CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

CONSUMER AFFAIRS AND BUSINESS LICENSING

----- X

March 9, 2018

Start: 11:13 a.m. Recess: 12:44 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: RAFAEL ESPINAL, JR.

Chairperson

COUNCIL MEMBERS: Margaret S. Chin

Peter Koo

Karen Koslowitz
Bradford S. Lander

A P P E A R A N C E S (CONTINUED)

Lorelei Salas DCA Commissioner

Casey Adams DCA

Mario Rockville, Jr. DCA, Senior Director of Finance

Pamela Boyd DCA, General Counsel

4

2 SHERESE TORRES: Mike check, mike check.

3 This is the hearing for the Committee on Consumer

Affairs. Today is March 9, 2018. Being recorded by

5 Sherese Torres.

1

4

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CHAIRPERSON ESPINAL: [gavel] Good morning and welcome to fiscal 2019 preliminary budget hearing. I'm Rafael Espinal and the Chair of the City Council's Committee on Consumer Affairs and Business Licensing. This morning, we'll be reviewing the Department of Consumer Affairs fiscal year 2019 preliminary budget. Specifically, we'll be assessing DCA's programs and activities to ensure that the agency is serving the public in a financial responsible way. Before we begin, I want to acknowledge and welcome my colleagues to our first DCA hearing of the year and new members to the committee, Council Member Margaret Chin from Manhattan and Council Member Peter Koo from Queens. The mayor's fiscal 2019 preliminary budget for the Department of Consumer Affairs is \$40.9 million, including \$27 million in personal services funding, support 439 budgeted full time positions. funding will support the agency's efforts to resolve consumer complaints, issue various licenses, educate

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

5

and protect consumers and assure that businesses comply with local and state laws. In a few minutes, we will hear more from DCA Commissioner, Lorelei Salas regarding how the department intends to use the funding it has been allocated in more detail. discussion with DCA this morning, I hope to explore different areas of the budget in order to gain clarity and transparency on where and how money is being spent to protect consumers, create financial empowerment for New Yorkers, educate businesses and maintain high standards for employee rights in New York City. In particular, I look forward to hearing more from DCA regarding its budget realignment within its adjudication unit and review the plans for implementation. Additionally, I'd like to examine DCA's reporting in the PMMR to gain a better perspective on how well aligned their budget is with their performance. After we hear from the Department of Consumer Affairs, members will have a chance to follow up with questions for the Commissioner. After that, members of the public will have an opportunity to provide testimony for the committee which I hope the Commissioner or the members of her staff will

stay and listen to. I look forward to working with

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS 1 LICENSING 6 2 the agency and all other interested parties in finalizing the budget over the following few months. 3 In closing, I want to thank my staff for working to 4 5 put this hearing together including Andrew Wilburg, John, Russel, Nathan Toth, Balkez Mereg[phonetic] and 6 7 I'll now ask the committee counsel to please swear in the Commissioner. 8 SHERESE TORRES: Would you raise your 9 right hand. Do you affirm to tell the truth, the 10 whole truth and nothing but the truth in your 11 12 testimony before this committee and answer council 13 member questions honestly? 14 COMMISSIONER SALAS: I do. 15 CHAIRPERSON ESPINAL: Thank you. You may 16 begin Commissioner. 17 COMMISSIONER SALAS: Good morning Chair 18 Espinal and members of the Committee of Consumer Affairs and Business Licensing. My name is Lorelei 19 20 Salas and I'm the Commissioner of the Department of Consumer Affairs. I would like to take this 21

25 partnership in this new session and Council Members

opportunity today to congratulate both the new and

returning members of this important committee. Chair

Espinal, I look forward to continuing our successful

2.2

23

24

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

7

Chin and Koo, I look forward to working with all of you to protect consumers and workers and educate businesses in your districts and across New York I am joined today by some of my colleagues at City. DCA and they might help me answer some of your questions later. DCA's mission is to protect and enhance the daily economic lives of New Yorkers to create thriving communities. We do this by licensing more than 81,000 businesses across more than 50 industries and enforcing key consumer protection, licensing and workplace laws that apply to countless more. Today I will share with you some of DCA's major successes for New Yorkers over the past year and show you where the agency plans to go in 2018. In last year's testimony, I shared a story of Rhoda Branch, a New Yorker who came to DCA for help when she was taken advantage of by a used car dealer. We were able to get Rhoda \$4,800 in restitution which helped her repair the car she needed to get to work and take care of her family. This year I'd like to start with a story of thousands of small business owners across New York striving to succeed in what they know if the greatest city on earth in the face

of high rents, high expenses and what feels like lots

2.2

of rules to follow. DCA enforces some of those rules and we wanted to find a way to help small businesses understand and comply with the law while preserving and enforcing all the protections it affords consumers and workers.

MAN 1: Very good. He's understandable.

He's told me like a lot of understandable things and things that's gonna keep my business running.

[Inaudible] is one thing. Second thing is like anything, anything like loose shingles. You have to sign the City down as enough, stamp on the cigarettes and the tax like everything has to be sealed.

MAN 2: Yeah, seems to be where he had before, our smoke [Inaudible]. Somebody is in the know and that means sometime we have, we don't know everything. Sometime we make some mistake. It doesn't mean, you know, I want there. You know, I just don't know that and that's where when we'll be.

inspector program or VIP is an exciting new initiative to educate small businesses about City laws and rules through free, no fine inspections.

Under VIP, new brick and mortar licensees can schedule these inspections within three months of

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

9

receiving their license. At a VIP inspection, a senior DCA inspector will educate the business about how to comply with the loss and rules DCA enforces and identify any potential violations for the business to fix before their first official inspection. VIP inspections for the, are conducted in the businesses language of choice. More than 3,500 businesses from tobacco retail dealers decide what [Inaudible] to detail laundries who seek a new license from DCA each year. VIP helps these small businesses understand the law and fix problems before they receive fines. This program is an important part of Mayor de Blasio's continuing commitment to reduce fines on small businesses. In addition to VIP, DCA continues to improve and expand our efforts to educate businesses about their obligations through direct outreach and engagement. In 2017, DCA held open houses for cigarette retail dealers and laundry businesses affected by recent changes in the law. These advance gave businesses the chance to talk directly to DCA staff about how new requirements who affect their business and submit questions for the agency to answer. More than 260 businesses attended these sessions which were held across the five

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS 1 LICENSING 10 2 boroughs and included live interpretation into languages other than English. Over the past year, 3 DCA's outreach team conducted 21 business education 4 5 days during which we visited almost 18,000 6 businesses. When DCA holds a business education day, 7 we invite the local Council Member, merchant associations or business improvement districts as 8 well as representatives from the Departments of Small 9 Business Services and Sanitation. We've made it a 10 priority to listen to business owners and create 11 12 neuvanies[phonetic] for them to talk to DCA in a friendly informal setting. Last fall DCA held a 13 small business roundtable in South Sunset Park with 14 15 business owners, community leaders and merchant 16 associations as part of Mayor de Blasio's city hall and new boroughs series in Brooklyn. The event was a 17 18 unique opportunity for business owners to bring their challenges and suggestions directly to me. 19 I deeply 20 appreciated the attendees thoughtful feedback on how the City could better support businesses like theirs 21 2.2 and was impressed by the sense of responsibility they 23 felt for the wellbeing of consumers and workers in their communities. Last month, I held another 24 roundtable for businesses in South Queens in

25

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

partnership with Council Member Daneek Miller and I look forward to holding more roundtables in other communities across the City. Over the past year, DCA has taken aggressive action to protect consumers and workers and whole businesses who rob them accountable. When I testified before you last year, I identified predatory lending for used car dealers as a major problem for consumers like Rhoda Branch and a primary target for DCA. I am proud to say that DCA and the Council have worked together to notch several important accomplishments in this area. October, Mayor de Blasio signed local laws 197 and These laws introduced by Chair Espinal and former Council Member Dan Garodnick, expand protections for consumers who buy used cars and combat predatory sales and financing practices in the used car industry. During the development of these bills which started with a public hearing I co-led with Chair Espinal in 2016. DCA heard from many consumers that they were rushed into purchases and those they later regretted using high pressure sales tactics. Because of these laws, many consumers will for the first time, be offered the option to review and think over a contract for a reasonable period of

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

time before taking the car home. Common predatory practices like price packing contracts by slipping in expensive add-ons or accessories are now prohibited. The passage of these laws is a major accomplishment for consumers and I commend the committee for its hard work and wise judgment in making this happen. Public awareness is an important tool in DCA's efforts to protect consumers. Our multi-pronged approach to educating the public about predatory lending in the used car industry included a steady flow of press announcements about enforcement and legislative milestones. In a campaign to arm current and prospective used car owners with the knowledge they need to avoid predatory practices. DCA's multilingual campaign ads ran on targeted bus shelters, telephone kiosks and LinkNYC towers as well as in community and ethnic newspapers, on radio and on-DCA's robust public awareness efforts are line. proof of our commitments to educating consumers and workers across all media and in ways that are accessible to every community. DCA's office of the general counsel also scored major victories for consumers in court and at the negotiating table.

March, we announced charges against the used car

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS 1 LICENSING 13 2 dealership, Major World, a case that is still underway at the Office of Administrative Trials and 3 4 Hearings. In November, we announced a settlement agreement with three financing companies that engaged 5 in deceptive and unlawful trade practices in 6 7 connection with subprime auto loans offered through used car dealerships. That settlement secured almost 8 \$400,000 for 50 consumers who were given high 9 interest loans and opened the door for more consumers 10 to come forward and claim restitution. When DCA 11 12 learned that the group A New Beginning for Equal 13 Right and its president, Carlos Davila, were charging 14 immigrant New Yorkers up to \$200 for an 15 identification card they falsely claimed would 16 protect buyers from immigration enforcement agents, 17 we took action. Cases like these send a strong message. Businesses who scam, deceive or steer 18 consumers into predatory loans will be held to 19 20 account. DCA regularly develops multilingual educational materials covering key issues and laws 21 2.2 and we actively pursue paid and earned media 23 opportunities to educate New Yorkers about their rights as consumers and workers. The services DCA 24

provides and the best ways to protect themselves from

25

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

predatory conduct. When the Equifax data breach was revealed, we alerted consumers through steps they could take to protect their identities. We warned immigrant New Yorkers about predatory providers that lure people in with false promises of an easy ten year Visa without disclosing that applicants must satisfy several strict conditions and place themselves in deportations to qualify for the benefit. One of our major initiatives was a series of presentations to educate the public about predatory lending and provide strategies for identifying and avoiding it. DCA reached almost 4,000 New Yorkers through 95 community center presentations across the City. At these events which took place at neighborhood gatherings, places of worship and community board meetings, we had the opportunity to hear directly from consumers and workers about what was affecting them, their friends, their families and their communities. Through these events and others, we've heard a lot from consumers and workers. Fast food and retail workers showed us how unpredictable schedules make it hard to save and plan for the future. Clients at our financial

empowerment centers told us how unstable costs and

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

income make it hard to get a handle on household finances and drive family [Inaudible] the costly alternative financial services to make ends meet. thing that resonated in both the personal stories of New Yorkers and immerging economic research is income volatility. DCA hopes to be able to use the tools at our disposal to help New Yorkers cope with and overcome income volatility. Your income is volatile if the amount you take home increases or decreases by 25% or more from one month to the next. A volatile income can make it hard for families to plan and save for the future and presents a host of other challenges. Families with volatile incomes are more likely to experience food insecurity, delay important spending like bill payments and use alternative financial services. Without a sense of how money is coming in each month, families cannot budget or plan for their futures. Income volatility is a big problem with many causes and many potential solutions. In the year ahead, helping New Yorkers experiencing income volatility will be a critical element of DCA's decision making process. We want to ask ourselves whether and how it can integrate methods for reducing income volatility into all parts

16

3 initiatives helpful to New Yorkers experiencing

of DCA's existing work and develop new programs and

income volatility. In some cases, we found that

5 executing and expanding on what we already do is the

6 best way to combat income volatility. That is

7 certainly the case with DCA's popular NYC free tax

prep program. I will let some of the New Yorkers who

9 are using the program this year tell you about their

10 experiences.

1

2

4

8

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

[Recorded Speakers] I paid \$150 to get my taxes done and I wasn't happy with it. Here I'm not paying anything and I feel very safe and comfortable getting it done.

These people are professionals and know about accounting and taxes for a living versus me.

I'm just a kinda layman's person when it comes to tax so I imagine that this process will be a bit easier than kind of doing it on my own like I usually do.

I've been going to get my taxes free for four years cause some people can afford to do this.

You know, if they go to other places where they get charged for it. Over here it's free. [End Recorded Speakers]

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

COMMISSIONER SALAS: Since 2015 when the de Blasio administration made its first investment in the program, more than 425,000 returns have been filed quickly, safely and without charge using NYC pre-tax prep services. These services have brought more than \$500 million in refunds in tax prepared fee savings to hardworking New Yorkers. This important program is just one piece of DCA's Office of Financial Empowerment's approach to helping New Yorkers with low or volatile incomes. With the help of our community partners, OFE maintains more than 20 financial empowerment centers across the five boroughs. OFE's financial empowerment centers help New Yorkers tackle debt, save for the future, open a bank account, improve credit and take charge of the financial futures. In 2017, OFE financial counseling programs provided almost 15,500 free one-on-one financial counseling sessions to almost 9,300 New Yorkers. Earlier this year, Mayor de Blasio announced the launch of Empowered NYC, a new initiative to strengthen the help of New Yorkers with disabilities by testing, adopting and promoting new financial empowerment strategies focused on the specific needs of individuals with disabilities

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

18 living across the five boroughs. OFE also leverages its in-house expertise and partnerships with outside experts and advocates to produce research and analysis on the issues that matter most to the financial health of New Yorkers. In December, DCA released student loan whirlwind across New York City neighborhoods, the first neighborhood level examination of student loan outcomes in New York City. The report found that although New Yorkers on average have student loan delinquency and default rates that are slightly lower than the national average, certain neighborhoods experience significantly higher rates despite low overall loan balances. OFE launched targeted student loan clinics in these neighborhoods in January. A key illustration of how OFE's research and analysis can drive issue conversations forward and spur the development of creative initiatives to help New Yorkers in the ways they need most. Also in December, we released how neighborhood help New Yorkers get ahead and I believe some of these reports are included in your packets. This is a report of findings from the Collaborative for Neighborhood

Financial Help, a partnership between OFE, the new

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

economy project and the Bedford Stuy and Restoration Corporation aimed at understanding how neighborhoods impact resident's financial help and stability. report made key findings about how to different sources, services and opportunities a neighborhood provides can shape the financial futures of its residents. We look forward to using these data to inform further outreach and targeted initiatives to pioneer new approaches for helping residents and neighborhoods thrive financially. This thoughtful strategic approach also guides the work of DCA's other divisions including the Office of Labor Policy and Standards. Over the past year, DCA's Office of Labor Policy and Standards has overseen the implementation of groundbreaking new policies and continue to enforce the key municipal labor laws New Yorkers depend on. In October, months of ground laying work by OLPS which included conducting outreach to offer 1,000 fast food and retail businesses and providing training to about 150 fast food franchise owners to help them prepare for implementation, culminated in Mayor de Blasio's fair work week package of laws going into effect. Because of these laws and outreach education and enforcement

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

work done by OLPS, thousands of fast food and retail workers across the New York City will benefit from more stable schedules that allow them to save, plan for their futures and spend more time with their families. DCA takes its commitment to serve as a central resource for working New Yorkers to accept their rights under the law seriously. In March 2017, OLPS brought together more than 100 home care workers, 90 caregivers and house cleaners for the first of several convenings to hear their stories and inform the work of the paid care division. The next month we convened a public hearing on the state of worker's rights in New York City. Through these forums we heard from over 200 workers and organizations reflecting the rich diversity that makes our City such a unique and vibrant place. These stories documented some of extraordinary challenges New Yorkers face just trying to make ends meet. These challenges included wage theft, hazardous conditions, abusive treatment by employers and, of course, volatile wages and compensation. Thanks to the leadership of the City Council and particularly those on this committee, the City's protections now extend beyond those workers who are

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

in traditional employment situations. Freelancers among them, writers, editors, artist, photographers and other workers who make New York City a global capital of arts, entertainment, fashion and media all too often face difficulties securing timely and complete payment of the moneys they've earned. Under the Freelance Isn't Free Act, freelancers in New York City now enjoy first of their kind protections that are not available anywhere else in the nation. Since the law went into effect in May of last year, OLPS has been hard at work educating freelancers about their rights, guiding them through the complaint process and providing important information about how to pursue claims in court. To date, OLPS has assisted nearly 500 freelancers, 86 of whom have reported payment of a total of over \$188,000 in compensation after contacting DCA. OLPS continues to actively enforce kay labor laws like Basic Leave and Commuter Benefits. To date, OLPS has obtained over \$7 million in restitution and penalties for almost 23,000 workers whose right under the Basic Leave Law were violated. Hello Council Member Lander. How are you? DCA is constantly working to streamline the licensing process for businesses and improve the

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

experience of interacting with the agency both at the licensing window and in the field during an inspection. We're also always looking for ways to refine our consumer mediation process to help consumer and businesses resolve their disputes to mutual benefit. DCA, hello Council Member Koslowitz. DCA continues to meet or exceed our targets for customer service and mediation. Response times for consumer complaints and licensing requests are prompt. New Yorkers waited less than ten minutes for service at our licensing center last year on average while the agency processed almost 50,000 license or renewal applications. We are also in the process of reviewing our existing license applications and identifying places where we can simplify or eliminate paperwork. We've already reviewed and streamlined applications or renewal packages for 43 of the license categories. DCA's consumer services division which assists consumers by helping them work out disputes with businesses resolved almost 15,000 complaints to the satisfaction of both consumers and businesses last year. DCA is committed to deploying all the tools at our disposal to protect and enhance the daily economic lives of New Yorkers.

2

3

4

5

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

those tools have not been updated since they were created decades ago. Technology and economic behavior changed rapidly and government must work diligently to keep pace. The threats to consumers and workers have evolved and DCA's tools should evolve to meet them. In this new session of the Council, I look forward to working with this committee to ensure that DCA has the tools we need to protect consumers and workers, hold predatory actors accountable and promote a cultural compliance among New York City businesses. Thank you for the opportunity to share some of DCA's successes and tell you about our path to addressing income volatility and other issues affecting consumers and workers. always, we look to the City Council as a close partner in these efforts. At DCA we know that the metrics indicators and dollar figures we bring to the City Council are important but that's not how we ultimately measure our success. Instead, we find our success in the stories of the New York person we are able to help, the fast food worker who can start planning to finish her degree at night because her schedule is more stable, the struggling young person who learns how to manage his student loans, get his

2.2

taxes in order and finally begins to see a path toward taking charge of his financial future, the bodega owner who needs help understanding the law, not a violation for failing to grasp it. To us these stories are the measures of success. Thank you so much for listening to us today and I will be happy to answer any questions you have.

CHAIRPERSON ESPINAL: Thank you

Commissioner for your testimony. We have been joined by Karen Koslowitz from Queens and Brad Lander who danced and snapped his finger into the hearing. I'm glad we repealed the Cabaret law. Otherwise we would have been cited by DCA for the dancing but I want to give my colleagues a chance to ask questions if they have any before I ask any questions.

it's a pleasure to be on this committee and thank you Commissioner for your testimony and it's really wonderful to hear all the successes from DCA really educating our, you know, small businesses owner and doing a lot to help consumer and I think that Council we are very proud of the legislation that we have passed. When you talk about those, you know, second hand car dealership affects all the immigrant

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

community across the City and we're really happy that the success that you've been able to accomplish and, of course, freelancer that we were able to provide the protection and basically, look, we still got a way to go. The question I have is that, you know, DCA's budget is very small. It's almost as small as Department for the Aging but these are important agency that provides a very vital service and I just wanted to make sure, I mean do you think you have enough staff to really go out and do the education and the also the enforcement because one of the issues in my district. I know that when we were, it's a social adult daycare and when we were working on the legislation, we tried to get DCA as the agency to do this oversight and that didn't happen. only way that consumer can complain about a social adult daycare that not providing good services is through a complaint to DIFTA and the reason we've heard a lot is always, it's governed by the State but these organizations are operating in the City and I really see a role for Department of Consumer Affairs because these are consumers and they're using government benefit because they only accept seniors who have Medicaid and if a senior has Medicare, they

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

go there and they get rejected so a senior will often time come to our office and was complaining. Well, I'm a senior, I want to be able to take advantage of the service or I need the service but I can't get it because I don't have Medicaid. That's one issue and all of a sudden we have seen more social adult daycare established in the City than senior center. We have about 255 senior center. We have more than 300 social adult daycare that are registered with the Department for the Aging so I think that's something that I would love to work with DCA and on this committee to see how we can provide the protection to our seniors and making sure we also protect government benefit because these social adult daycare are supposed to help seniors who are more vulnerable but the stories that we are getting and hearing from the community, they're not doing that and there are instances where, you know, they're paying people and giving people coupons and stuff to attract them to come and so we want to be able to work with DIFTA and DCA and figure a way to really bring them in because we do need good social adult daycare. There are a lot of seniors who need this service and but the way it is happening now is just not doing what it is

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

supposed to do so I do see a role that DCA can help with that and maybe by having, you know, more personnel to be able to help with the enforcement and registration, so maybe you can give me some feedback on that. Thank you.

COMMISSIONER SALAS: Sure, yes. have in the last couple of years tried to use our existing authority to protect consumers and going to certain areas that in the past maybe we hadn't gone into like some of the work we're doing now like prosecuting lawyers who are coming out with the [Inaudible] says and deceiving consumers and having them spend thousands of dollars in that is an example of the kind of litigation we are engaging in right now so we'll be happy to sit down with you and explore whether there's anything in our existing authority that allows us to do some of the work here. With respect to the questions about resources, we, you know, we work with our existing resources. have to prioritize often and we try to prioritize by focusing on the areas in which we see the greatest harm to consumers and workers. We also try to coordinate among the different divisions to make sure that we're creating efficiencies and that we're

having more impact by using, being very smart about how we use all of our existing resources.

COUNCIL MEMBER CHIN: Yeah, I think that though for outreach and education, you probably could use more resources on that. You know, the multilingual aspect. I think one of the issues is that a lot of the workers might not feel comfortable enough to complain because of fear of retaliation but the basic law we've passed but I think it's really good to continue to do the education. I mean the program that you had visiting the small businesses, we did one in my district and I found that list to be very, very helpful and the owners and the manager, they were receptive and some of them actually know about the law but imagine going through every business just in Chinatown alone we have, I think within the bid area, we may have more than 2000 businesses so it's a large number across the City and to be able to kind of go back and visit them even yearly, it's a lot of resources to be able to do that but it's necessary. People need to be reminded that they need to, you know, provide good services and make sure that consumers are protected.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

COMMISSIONER SALAS: We definitely believe in making sure that businesses are armed with the right tools and information to comply with the laws. Variety helps them, it helps consumers and workers too so we're very supportive of expanding outreach operations.

COUNCIL MEMBER CHIN: Thank you Chair.

CASEY ADAMS: And Council Member as well, we should say that because of the Chair's bill from a few years ago, we have consumer protection materials specifically targeted towards seniors and that list a couple of comments, scams or predatory tactics that are used against seniors because people think they're vulnerable and in many cases they are and this material helps to educate them about what resources are available and what they can do to help themselves if they've been the victim of a scam and so we'll be happy to provide those to your office and thank you to Chair Espinal for that bill.

CHAIRPERSON ESPINAL: Casey do you mind stating your name for the record?

CASEY ADAMS: Yes, my name is Casey Adams, DCA.

2.2

2.2

CHAIRPERSON ESPINAL: And just to followup on that, so how can a senior access those
documents? Are they distributed to senior centers
across our City?

in all of our outreach events that we think have significant chance of having seniors there to receive them and they are available, they can also just be taken down off of our website in multiple languages. We translated them so people can print them on their own and distribute them so we've done a lot of work to make sure that we are reaching to where we can, where we can get them into senior's hands.

CHAIRPERSON ESPINAL: All right, thanks. Brad Lander.

much Mr. Chair. It's a honor to join, join this committee. I was a frequent guest last term but I'm glad to be here as a voting member and your leadership has been, has really helped move things forward and Commissioner, you as well, what obviously I haven't focused especially on OLPS with you but just what you've done with DCA in the last couple of years is really extraordinary and the kind of thing

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

that I think people are hungry for from government and don't see much from government so thanks to both of you and obviously on some of the, you know, we've given you a lot more to do in the last few years in this committee and I'm really proud of that and we see it going around the country. Actually, a colleague of mine in Austin just got paid sick days passed there and they're gonna put it on the ballot in Dallas and San Antonio. They're working on it in Westchester, really growing. Philly is having their hearing on fair work week this week and I know they've checked with your office and with ours. part of a movement and this City's role is central and then, you know, so adding the fair work week enforcement, of course, adding the freelancers and free enforcement and thank you so much for those first numbers. It looks to me though in the budget like your headcount is flat so I want to know what either brilliant management you are using or whether we actually need to be looking at giving you the staff to enforce, you know, we didn't take away with the exception of the Cabaret law, which I guess maybe you could save a little bit by not having to enforce the Cabaret law but we haven't taken that much off

the books in other areas of licensing so what, I mean maybe if you could just drill down on OLPS. What is the head count and how are you projecting given your responsibility increase across the quite significant area of law which, of course, I'm fully on board for. I just want to make sure the resources and this in some ways goes to what Council Member Chin was saying, but with specific focus on OLPS. What's the head count and is it sufficient to get the growing work done?

CHAIRPERSON ESPINAL: I want to add to Brad's question because we also notice that there is a 10% vacancy rate as of December 2017 so if you can also dig into that as well, it would be helpful.

COMMISSIONER SALAS: Sure and I might get some help from my director of budget, Maria Rockville, so let me just say that there's the package of laws that OLPS enforces is extremely critical, all right, and we believe in it. It's part of our mission. It's work that we really care about and so we do everything we can to make sure that it's received the attention it needs and is part of the mayor's priority.

2.2

2.2

CHAIRPERSON ESPINAL: This is not in any way a question of whether you guys care enough about or prioritize this work. It's our job to make sure you have the right resource level to do the work and I want to make sure we're doing our job there as well.

COMMISSIONER SALAS: So the division has grown. I mean, we have 44 head count now in OLPS and what has happened is that the agency has self-funded some of those lines because precisely it was just raised about having that vacancy rate of like around 10% or so, so there is some unused money that we are carrying over from year to year because of the recruitment process and just like those, it takes a long time to actually fill those vacancies sometimes so we have been able to use our own existing funds to add to the head count. Additional funds are always welcome obviously but right now we believe that we have been able to meet our mandates by being very smart and stretching everything we can to do the work yeah.

CHAIRPERSON ESPINAL: All right so let me ask about one indicator though that makes me concerned that we might need to provide you more

1

2

9

15

16

17

18

19

20

21

2.2

23

24

25

34

resources which is the growth in time on the paid sick days complaints. The complaints have grown. 3

4 The numbers you are reviewing has grown. That's good

but it looks like the length of time to resolve them,

6 at least four month actuals in the MMR this year from

7 last year is about double what it was so that just

jumped out to me as a sign of that seems like 8

evidence and it's just not surprising given that

10 we've got all these new responsibilities that you

might need some additional inspectors to do that 11

12 work. Can you, so my assumption is maybe you need

more people. If you have different reasons why 13

14 that's high, I'd be glad to hear them.

> COMMISSIONER SALAS: I mean I think it's really a combination of, you know, having like more of a caseload, writing more laws to enforce so having to divide out the work among the same staff but also I would say that some of the investigations over the first year or two maybe the investigations were conducted in a faster way because the issues were faster to resolve or the period in which the law was in place was shorter so it was easier to come to a settlement agreement with businesses. The cases that

we're looking at for that period of time where that

2.2

it taking longer presents, some of them present more difficult issues, complicated issues than we're talking about larger cases so it's harder to arrive at a settlement but I have to say that we have, we are committed to going back to having our complaint case as the cases in which we respond to complaints for basically to try to keep them within 180 days. That's our goal and I think we're making great progress towards that to reducing that, you know, like the longer period of time that we take for the year that was reported so we're moving towards going back to 180 days for the time that is takes OLPS to complete an investigation and before the case moves through oath.

CHAIRPERSON ESPINAL: All right, thank
you and I have a couple more questions but I guess
I'll just note here and this is some ways as much for
the Chair and for us, you know. It's the
responsibility of a commissioner to say we can do the
work with the budget that the mayor has allocated
toward us in the preliminary budget. Part of our
responsibility especially in a case where we've added
so many responsibilities through laws is to make sure
it really is so I just think this is an area that we

2.2

should drill down and, you know, if you need some modest additional head count to implement all these laws we've passed, we should make sure you have it and that we're therefore not letting those complaint times grow and I also assume for next year that you'll update the MMR with some indicators for all of these new, all these new laws as well. Paid sick days is in there but nothing yet on freelancers, on fair work week, on paid care.

COMMISSIONER SALAS: So we are in discussions with the mayor of the [Inaudible] to think about what needs to be included for next year but we're actually right now obviously tracking everything so we can be ready for that.

CHAIRPERSON ESPINAL: Yeah, and thank you for those, you know, both on the fair work week and, you know, I think I was talking about we've heard from the first workers who in fast food now got full time jobs that they couldn't get before, were stuck in part time jobs and thanks to the law have moved into full time which is obviously an enormous thing and getting the new freelance data is really exciting and I look forward to the first annual report in May. Two more quick questions. One, I'm excited to learn

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

about the visiting inspector program. We've been doing some work with the Department of Small Business Service and the mayor's office for people with disabilities to make sure that small businesses could get more information on compliance with ADA and with accessibility which is not a law you guys are assigned to enforce but obviously a critical barrier for a lot of New Yorkers from accessing small business so does this program and we should have probably looped you into that work and I don't know whether they did, do the inspectors in this program have some ability to give people the same kind of voluntary advice on how to comply with the ADA and make their new place. You know, there's both questions about what is necessary under the law and what would help make their stores accessible even if they don't necessarily, compliance is not triggered by whatever work they're doing and if that's not the case could we work to make it the case.

commissioner salas: So I would just say one thing that our, when we go, our senior inspectors go to visit a business to educate them on the laws, there are so many, already so many laws and regulations that DCA enforces that we spend the time

talking about only the issues that we enforce, right.

I think it's, I think it might be for us, complicated

to actually try to educating on laws that we do not

enforce. You know, we wouldn't want to give them the

wrong information. If it's about bringing materials

for them, I think that's something we can definitely

8 discuss and consider.

1

7

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

CHAIRPERSON ESPINAL: I'd be glad to set up a conversation with Commissioner Colese[sp] and with Commissioner Bishop about what they've already done and might be able to give you. I hear you that we got a lot of laws on the books but partly there are federal laws that folks have to comply with and part of what drove this was that a lot of the small businesses were getting hit with lawsuits. Unfortunately there are some folks who in the name of the ADA filed just tons of lawsuits against small businesses without even having actually really gone to them and that's what brought this to my attention but both things are true. We want to protect the businesses from getting hit and we want to make the venues accessible so, so let's set up that conversation. If there's something we could do to make this program also help people address ADA

2.2

compliance and make their places, their places more accessible it would be really good.

about resources. I have like three, three inspectors who do this work so it's, you know, in terms of time, it's a lot but I'll be happy to sit down and figure out which ways we can help each other.

CHAIRPERSON ESPINAL: I hear you. I'm gonna just push back a little though. We've got, we don't have that many places we touch them.

COMMISSIONER SALAS: Yes.

CHAIRPERSON ESPINAL: The challenge with the small businesses is they are sitting there. They don't know that they've got this rule in place.

They're not focused on the fact that that little lip where there's a step up from the sidewalk to the door which it's an old building and so they just rented the space and they don't know how, it might not be easy to figure out how to put a ramp in but, but no one ever comes and tells them about it and then a) people with disabilities can't get into their store but b) they might get hit with a lawsuit so if we're touching them already, doing something to make them aware. Anyway, we'll follow up.

2.2

reminded me that we do so many outreach events. I think we were like close to 1,000 last year that we definitely, those are the times when we can bring additional information with us and it's not always about talking about entire specifics of the law but it's about bringing the materials with us.

CHAIRPERSON ESPINAL: All right, we'll, we'll follow up on this.

COMMISSIONER SALAS: We'll do that.

CHAIRPERSON ESPINAL: Thank you.

COMMISSIONER SALAS: Did you, I'm not sure if I answered fully the question that you had on the vacancy rate.

CHAIRPERSON ESPINAL: I mean you mentioned that the reason there is a vacancy is because processing times and hiring people, that's the reason that that number's there.

that actually our vacancy rate is like smaller now than it was before, right. We work hard to make sure that we are reducing that gap so I think we started with 13%. We are now at 10% maybe. We are, all our vacancies are posted right now. It's just a matter

of going through that process but, you know, we are working hard on this.

OHAIRPERSON ESPINAL: Okay, also speaking on those numbers, we also notice that there has been \$2 million in PS accruals as well, \$1.5 because of the adjudication responsibilities to oath. Is that a number that you're gonna continue seeing moving forward or are you looking, how are you looking to use that \$2 million? Last year, right.

MARIO ROCKVILLE: Hi esteemed Council

Members. My name is Mario Rockville, Jr. I'm the
senior director of finance at DCA. With respect to
the adjudication unit of appropriation, we are
actually going to appear at a PS budget realignment
in order to make sure that our budget better reflects
our operation so most of these lines which relates to
settlement and hearing support staff are more
actually using them. We're just had restructuring
happen mid-fiscal year '17 and we're actually in the
process of realigning our budget so once fiscal year
'19 starts, you will actually see our budget better
reflected, reflect our operational organizational
structure.

2.2

2.2

CHAIRPERSON ESPINAL: So those accruals are staying in house and the agency is using them to hire new staff?

MARIO ROCKVILLE: Actually, they're actually already in use. It's just that we haven't restructured our budget yet so you're seeing the money sit in that unit of appropriation but in house, they're actually being leveraged and just to also piggy back off of the Commissioner when she mentioned our vacancy rate. A lot of our vacancies are actually posted and again the hiring via the civil service process and also some of the hiring freeze has delayed some of our hiring but ourself are actually pretty aggressive with the hiring process and actually from fiscal year 2016, our vacancy rate was somewhere about 17%. It actually dipped to about 11%, 10% so we're actually using our resources very efficiently in the agency.

CHAIRPERSON ESPINAL: Okay, great, yeah but you know just over the years we always hear about the lack of enforcement or lack of resources for enforcement or I just want to make sure that every dollar that the agency's accruing is able, they're able to use it in efficient way to have those

COMMISSIONER SALAS:

43 inspectors

2 COUNCIL MEMBER KOO: Oh, 43.

1

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

commissioner salas: And 11 supervising inspectors. There's an additional three that are dedicated to the visiting inspector program so those area not enforcing. They're educating.

COUNCIL MEMBER KOO: Yeah, that's not a lot, okay. So my, my question is to this actually not on the inspectors. Since I became a council member for my district, my biggest problem in my district is stoop lines, you know, because faulting is a transportation hot wire. We have so many buses, the number 7 train not available. All concentrated in the few blocks in downtown and but somehow, they are long food lines, you know. Pull up in front of my supermarkets. Even a supermarket can have a stoop line selling vegetables over foods I can understand that but there is parked in front of the restaurants or [Inaudible] and other stores, you know, but they selling fruit and vegetables and they all have licenses, you know, so I just wonder how your agency can issue stoop line licenses for those who are not operating as a supermarket or grocery store. know, I can tell that is three or four. Why, at the entrance of Main Street and 41 Avenue and, and, and a

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

few other places? Why in downtown area therefore and the front store is a restaurant but the side store is a, well, they have a stoop line license for vegetables, you know, and it bothers me because when you have food lines, even though they only have two, three or four but people stand there and pick the apples because they are obstructing the traffic, pedestrian traffic. People complain, they yell, you know, and they, they are in a rush to get on the train, you know, and but they, they had bypass all these people standing on the street and people with a stroller, the mothers with two babies and two strollers there, forget it. You know, you cannot pass. You have to go out on the street. That's the biggest problem. It's not that I don't understand. I sympathize. People they sell stuff on the street, right. It's not easy. It's cold. It's really cold. If it's hot, it's too hot but obstruction of pedestrian traffic is, is, is not good for downtown area so I hope you can look into this and make sure you don't [Inaudible] and applications for stoop lines [Inaudible] at the location and make sure to is related to business. There's no way a restaurant can apply for a stoop line license selling vegetables in

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

2 the front or other unrelated business, you know, so
3 please look into that.

COMMISSIONER SALAS: Yes, I just want to say that I know that you have a lot of concerns and we walked together in Flushing to observe the conditions there. In terms of our licensing, do you want to say something.

CASEY ADAMS[?]: Yeah, I think that we, obviously we issue licenses to businesses that fit the requirements of the law and so I think there's always, there's a mix and Flushing is an example of this. There are other areas like Brighton Beach where we've seen this. There are issues with folks who are unlicensed or they're exceeding the bounds of their license because there are strict requirements that they have to abide with with the respect to the size of the stands and we have been aggressive in working with the Department of Sanitation and the Police Department to go out and enforce against those unlicensed stands so we've done confiscations where we've actually seized all the food and donated it to City Harvest with the partnership of Sanitation and the Police Department from stands that are exceeding the bounds of their license causing really bad

47

problems of congestion so we, as the Commissioner said. I've worked with your office. She's worked with your office on this issue. We've worked with other council members as well and we're happy to provide whatever resources we can and knowledge about the law to the best of our ability.

COUNCIL MEMBER KOO: Yeah, because they, they, they, when I ask people from my office, from pretending they are business owners to apply for a stoop line license on Main Street when people who are in the front oh they say, oh you cannot apply for a food line license because this is a restricted area or something like that but the reality then I was surprised to see that people open the street line, the stoop line business with a license when [Inaudible]. My question is just like that, how come when people call you and say I want to apply, the people immediate tell on Main Street or between so and so and so, between these two, is a restricted area. You cannot apply for a stoop line license but when people submit the paperwork, they get license, yeah so that's the question. You have to look into that yeah.

24

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

in Oueens?

COMMISSIONER SALAS: We have six in

3 Queens.

2.2

COUNCIL MEMBER KOSLOWITZ: Six.

COMMISSIONER SALAS: Six oh sorry, in addition so for generally for all of the industries that we license and inspect. We have a dedicated tobacco unit so those are inspectors that are only going to tobacco retail dealers and for that we have, which ones are in Queens. We have a couple.

MARIO ROCKVILLE: Yeah that unit operates in different boroughs but it's dedicated to tobacco but we can find out. We can look more into how many of them are frequently in Queens and get back to you.

what I have found. I was the Chair of Consumer

Affairs for many years and I passed many, many laws

and a lot of them, because of the lack of inspectors,

I mean if you have 43 inspectors and Queens has 2.3

million people and lots of stores. I know I

represent Forest Hills and Q Gardens and all along

Queens Boulevard there's nothing but stores and I

have gone shopping in the grocery store and not once,

not twice in the supermarket and picked up milk that

expired three days before the day I'm in the

50

supermarket and you know what I usually do is I take the milk and I bring it up to the counter and I give it to them and that's dairy products, a lot of dairy products whether it be cottage cheese or sour cream, they expired but many people don't realize that and they, you know, you want milk and you're in a hurry and you pick up the bottle of milk and you take it home and you don't look at, not everybody looks at the date and they pour the milk and they taste it and it's sour. It's no good so if there were more inspectors out there to look at these stores, certainly I don't want to, you know, burden the businesses but I think it's the responsibility actually of the businesses to make sure that their products that they're selling are up to date but that doesn't happen and it really bothers me and like I said, there's so much money that could be made for the City of New York through DCA. How many vending licenses do you have now?

COMMISSIONER SALAS: I'm sorry, how many vending

COUNCIL MEMBER KOSLOWITZ: Vending licenses are out there? Street vendors?

24

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

the place.

combination of the turnover in the inspector rate so

if the minor is either more skilled or less skilled because they've been doing it for longer or less time than that can result in the agency under covering more violating and in addition we've been trying to do stronger tobacco enforcement and in some cases that results in more violations because our enforcement practices have been refined and are doing a better job of finding those violations and our general counsel is reminding me that there's also a lot of business turnovers so there may be new entrants into the market who don't understand the regulations as well and therefore are more likely to violate the law.

CHAIRPERSON ESPINAL: Has the fact that the smoking age changed in the past few years also played a role into this or are there still retailers out there that are selling cigarettes to people under the age 21 or over the age of 18 that you are aware of?

CASEY ADAMS: We have different units for tobacco 18, tobacco 21. I don't have the breakout for you for the compliance rate between those two but we can look into it.

2.2

2.2

CHAIRPERSON ESPINAL: Okay, and what are the, which licenses actually generate the most revenue, can you give that?

CASEY ADAMS: Again, that really depends on a number of factors because we, our licenses, some of them are one year, some of them are two years so depending on the year, you'll get a different answer for what, what generates the most revenue.

CHAIRPERSON ESPINAL: So generally what, what, is there any one license you can point to and say this license is what creates the most revenue for the agency or the City?

CASEY ADAMS: Not unequivocally. We'll look into it more but for instance, not all license categories are exactly alike so for sidewalk cafes there is both a license fee and a consent fee to use this public sidewalk for the purpose of a business and so there's a lot of, there's a lot of money that's associated with that that the business pays to the City and in other categories, there's a relatively low license fee but a lot of people who hold the license.

COMMISSIONER SALAS: But we can go back and look into that and give you an answer.

CHAIRPERSON ESPINAL: I have a question
regarding the sidewalk cafes, actually aside. Does
the agency interact with other agencies when it comes
to sidewalk café, for example, maybe DOT or the Parks
Department and the reason I bring this up is because
a restaurant actually reached out to me recently
because they received a violation because their
sidewalk café application wasn't reflecting the
recent work that the Parks Department did on their
sidewalk so for example, this past year they were
able to have 80 seats out in their sidewalk but the
Parks Department planted a tree within that year and
DCA came back and fined the business for not
including the tree in their license and also the
amount of seating they are now able to put out into
the street has dropped to about 15 I believe so
there's been a significant drop in the amount of
people able to sit outside and actually be able to
gain revenue. Is there any instances where the
agency works with other agencies to talk about
sidewalk cafes?

CASEY ADAMS: So I'd like to circle back on that question that we were just discussing about licensing revenue. We actually did look into this

57

2 and in the last two calendar years, 2016 and 2017, 3 the two license categories that produced the most

5 home improvement contractor and we have a significant

fees collected were second hand dealer general and

6 number of home improvement contractor paying those

7 fees and as well second hand dealers which are all

across the City.

1

4

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

PAMELA BOYD: Hi, I'm Pamela Boyd, general counsel for DCA. I just wanted to answer your questions about whether or not we work with other agencies. Sidewalk café is one of a few license categories that are multistakeholder categories and so, especially in sidewalk café, we work very often with Parks, the Department of Transportation and we hear a lot about things like trees being planted after the fact. When we get a complaint like that or when we see a violation like that that the business is challenging, we will always go and talk to Parks. We work with them to try and determine why the tree was planted and it's not even always a tree. Sometimes it's a bench and if we can make a determination that the café came first, we can sometimes convince Parks to remove the tree. Often, no often, sometimes by law, the tree can stay.

2.2

the event that the tree can stay, then we have to work with the business for the business to redo their plans to account for the tree and sometimes that can result in a reduction in the size of the café they're allowed to operate because we always have to account for proper clearances for safety.

CHAIRPERSON ESPINAL: Has DCA ever forgiven any of these fines given to businesses because of the work other agencies have done to the sidewalk while they've had the license?

PAMELA BOYD: I cannot imagine that we have not. I mean, my guess would be yes that we have. I mean if there was an invalidly issued fine because of something that was outside of the control of the business, I think that we would withdraw that fine and I can probably find you an example of when that happened.

CHAIRPERSON ESPINAL: Okay, thank you.

Speaking of licenses, the Cabaret law, actually the repeal goes into effect in two weeks. Is that going to, how does that change the operations of the agency, if it does at all?

PAMELA BOYD: We have actually stopped taking applications for sidewalk, I'm sorry. I'm

still on sidewalk cafes, for cabarets and dance halls and we are not doing any enforcement in anticipation of obviously the appeal going into effect.

CASEY ADAMS: And on the outreach side, we did mail all of our existing cabaret licensees to notify them that they'll no longer be required to have that license and we've updated all the materials on the website so that if a business comes looking to see if they need to apply for a cabaret license, they'll have the right information at their fingertips.

CHAIRPERSON ESPINAL: Great, thank you. Any other questions from my colleagues?

COUNCIL MEMBER KOO: So how many total licenses consumer affairs issue?

CASEY ADAMS: We license about 81,000 businesses. It fluctuates dependent again, as with the revenue it fluctuates depending on where in the year we are because some licenses will turn over, some licenses will expire but on the whole it's generally around 80,000 and that includes both businesses and individuals who have a business such as a home improvement contractor.

2.2

to any business so if you are engaging in deceptive

2.2

trade practices with respect to a consumer then DCA has authority.

COUNCIL MEMBER KOO: So can you, can you inspect stores that are not licensed to sell cigarettes but they are selling cigarettes?

CASEY ADAMS: Yes, we have, as the

Commissioner mentioned earlier, we have a dedicated

tobacco unit that does only tobacco sales and so it's

both the age requirement, packaging and pricing

requirement, selling of loosies and one of those

things is if you're selling without a license, we can

inspect you.

COUNCIL MEMBER KOO: Because recently because the tax increased in cigarettes, a lot of consumers are buying cigarettes off the, on the streets at illegal places now so I wonder how you can do inspections on those places then sometimes they are bakery stores or even barber shops and on the side they're selling cigarettes from other states [Inaudible].

COMMISSIONER SALAS: We work together with the Department of Finance and also with the Sheriff's Department and when we see situations in which there is illegal sale of tobacco and maybe it's

1	COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING 62
2	not within an establishment that we usually visit, so
3	we'd love to hear from you. You know, if you have
4	more information we can pull up on that.
5	COUNCIL MEMBER KOO: I'm sorry, you say
6	Department of Finance they're doing the enforcement?
7	CASEY ADAMS: It's, it's both so in the
8	situation that you're describing where it's not
9	unfolding in the context of the business that we
10	regulate, then we have the ability to partner with
11	the Sheriff's Department within the Department of
12	Finance as well as the NYPD to do, to take
13	appropriate measures there but if it's business, a
14	bodega that doesn't have a license from us and is
15	selling cigarettes or they're taking them out of the
16	pack and selling them as loosies, that's something
17	that our unit can do.
18	COUNCIL MEMBER KOO: Thank you.
19	COUNCIL MEMBER CHIN: Can you tell me how
20	many inspector do you have in this visiting inspector
21	program, how many staff you have assigned to do this?
22	COMMISSIONER SALAS: Three.
23	COUNCIL MEMBER CHIN: Um?
24	COMMISSIONER SALAS: Three.

2.2

COUNCIL MEMBER CHIN: Three, so all your inspections, is it, how many are based on complaint and also how many are your regular inspection that you do every year?

COMMISSIONER SALAS: So let me just say, the visiting inspector program is completely separate, right, because that's not in response to any complaints or that is in response to you getting a license from DCA so you apply for a license and once we grant the license within the first three months, we're going to go out there and give you an educational visit, right. No violations result from that and it's a way of making sure that we're welcoming you to the City and we're giving you the tools you need to succeed. In terms of complaint inspections and patrol inspections, do you have numbers?

CASEY ADAMS: We don't have numbers today because our inspections can be prompted by a number of different inputs so one of them is you file a complaint with 311 or on the DCA website. The other is that you are on a regular patrol route and, of course, we will also receive complains from council members which will prompt an inspection but we do, we

is the rules and same thing like what Council Member

65

Koo raised about the stoop line. I think it's like it would be great to really offer once a year to visit these businesses because often time they just don't follow the rules so I think a reminder visit is also important.

COMMISSIONER SALAS: Just a couple of things that we are currently doing and we'll be happy to partner with you all is that we do business educations days so we work closely with a council member and you may propose a certain, you know, particular set of blocks where there's a lot of commercial activity and we'll go there and do, all we do again is we go door to door providing education so it's similar to VIP in the sense that there are no fines issued but it's different because it's not for new licensees. It's for existing businesses so we do that. We do the business education days and we also have been, have started doing round tables so if you have a BID or a merchant's association that has particular concerns that they want to bring tour attention, we'll go out there and sit down with them and just like hear them out and answer their questions so there are different ways in which we can

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

2.1

2.2

accommodate that especially if you have area that you want us to visit, we'll be happy to do that.

COUNCIL MEMBER CHIN: Are you doing that also with all the BIDs in the City?

COMMISSIONER SALAS: What we've done so far, I think, only two and we have two more on the calendar for the next few weeks so I don't know that we have a list of all the BIDs that we're going to but we're just mostly working with council members right now.

cases and when we do the business education days which I know that you've done one with us, we all, we try to invite the appropriate BIDs and merchants associations so that they can come and walk with us to visit the businesses and teach them about these laws and those as well are not cases where an identified violation would result in a fine so we can point something out and we can you should fix this before an inspection but we won't issue a violation at that time and those we've done, we've done lot of them. We've done more than 20 for the past year. We've visited over 1,800 businesses and we continue to actively schedule those both with council members and with merchants association and bids. I wanted to

2.2

just circle back on your question about complaints versus inspections. We can't draw a straight line between these numbers from the data we have in front of us today but as the Commissioner mentioned, we did almost 74,000 inspections and during that same period we received over 20,000 complaints so that gives you an idea and not all those complaints will result in an inspection. Sometimes it's the consumer asking, looking to DCA to help them mediate their complaint but some of them will.

also really good to coordinate more with the BID because they're out there every day cleaning and they could be the one that can alert you to where like the stoop line violations are so this way you have a more closely working relationship with them to educate, you know, the business owner so this way I think that that could be more of a regular working relationship.

CASEY ADAMS: Yeah, we absolutely agree and I think we view those organizations as partners because once we've done a business education day and they've done it with us, then they have a better understanding of our laws and rules and they can continue to educate businesses and serve as a

2.2

resource for people they have relationships with when they come and say, hey, what does, how do I comply with this DCA law rule? That BID will already have the tools to either show them what they need to do or point them towards DCA resources that are appropriate.

COUNCIL MEMBER CHIN: How many bilingual staff do you have on site, I mean on your agency?

Like the language capability of the agency?

CASEY ADAMS: We do have a roster of staff who have volunteered language skills and I don't have that with me today but we can get it to you but in terms of language access capability, we, as we mentioned in the presentation, we make that a high priority. We translate all of our commonly used outreach and education materials and we put them on our website in typically eight to ten different languages and we make sure that if there is a targeted piece that is going to a specific community, that we translate it for that language and as well, we of course have language line available for all New Yorkers who come in. If you come into our licensing center, we have a language access sign that allows them to use language line or for the DCA worker to

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS 1 LICENSING 69 coordinate with one of their co-workers who can 2 communicate in that language. 3 4 COMMISSIONER SALAS: There also are 5 inspectors, right. If they go into a business, they have access to language line on their phones and they 6 7 will use interpretation services as needed. 8 COUNCIL MEMBER CHIN: So, I mean, do you also make it a priority to recruit inspectors that 9 are bilingual? It's much easier just, you know, 10 speak face to face than call up the language line 11 12 and. 13 COMMISSIONER SALAS: Definitely that's something that we look for and we welcome. I mean, 14 15 I'm not really sure if like, depending on the title, 16 the position we're hiring from, sometimes there are 17 civil service lists and we have to, you know, we have 18 to hire from those lists. COUNCIL MEMBER CHIN: But you do, I guess 19 20 you could list like prefer right, to have bilingual ability in different languages and 21 2.2 COMMISSIONER SALAS: We can and we do but 23 just to reiterate we are kind of beholden to the 24 civil service system and how it works so we often do

say a language preferred or we request it.

2.2

COUNCIL MEMBER CHIN: I mean Chair, I don't know how it relates to this committee but I know that there are legislation being introduced to get more information out there about how to apply, take the civil service exam because often time a lot of people don't even know that's available and that's something that we definitely should let the public know so that more people with language ability can apply and get into the system because it just makes, it seems like it just makes the work so much better in terms of communicating and getting people to understand the rules and regulation if they can do it in the language that they understand.

COMMISSIONER SALAS: You're absolutely right and I think we should definitely think about ways in which we can make sure people know about how to apply for these jobs for sure.

COUNCIL MEMBER CHIN: Thank you, thank you, Chair.

CHAIRPERSON ESPINAL: Thank you. Going back on business outreach, we notice in the numbers that there are actually no four months actuals for FY '17 and '18. Is there a reason for that? In the MMR.

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS 1 LICENSING 71 2 CASEY ADAMS: Yeah, we don't have an 3 answer for you today but let us look into that on our 4 side and get back to you as soon as we can. 5 CHAIRPERSON ESPINAL: Okay, thank you. 6 Is it possible to get a list of all the licensees and 7 fees that the agency CASEY ADAMS: Possible to get a list of? 8 CHAIRPERSON ESPINAL: The licensees and 9 10 fees? CASEY ADAMS: Yeah, that's all, that's 11 12 all available on our website but we can put it together for you as well. 13 14 CHAIRPERSON ESPINAL: Yeah, that would be 15 helpful. 16 CASEY ADAMS: Yeah, we have, many of the 17 fees are set by our rules and are available there but 18 we'll get you a list of everyone we license and what the fee associated with that is. 19 20 CHAIRPERSON ESPINAL: That you, so we also noticed that 21% of the summons have been 21 2.2 accessed were not paid within the first 120 days 23 compared with just 8% at the same point last year.

Is there any concern from DCA that these fines would

2.2

not be paid and there might be a decrease in revenue for the agency this year?

PAMELA BOYD[?]: Hi, I think that part of that could be that we're now at oath and now that the cases are being heard, there is appeal rights. There are default rates. There are as a right vacates, you can vacate a default as a right and so the process is just extended and so, it is very difficult to rely on any number honestly that's probably lower than result of a six month look back period and in fact, at oath you have a right to vacate a default for a year and so it could be that that number won't be dependable until a year is past so I don't think that we're concerned about that just yet because I think the number is something like 94% of the respondents take advantage of that right to vacate a default.

CHAIRPERSON ESPINAL: So being that they, this has been pushed over to oath now, the person paying the fine has more rights as to appealing and being able to push when they have to pay these fines?

PAMELA BOYD[?]: Right, so the period in which they have to pay the fine is really extended.

CHAIRPERSON ESPINAL: Right, okay. I mean I'm done with questions. Is there anything

2 else? All right, the last question is regarding the

73

3 revenue estimates. We've noticed that this year

4 you've underestimated your revenues by \$5 to \$6

5 million compared to what the agency received in '17

6 and '18 and also we also noticed that in the

7 | preliminary budget of '17 and '18, you've also

8 underestimated those revenues as well. Is there a

9 reason for this practice?

1

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

levels?

estimate those revenues and we know that they try,
typically try to be conservative because DCA's
revenues are vulnerable to shifting based on general
economic climate and weather and other factors
because of, because many of our revenues are
collected from businesses in the form of license fees
or fines and so to our understanding, it's a choice
to be conservative to ensure that those factors don't
surprise the City.

CHAIRPERSON ESPINAL: Okay, so despite the increase in consumer restitution, the water between last year and this year, there's still a decrease from earlier years. Can you explain, how are you going to go back on target to pre-2017

2.2

CASEY ADAMS: Are you referring to general consumer restitution or paid sick leave restitution?

CHAIRPERSON ESPINAL: General.

CASEY ADAMS: Though again I think this goes back to, partially to the growing pains of the oath transition so we expect that some of these numbers will stabilize as both consumers, businesses and agency staff get more used to the procedures at oath as opposed to the procedures at our old tribunals but I believe that the four month actual has shown some recovery and restitution and we're committed to making sure that it gets back to where we were.

COMMISSIONER SALAS: We're also working closely with the mayor's office of operations to make sure that the actual MMR metrics better, best capture the work the DCA does and not just, you know, it's not actually affected by processes that are outside of DCA like oath now right so hopefully you'll see some of those changes for the next MMR.

CHAIRPERSON ESPINAL: Okay, well we'll keep an eye on that. Um, I think that's it, right? Well thanks for testifying. It was great seeing you

1	COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING 75
2	Commissioner and the rest of the team. We'll see
3	other at the next hearing. You're free to go.
4	COMMISSIONER SALAS: Maybe beforehand.
5	Thank you so much.
6	CHAIRPERSON ESPINAL: Thank you. I want
7	to call up, we have one witness from the public who
8	would like to testify, Mia Micovitz[sp] from the
9	Anti-Violence Project. Please forgive me if I
10	mispronounced your name. Sorry, say that again.
11	Yeah, we're about to close the hearing. She's the
12	only person we have testifying. We'll keep it open
13	for five minutes. Should give her time to get here.
14	[pause]
15	CHAIRPERSON ESPINAL: Is Mia in the
16	house?
17	MIA: I'm here.
18	CHAIRPERSON ESPINAL: Awesome, good
19	afternoon. Just state your name for the record
20	before you begin. Thank you. Is the button on?
21	MIA: Oh, now it is.
22	CHAIRPERSON ESPINAL: All right, great.
23	Is that better?
24	MIA: Oh, Mia Micovitz.

CHAIRPERSON ESPINAL: Good to go.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

MIA: Good afternoon, Chair Espinal and thank you to the whole Consumer Affairs Committee for having me and hearing my testimony today. My name again is Mia Micovitz and I'm the program associate and community organizing in public advocacy at the New York City anti-violence project. I run the volunteer and outreach programs. I coordinate AVP's pride activities and I support the organizing department's administrative capacity. In my own role in engaging LGBTQ and HIV affected survivors through outreach, it's clear that the root causes or violence are not only interpersonal but they're systemic. This means we need to think about prevention on many levels at once. When I first came to AVP, I didn't identify as a survivor. I just knew that I wanted to give back. As a queer transgender person working in film and television at the time, I was struggling with long gaps of unemployment, depression, discouragement and felt isolated from others like myself. The more I learned volunteering at AVP, the more I began to feel connected to my community and empowered to educate myself about the violence that my community had endured and that I had also experienced but hadn't yet given a name to.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

25

people I met through ADP and the organizations that we partner with changed me. There are so many survivors in New York City who deserve the opportunity to connect with their community who are being cut off, either because of the fear, isolation by their abusive, violent partners, the denial of their identities by service providers and also often their own families and the constant barrage of sexual harassment and other violations of their boundaries. The Anti-Violence projects programs include a 24 hour Spanish/English crisis intervention hotline with calls going up 34% in fiscal year 2017 over the previous fiscal year. That reflects the turbulent times impacting LGBTQ communities. Some of our other programming includes one on one counseling with support groups reaching over 1,100 community members in all five boroughs, our economic empowerment program which includes tax workshops, credit and debt resumes and cover letters, AVP's legal services representing survivors in all civil legal matters including immigration, family, housing and public benefits. We have seen a 24% increase in overall clients seeking legal services since the 2016 election. Our leadership development program

78

includes job readiness and paid internship like speaker's bureaus is one workshop we do and there's a bunch more. Community organizing, outreach and education, activities that have reached more than 43,000 people just in the last year in all five boroughs again with information about staying safe which includes bystander and prevention trainings, know your rights training and much more. We also do policy advocacy work with the City Council on community forums and policy solutions to violence. respectfully ask that you continue to, that the New York City Council continues your support of AVP and that the Committee work with us on these issues so that New York City can become a safer place for LGBTQ and HIV affected communities where we can thrive.

CHAIRPERSON ESPINAL: Thank you for your testimony, Mia. Just a quick question. Do you do any work with the Department of Consumer Affairs? Do you interact with the agency at all?

MIA: Um, we do, yes. Mostly our client services department but sometimes we collaborate for outreach events, yes.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

2.2

23

24

Thank you very much.

1	COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS
	LICENSING 79
2	CHAIRPERSON ESPINAL: All right, thank
3	you.
4	MIA: Thank you.
5	CHAIRPERSON ESPINAL: Noted, appreciate
6	it. Have a good weekend.
7	MIA: You too.
8	CHAIRPERSON ESPINAL: Okay with that said
9	this meeting has come to its conclusion and
10	adjourned. Thank you. [gavel]
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	

${\tt C} \ {\tt E} \ {\tt R} \ {\tt T} \ {\tt I} \ {\tt F} \ {\tt I} \ {\tt C} \ {\tt A} \ {\tt T} \ {\tt E}$

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 27, 2018