consumer protections and home repair work

T2014-1016 Oversight –
Regulating Home Improvement Work for Greater Consumer Protection.

April 28, 2014

Good afternoon Chairman Espinal and members of the Consumer Affairs Committee. I am Sanford Cohen, the Executive Deputy General Counsel for the Department of Consumer Affairs. I am joined by Luis Hernandez, our City Legislative Affairs Coordinator. DCA appreciates the opportunity to speak about the Department's work involving home improvement contractors. While there are many honest home improvement contractors who play by the rules, this is an industry of critical concern to consumers and the Department for many reasons. A home may be a family's single largest investment, and repairing that home may take a big bite out of a family's budget. Further, in hiring a contractor, the homeowner not only hands over his savings, but literally hands over the keys to strangers--entrusting home, belongings and safety to those strangers. Finally, the need for repairs may be urgent, limiting the homeowner's opportunity to shop around and making the homeowner particularly vulnerable to abusive conduct. To ensure that consumers are protected and to level the playing field, the Department licenses contractors and their salespeople; engages in extensive outreach to consumers and contractors; provides robust educational materials; mediates complaints; conducts field enforcement of unlicensed contractors; and prosecutes unscrupulous contractors.

Licensing

Home improvement contractors are one of DCA's largest license categories, with approximately 13,000 licenses. In New York City, home improvement contractors who perform or offer to perform home improvement work over \$200 must obtain a license from DCA. Examples of home improvement work can include the installation of windows or doors, roof repair and kitchen remodeling. While a license is no guarantee that a contractor will always engage in proper business conduct, it gives DCA the authority to act on a consumer's behalf and gives consumers important protections. Licensees undergo a criminal history check and pass a written examination, that demonstrates a contractor's knowledge of the responsibilities and laws they must follow. The licensing process also requires a contractor to pay \$200 into the City's Home Improvement Contractor Trust Fund, which is a safety net to protect consumers who have been victims of businesses that have closed or the contractor cannot be located. If needed, DCA can pay a consumer up to \$20,000 from this Trust Fund, but only if they used a licensed contractor. In addition, the Code and rules require home improvement contractors to include important disclosures in their contracts, to provide homeowners with a three day right to cancel and to obtain necessary permits for their work. A license also provides benefits for contractors, allowing them to pay into DCA's trust fund and, therefore, saving the expense of obtaining a bond. In addition, licensed contractors have greater recourse to defend themselves from false claims or when a client refuses to pay when the job is done.

Beginning with the premise that the single most important step for a consumer to protect themselves is to hire a licensed home improvement contractor, DCA has taken steps to make sure it's easy for businesses and consumers to learn about license requirements and for businesses to apply for a license. All the information a contractor needs to know about obtaining and maintaining a license is online in DCA's Business Toolbox. Contractors also have the ability to apply for a license or renew online.

Education and Outreach

Outreach to businesses

DCA has engaged in extensive outreach and education related to home improvement contractors. Since 2006, DCA has hosted over 200 events specific to home improvement contractors to educate both businesses and consumers. Consistent with DCA's ongoing education efforts and the Mayor's focus on bringing businesses into compliance through education, we will be mailing out invitations to all of our licensed contractors to invite them to an open house at our Department on May 20th. Events like these provide an opportunity for an open dialogue with our Department and an opportunity for businesses to learn about regulations and how to avoid violations.

In addition to our own outreach efforts, DCA partners with sister agencies, such as HPD and DOB, to let homeowners know their rights with respect to contracting issues and to meet with various home improvement contractors associations to hear their ideas and concerns for the industry. We look forward to working with our sister agencies on such events.

We also assist contractors by making assistance available through our "Live Chat" line, enabling contractors to speak directly with a DCA representative and have their questions answered quickly and accurately. In addition, contractors can find on our website a model contract and estimate, a template spreadsheet for contractors to record information about clients for whom they do work; and a brochure for contractors to learn tips for making seniors' homes "age-friendly."

Outreach to consumers

The Department works to ensure that consumers have the information they need to make the best choices when it relates to home improvement work. We developed an online tool called "Instant License Check" so consumers can see if a contractor is properly licensed before hiring. We produce and disseminate several publications online and in hard copy, all written in easily accessible plain language, including: "Home Improvement Guide", "Bill of Rights", "Home Improvement Tips", and "Information about Required Buildings Permits." Homeowners can also view a video online on contracting.

We also created and make available online a model contract, which is a great resource for contractors and consumers. A transaction between a home owner and a contractor can go wrong even if there is good will and competence on both sides unless expectations and responsibilities are very clearly delineated. Our model contract starts with a detailed estimate that includes how long the project will take, what materials will be used, what the payment structure is, what to do if the scope of the project changes and the cancellation policy.

DCA will continue its outreach and education events throughout the boroughs and to provide robust materials and support to ensure contractors have opportunities to engage with our Department and receive the information they need to be compliant with consumer protection laws and to help consumers avoid being the victims of illegal activity. We hope to work with each of you in our outreach efforts, replicating our

teamwork with the Council on educating the public about paid sick leave. Please let us know any ideas you have for us to expand our outreach.

Mediation

Despite our extensive educational and outreach efforts, home improvement contractors are perennially among the agency's top three complaint categories. In 2013, complaints against contractors were our number one complaint. DCA received more than 530 complaints about home improvement contractors. Consumer complaints focused primarily on poor quality of work or unfinished work, breach of contract and non-delivery of services. Through our mediation efforts we secured approximately 500,000 dollars in restitution for consumers.

If a complaint is not resolved through mediation, the Department may issue charges on the consumer's behalf. DCA is successful at settling many of these cases on the day of the hearing. The settlements provide homeowners with restitution and require contractors to use the Department's model contract. If the case does not settle, the judge may award restitution to the consumer, fines to the Department and revoke the contractor's license. In 2013, the Department secured over 2.5 million dollars for consumers through restitution as a result of settlements or as awards following hearing. As discussed earlier, the Trust Fund may pay the consumer restitution in the event the HIC fails to pay.

Enforcement

In an effort to protect New Yorkers, the Department complements its outreach and mediation efforts with enforcement aimed at curbing consumer abuses, and most importantly, stopping unlicensed activity. In FY 2013, our inspectors conducted 342 field inspections throughout the City, issuing 92 violations for unlicensed activity, and seizing 83 vehicles—the strongest weapon in the Department's arsenal.

The Department leverages the issuance of violations to foster compliance. The Department offers the home improvement contractor an opportunity to enter a settlement agreement at a reduced fine to resolve the violation. The settlement requires the contractor to address any outstanding complaints, apply for a license and use DCA's model contract. As noted, bringing a contractor under the Department's jurisdiction as a licensed contractor provides consumers with valuable protections.

In addition to field enforcement, the Department brings cases against contractors who fail to maintain the standards of integrity, honesty and fair dealing required of licensees. For example, in *DCA v. Donald Rowe Jr. Development, Inc. et al.*, (LL 5307505), the Department brought a case against the contractor for accepting money and abandoning work and other violations. After a hearing, the Tribunal issued a decision ordering the contractor to pay restitution totaling \$1,496,545.50 to 18 consumers. The decision also ordered the contractor to pay DCA a fine of \$332,100. The Tribunal revoked both the HIC and HIS licenses. DCA's trust fund paid consumers a portion of the restitution ordered by the Tribunal. In *DCA v. J. Zach Construction et al.* (LL 5130933), DCA

brought a case against a contractor after receiving numerous complaints alleging that, among other things, the contractor accepted deposits for work and did not perform any work. After hearing, the Tribunal ordered the contractor to pay restitution totaling \$610,969.09 to consumers as well as fines. The Tribunal revoked both the HIC and HIS licenses. DCA's trust fund paid consumers a portion of the restitution ordered by the Tribunal.

Superstorm Sandy

Recognizing that unscrupulous contractors might take advantage of homeowners whose homes were destroyed by the storm, DCA expedited licensing of home improvement contractors so contractors could apply for and receive licenses quickly and consumers would receive the benefits of hiring licensed contractors. DCA took additional measures following the storm to help consumers, including mailing an information card to 200,000 residents in hard-hit areas urging consumers to be aware of predatory scams and providing tips to consumers related to contracting work. In the wake of Sandy, the Council passed a law requiring DOB to be notified about work to raise, lift, elevate, or move a house or building, as this work requires a special inspection. The Department remains vigilant about addressing consumer complaints in areas impacted by the storm and identifying contractors who may be preying on these consumers.

Intr. 265

Before I end my testimony I do want to provide some feedback our Department has on the Intr. 265.

It is our understanding that the proposed amendment to the Code's licensing provisions seeks to have the Department address issue consumer protection violations against electricians, plumbers and other trades not licensed by DCA. DCA, as well as the Department of Buildings, would like better understand the nature and types of complaints the bill seeks to remedy so we can work with the Council to best address these concerns.

For example, under the proposed bill, the Department would refer to DOB decisions and orders based on consumer protection charges issued by DCA against these trades. Under DOB's current Code, however, DOB would have no authority to revoke a license based on the typical types of consumer complaints that might be the subject of a referral. As an example, DOB currently has no authority to revoke a license based on a contractor abandoning work, charging a consumer more than the price quoted to the consumer, or breaching a contract. Moreover, if the Department referred an adjudicated complaint to DOB for shoddy workmanship, DOB might determine that the work at issue is not compliant with the Building Code and find the consumer liable for the non-compliance, an outcome not intended by the proposed amendment.

Consequently, further conversations among the Council, DCA, DOB and the Law Department are necessary to achieve the goals intended by the proposed law. We note, as well, that our new Commissioner will begin at the agency next Monday and look forward to continuing the conversation in the coming days with her and engaging with Council in much more detail on Intr. 265 in the near future.

Thank you Chairman Espinal and the entire committee for the opportunity to speak today. I welcome any questions you might have for the Department.



Testimony – City Council Committee on Consumer Affairs – April 28, 2014

Good afternoon. I am Nicholas Hardie, Director of Training for the Queens Economic Development Corporation.

Our mission is to create and retain jobs that build neighborhoods and promotes the borough. Our programs include business counseling, neighborhood revitalization, incubator facilities at our innovative Entrepreneur Space, tourism development—and training—which is what I would like to discuss today.

QEDC recognized a critical need to help unlicensed home improvement contractors obtain their New York City Department of Consumer Affairs licenses. We knew that many of these people, while skilled at their craft, were operating outside the law. Not because they wanted to, but because they were unsure, uninformed or—especially in the case of our immigrant community—scared of the process it takes to become licensed. We noted a gap in educating people on the process to apply for licensing: What to study for? What papers to file? Besides licensing, what other permits were necessary to legally perform home improvement work in NYC? In 2011 we applied for funding for a demonstration project, whereby we trained unlicensed contractors to take the DCA licensing exam, helped them with all the necessary paperwork to apply, and actually brought them to the DCA licensing center to take the licensing exam. Our five month demonstration project exceeded our wildest expectations. We thought we would help less than 20 clients in one class. The demand was such that we opened additional classes and trained over 80 clients—all of whom passed the examination.

This success won us funding to officially launch our proprietary Home Improvement Contractor Training (HICT) program—which to date has trained 334 clients in English, Chinese and Spanish.

Numbers, however, are only part of this story. Each number is a client with a unique story. And about 75% of our trainees are immigrants. One of the most poignant testimonials comes from Shaoyi Zhang, who came here nearly 20 years ago. Using his carpentry skills he eked out a living doing jobs for neighbors and friends, with no security for him or his clients—and no way to legally expand his business. He heard about our Home Improvement Contractor Training program in the World Journal, took our classes, and passed the city’s licensing examination. After passing the exam, Mr. Zhang pulled me aside and said: *“I have been waiting to get my license for more than ten years, not but no one was ever there to help . . . And now you have come along done something in such a short period of time that we have been wanting to do for years. You made it all so easy, and all of us are wondering now why we didn’t do this sooner.”*

Now Mr. Zhang and the many other participants of our Home Improvement Contractor Training program are owners of legitimate business enterprises. Many of them are reporting business income taxes for the first time. And many of them have been able to take on larger jobs and hire employees—thereby creating wealth for themselves and revenues for the city—since becoming licensed.

QEDC’s success is built on our ability to understand our clients—their skills, their language, and their culture—but most importantly our ability to work with them one-on-one. The licensing process can be difficult and intimidating. QEDC has guided our clients through the city’s maze in a way that no government agency or private firm can do. In doing so we have helped create new, legitimate businesses—and we have helped consumers. As we all know, working with a licensed contractor offers assurance and peace of mind.

Our challenge now is helping our clients become better business people. While their artisan and craft skills may be impeccable, many need further business counseling to really succeed. Many of our trainees have never written a check or maintained a bank account. Most of them still operate on a cash basis, and they do not understand the vital importance of building their credit. And nearly all of our participants have at one point in time had their interests misrepresented by crooked or misinformed professional services providers. The work of educating these business owners, of improving their financial literacy and helping them explore greater market opportunities will take a lot of effort from experienced business advisors. But in the end it will be worth it. Stronger businesses means stronger communities.

In the coming fiscal year the Queens Economic Development Corporation has requested funding to enhance our business counseling and training capacity. I urge each of you to support our efforts.

I have left a copy of our information sheet and the location of our next class, which kicks off May 10th in Corona. Thank you for your time today.



Home Improvement Contractor Licensing Training

Training Objective

To help immigrant entrepreneurs become licensed and legitimate small business owners by offering training advisory services in our participant's native language and community to become licensed contractors.

Marketing Strategy

The Queens Economic Development Corporation works with community partners, local elected officials, and local press to bring awareness of the program to immigrant enclaves. We hold trainings at facilities where our community partners have access to our target audience, hold press conferences with local leaders to provide credibility and trust to our services, and take out local ads with newspapers whenever necessary.

Keys To Success:

- Support from local elected officials to help promote and champion a new initiative to reach immigrant entrepreneurs.
- Ability to work closely with NYC Consumer Affairs Department that issues the licensing in order to become aware of changes to procedures, and help guide participants through the licensing process.
- Hiring of qualified instructors to scale program to multiple locations and in different languages (English, Spanish, Mandarin).
- Fee-based training helps bring in qualified participants and obtain sponsorships to cover costs.

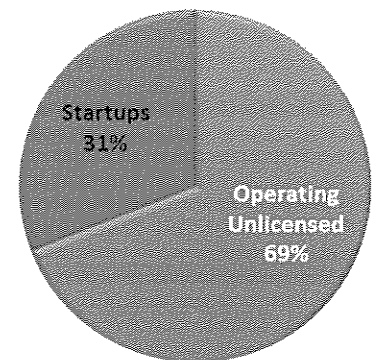
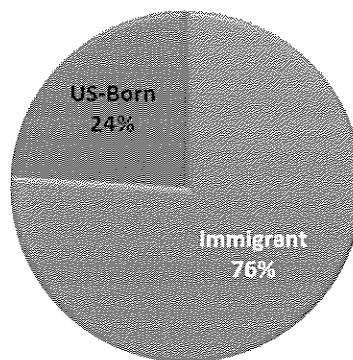
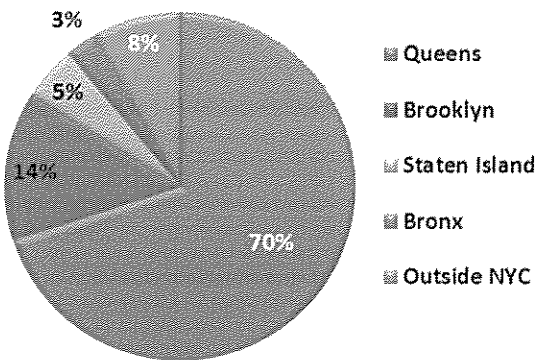
"I have been waiting to get my license for more than ten years, but no one was ever here to help and we never had the opportunity to get it ourselves. And just like that it kept getting pushed back until all this time had passed. So now you have done something in such a short time that we have been wanting to do for years.

Do you understand what I mean by this? I really believe in what you are doing and approve of it from the bottom of my heart."

~ Shaoyi Zhang (who until now has been unlicensed since 1992)

To-Date:

Number of People Trained:	334	Total Cohorts:	22
Businesses Started:	114	Percent Immigrants:	76%
Trainees Licensed:	246	Percent Previously Operating Unlicensed:	69%
City Revenue:	Approximately \$116,850*	<small>*through licensing fees</small>	





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**TESTIMONY FOR A HEARING ON:
REGULATING HOME IMPROVEMENT WORK FOR
GREATER CONSUMER PROTECTION**

PRESENTED BEFORE:

**NEW YORK CITY COUNCIL'S
COMMITTEE ON CONSUMER AFFAIRS**

PRESENTED BY:

**NICOLE LESTER ARRINDELL
STAFF ATTORNEY
MFY LEGAL SERVICES, INC.**

April 28, 2014

**MFY LEGAL SERVICES, INC.
299 Broadway, 4th Floor
New York, NY 10007
212-417-3700
www.mfy.org**

I. Introduction

MFY envisions a society in which no one is denied justice because he or she cannot afford an attorney. To make this vision a reality, for 50 years MFY has provided free legal assistance to residents of New York City on a wide range of civil legal issues, prioritizing services to vulnerable and under-served populations, while simultaneously working to end the root causes of inequities through impact litigation, law reform and policy advocacy. We offer advice and representation to more than 8,000 New Yorkers each year.

MFY's Disaster Response Law Project was launched in the wake of Hurricane Sandy to address the legal needs of low-to-moderate income New Yorkers devastated by the storm. We provide advice and counsel and direct representation to clients impacted by Hurricane Sandy on a wide variety of legal issues including housing, foreclosure prevention, consumer protection, insurance, and federal and city disaster relief benefits programs. The Disaster Response Law Project is also working to identify systemic problems facing survivors of Hurricane Sandy and advocating for effective policy change to address those problems.

MFY supports the New York City Council's Consumer Protections and Home Repair Work bill (Int. No. 265) and we urge the Committee to bring the bill to the full body of the Council for passage into law. Our testimony today will highlight some of the problems our clients have experienced with home improvement contractors in the wake of Hurricane Sandy and offer some recommendations to further strengthen consumer protections and regulations for home improvement and repairs.

II. Home Improvement Contractor Fraud

MFY's clients face a diverse range of challenges as they work to rebuild their homes and lives post-Hurricane Sandy. One issue that continues to impact some of our clients is home improvement contractor fraud. When Hurricane Sandy hit, many honest and fair dealing home improvement contractors were on the ground immediately to assist homeowners in desperate need of repairs. At the same time, however, there were just as many unscrupulous home improvement contractors that preyed upon vulnerable homeowners, providing them with shoddy, incomplete home repairs or simply taking payments for work they never did. Our clients have lost hundreds of thousands of dollars to both licensed and unlicensed home improvement contractors.

Many times, our clients have entered into agreements with home improvement contractors that fail to provide written estimates or contracts. When written contracts are provided, they lack specific details regarding the work to be done, contain no information regarding the contractor's business address or the contractor's New York City Department of Consumer Affairs (DCA) license number, and fail to specify estimated start dates or completion dates for the project. Some contractors have demanded upfront payments in full before any services are completed; others have asked that the consumer consent to have any insurance or FEMA money sent directly to the contractor. Many contractors have refused to complete work as agreed, failed or refused to correct substandard work, recommended unnecessary parts or

services, demanded to be paid in cash only, and performed work without a valid license to do such work.

III. One client's experience

One of our clients, Ms. H. of Rockaway Park, Queens entered into a written contract with a licensed contractor to make significant repairs in her basement that was completely destroyed by Hurricane Sandy. She agreed to pay the contractor \$31,000 to make repairs that included sheet rock and insulation installation, repairing heating equipment, and building new frames for walls. The contractor agreed to complete "extra plumbing work" for an additional \$1,600, even though, Ms. H. would learn later the contractor did not have a plumbing license.

The written contract was defective because it failed to include the contractor's DCA license number, the complete address of the contractor, estimated dates of commencement or completion of the project, or a notice of cancellation clause as required by New York City law. The work that the contractor actually performed was just as deficient. The contractor incorrectly installed baseboard heaters and incorrectly installed the bathroom sink, shower, and toilet, leaving Ms. H. without a functional bathroom. The contractor incorrectly performed additional pipe work in an attempt to correct the installation of the baseboard heaters. To make matters worse, the contractor dumped waste in Ms. H's garden, creating a health and environmental hazard.

The contractor's substandard work violated multiple sections of the New York City Administrative Code and rules of the DCA. Ms. H. hired another contractor and spent an additional \$14,000 to fix the work that was supposed to be done by her initial contractor. Luckily, for Ms. H. we filed a complaint with the DCA and after commencing the administrative hearing process, we obtained a consent order to settle the complaint which required the contractor to pay Ms. H. \$8,000. The DCA consent order further required the contractor to meet specific requirements when entering into any future contracts for repair work and any breach of the DCA's demands would result in the contractor paying severe fines or getting his contractor's license revoked.

IV. Support for the amendment

MFY supports Int. 265 because it is a step in the right direction to strengthen consumer protections in home improvement, particularly for those homeowners impacted by Hurricane Sandy that remain in various stages of the rebuilding process. As written, this amendment would deter other licensed professionals not currently regulated by the DCA from taking advantage of consumers like Ms. H. This amendment would give consumers a right of action that they do not currently have within the New York City Department of Buildings, which regulates licensure of electricians and plumbers. Now, with this legislation, consumers will have a tribunal willing to hear their complaints against these professionals and have an opportunity to seek restitution without going through an arduous, lengthy court process.

V. Recommendations to further strengthen consumer protections

In New York City, in order to repair or improve a building, a contractor must be licensed by the DCA. Every DCA licensed contractor is assigned a seven-digit number. Consumers can call 311 or visit the DCA's website to determine whether a contractor has a valid license. Unfortunately, many consumers do not know that they should work with a licensed contractor and that they should ask the contractor for a license number before they agree to sign any contract. Consumers are also unaware that they have a right to file a complaint against the contractor with the DCA or that they can seek restitution, or settle their dispute through the administrative hearing process.

In our experience, the DCA has been generally effective in responding to consumer complaints against licensed contractors. Our clients that have filed complaints against licensed contractors with the DCA have received timely response letters from the agency and have progressed to the administrative hearing process.

We believe that it is just as imperative for the DCA to be responsive to complaints regarding unlicensed home improvement contractors. Unlicensed contractor activity is pervasive, and the DCA must take steps to ensure that those who do not comply with licensing and consumer protection laws are held accountable for their actions. We recommend that the DCA increase its investigations and undercover sting operations to locate and fine unlicensed contractors.

Whether a consumer is dealing with a licensed or unlicensed home improvement contractor it is important that consumers know their rights and know that there are procedures in place outside of the judicial system in which they can seek restitution. The DCA should improve its outreach and education regarding home improvements and repairs so that consumers can avoid being scammed. Outreach and education are particularly important in the wake of disasters like Hurricane Sandy. Given that so many survivors of Hurricane Sandy are still working to repair their homes on their own and through the City's Build It Back program, we recommend that the DCA initiate consumer education and marketing campaigns with ads on subways and bus stops in areas impacted by Sandy to encourage consumers to use licensed home improvement contractor's and refer these consumers to the DCA as a resource to utilize before hiring a home improvement contractor.

We also recommend that the DCA educate Disaster Case Managers (DCMs) that staff various charitable organizations throughout the city. The DCMs are trained, compassionate service providers who work very closely with disaster survivors and serve as a single point of contact to help them access resources and develop disaster recovery plans. Educating DCMs about home improvement contractor licensing, the DCA's resources, and ways to identify and avoid home improvement fraud could help to reduce the number of consumers that might fall victim to such fraud.

VI. Conclusion

We know that most home improvement contractors take pride in their work and deliver on their promises. However, it is the DCA's role to protect consumers against those opportunistic contractors who lack integrity and consistently violate the law. The DCA plays an important role in licensing, regulating and enforcing standards in the home improvement sector. Given the experiences of our clients, we support any efforts to strengthen consumer protections in home improvement and repairs. We support Int. 265 and we encourage further rulemaking that will strengthen consumer protections.

Thank you for the opportunity to testify today on this important issue.



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Testimony before the New York City Council Committee on Consumer Affairs on Intro 265 April 28, 2014

Good Afternoon, Chair Espinal and Council Members. Thank you for the opportunity to testify. My name is Stephen Hegeman, and I am the co-chair of the Professional Practice Committee at the American Institute of Architects New York Chapter. The AIA New York Chapter was founded in 1857 and is the largest AIA Chapter in the country. The Chapter's membership includes over 5,000 practicing architects, allied professionals, students, and public members with interest in architecture and design. I am also a registered architect in New York State.

The AIA New York Chapter (AIANY), is dedicated to three goals: design excellence, public outreach, and professional development. To fulfill its mission, the Chapter sponsors initiatives, programs and exhibitions that explore topics of interest to architects, allied professionals and the general public. Our Chapter also advocates on behalf of the architectural profession on issues concerning the built environment, professional regulation, education and legislation and we are registered to lobby on both the state and city level.

I am here to make clear AIANY's serious concerns about Intro 265. AIANY strongly believes that architects must act in good faith and meet strict ethical standards. There is a code of ethics that all AIA members must follow. AIANY feels that Intro 265 would add an unnecessary layer of bureaucracy.

Architects are already heavily regulated. To practice in New York State, we must be licensed by the New York State Education Department's Office of the Professions. This requires professional education and rigorous testing. Architects are trained in architectural and art history, theory, psychology, materials, structure and construction methodologies and in how to incorporate principals of aesthetics, form and pragmatic functionality into building design. We are also taught to take great pride in our designs, protect the integrity of the profession and comply with all of the applicable laws and codes that affect buildings and the built environment.

Moreover, because an architect's decisions on a project affect public safety, an architect must stay abreast of developments in health, safety, welfare and technology and is required by New York State to fulfill continuing education requirements to maintain a license. *

Once licensed, architects in New York City must have nearly all our work reviewed by the Department of Buildings, if not also DEP, LPC, DOT, CPC, BSA, FDNY and the MTA. Punishment for filing misleading or false documents can lead to the loss of an architect's license. Additionally, architects can be found liable in court for any defects in our design.

This is to say that there are already several agencies with the skill-set necessary to investigate complaints. Both NYSED's Office of the Professions and the New York City Department of Buildings have the ability to revoke licensing. These agencies can quickly investigate complaints and have the technical understanding to comprehend the issues surrounding them. DCA, though a very capable agency, does not have that expertise.



AIA New York Chapter

Because DCA investigators, and most likely the mediators DCA uses, are not trained in examining architectural plans or the construction process, such investigations may lead to architects needing to spend an inordinate amount of time defending themselves from frivolous complaints. This would be a burden on many in the architectural community who often practice in small firms.

The Department of Buildings, on the other hand, has architects, engineers and other construction experts on staff who have the resources and experience needed to evaluate complaints. The Department of Buildings also has relationships with the architecture community and can work with them to stop bad actors.

Similarly, NYSED's Office of the Professions already has a hotline set up where complaints can be made about licensed professionals about everything from incompetence to charging for work not performed. Their staff also has architects and other design professionals on staff who have the expertise to look into any alleged malfeasance.

Adding yet another agency to investigate complaints would be unnecessarily redundant. DCA cannot add anything to the oversight of design professionals that the DOB and the Office of Professions don't already provide. As far as we can tell, DCA lacks staff that has the nuanced knowledge of the design and construction process that these agencies possess.

In addition to the regulatory burden, Intro 265 will muddy agency responsibility and accountability, and therefore may result in weaker protection of the Health Safety and Welfare of the public, an Architect's primary obligation.

We completely agree that bad actors in the industry must be held accountable, but we do not believe that Intro 265 is the answer. We want to work with Council Member Maisel, Chair Espinal and the Council, and we hope this is the beginning of a conversation about how to appropriately meet the goals of the sponsors.

Again, thank you for your time. I would be happy to answer any questions.

Stephen J. Hegeman, AIA

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Donald KANSHTE

Address: Director, Legislative Affairs

I represent: Dept of Buildings

Address: 780 Broadway

**THE COUNCIL
THE CITY OF NEW YORK**

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I intend to appear and speak on Int. No. 265 Res. No. _____

in favor in opposition

Date: 4/28/14

(PLEASE PRINT)

Name: Stephen Hegeman

Address: _____

I represent: American Institute of Architects New York Chapter

Address: 536 La Guardia Place New York, NY 10012

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(PLEASE PRINT)

Name: Nicholas E. Hardie

Address: 1422 3rd Ave #4D, New York, NY 10028

I represent: Queens Economic Development Corporation

Address: 120-55 Queens Blvd #309, Kew Gardens, NY 11424

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

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Name: SANFORD COHEN

Address: DEPT OF CONSUMER AFFAIRS 42 RUMBLE

I represent: _____

Address: 42 BROADWAY 8th FLOOR

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Name: LOUIS H. KRAMER

Address: 42 BROADWAY 1025 CAROL BROOKLYN 11215

I represent: CONSUMER AFFAIRS

Address: 42 BROADWAY 11th FLOOR

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 265 Res. No. _____

in favor in opposition

Date: April 28, 2014

(PLEASE PRINT)

Name: Nicole Lester Arrindell

Address: MFY Legal Services, 299 Broadway, NY, NY 10007

I represent: MFY Legal Services, Inc.

Address: 299 Broadway, 4th Fl. NY, NY 10007

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