

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE
Jointly with
COMMITTEE ON CULTURAL AFFAIRS,
LIBRARIES & INTERNATIONAL INTERGROUP
RELATIONS

And

SUBCOMMITTEE ON LIBRARIES

And

COMMITTEE ON EDUCATION

And

COMMITTEE ON PUBLIC HOUSING

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June 3, 2014
Start: 10:15 a.m.
Recess: 4:40 p.m.

HELD AT: 250 Broadway - Committee Rm
14th Fl

B E F O R E:

JULISSA FERRERAS
Chairperson
JAMER VAN BRAMER
Co-Chairperson
COSTA CONSTANTINIDES
Co-Chairperson
DANIEL DROMM
Co-Chairperson
RITCHIE TORRES
Co-Chairperson

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

COUNCIL MEMBERS:

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Peter Koo
Elizabeth Crowley
Robert Cornegy
Antonio Reynoso
Mark Levine
Stephen Levin
Ydanis A. Rodriguez
Antonio Reynoso
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Anthony Marx
President and CEO
New York Public Library

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Executive Vice President and COO
Queens Public Library

Letitia James
Madam Public Advocate

Tom Finkelpearl
Commissioner
NYC Department of Cultural Affairs

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

Kathleen Hughes
Assistant Commissioner
NYC Department of Cultural Affairs

Kathleen Grimm
Deputy Chancellor
NYC Department of Education

Lorraine Grillo
President
NYC School Construction Authority (SCA)

Shola Olatoye
Chair and Chief Executive Officer
New York City Housing Authority

Cecil R. House
General Manager
New York City Housing Authority

Carlos M. Gomez
Chief of Housing
NYPD Housing Bureau

3 [Turned on tape]

4 CHAIRPERSON FERRERAS: Queensboro Public
5 Library and the Brooklyn Public Library. We've been
6 joined by Council Member Gibson and other members
7 will join us throughout the day. Today we will hear
8 from the Library Systems, the Department of Cultural
9 Affairs, the School Construction Authority and NYCHA.
10 These hearings are a lot of work and I want to thank
11 the Finance staff for putting them together. I'd
12 like to thank Acting Director, Latonya McKinney, the
13 Division and Committee Counsel Tanisha Edwards,
14 Deputy Director Regina Poreda Ryan, Deputy Director
15 Nathan Toth, Supervising Legislative Financial
16 Analyst Christina Perrotti who covers the School
17 Construction Authority, Legislative Analyst, Norah
18 Yahya, who covers the five libraries and Department
19 of Cultural Affairs and the Finance super starts,
20 Nicole Anderson and Maria Pagan who pull everything
21 together. I also want to thank the Sergeant at Arms
22 who keep us safe Rafael Perez, Esial Martinez
23 (phonetic), Evy Cojaso (phonetic), Yvette Molina and
24 Carl Diabla.

25 I also want to thank the film crew of NYC
Media, John Biogas (phonetic) and Jeffrey Carrera

2 (phonetic). They spend just as much time on these
3 hearings as we do and I want to thank them for their
4 hard work. Before we get started I want to remind
5 everyone that the public will be allowed to testify
6 on the last day of budge hearings on Friday, June 6th
7 beginning at 3:30 p.m. The public session will be
8 held in this room and members can come in and
9 register at the welcome desk where they'll be able to
10 testify in that order. For members of the public who
11 wish to testify but cannot make the hearing. You may
12 email your testimony to Finance Division and the
13 staff will make it a part of the official record.
14 The email is financetestimony@council.nyc.

15 Today's executive budget hearing kicks off
16 with the libraries remain relatively unchanged in the
17 executive budget, \$22.7 million is provided for the
18 New York Research Libraries, \$112 million is provided
19 for the New York Public Library, \$83 million is
20 provided for the Brooklyn Public Library and \$83
21 million is provided for the Queensboro Public
22 Library. While the council certainly prefers no
23 funding change to funding decreases in the council's
24 budget response we urge the administration to
25 increase funding to three library systems by \$35

2 million. This would have helped all of the systems.
3 Provide six day services, increase hours of operation
4 to over 50 hours a week and increase education
5 programs. And giving the systems leverage to
6 increase non-city funds. Throughout the Bloomberg
7 administration the systems were forced to reduce
8 hours, lay-off staff and limit their circulation in
9 an effort to meet their budget reduction
10 requirements. While the November plan base-lined
11 funding for the three systems it did not take into
12 account the impact of year over year budget
13 reductions. Unfortunately our request for increased
14 funding is not reflected in the executive budget for
15 fiscal 2015 or in the out years. It is my hope that
16 after this round of budget hearings the
17 administration will take the concerns expressed by
18 council members and the public regarding the proposed
19 budget and work with the council to insure that
20 fiscal 2015 adopted budget reflects all of our
21 priorities and values.

22 Before we hear from the libraries. I will
23 turn the mike over to my co-chair, Majority Leader,
24 Jimmy Van Bramer for a statement.

2 CO-CHAIRPERSON VAN BRAMER: Thank you very
3 much Madam Chair and I want to also recognize the
4 select Committee on Libraries Chair, Costa
5 Constantinides. All three of us representing Queens.
6 Queens is strong in the house right now. Council
7 Member Gibson. The city's three library systems
8 provide a vast array of critical resources and
9 services which are free and available to all New
10 Yorkers, every minute that they are open. Being
11 open, being the key and operative terms. Operating
12 in every neighborhood, of every borough. All
13 residents of our city benefit from strong community
14 libraries, while the most vulnerable among us receive
15 services and opportunities they simply cannot obtain
16 anywhere else. I myself, finally remember learning
17 to read in the Broadway branch of the Queens library
18 is Astoria. To this day I am a voracious reader.
19 And I owe my passion for reading and in essence, much
20 of the success I've had in life to having had a
21 welcoming and nurturing educational environment at my
22 neighborhood library. That happens every single day
23 for countless children in every, every area of this
24 city. We all know that for households earning less
25 than \$30,000 annually, the primary source of internet

2 access is their community library. Libraries offer
3 so many services that not everyone knows the full
4 breadth of afterschool programming, job training,
5 English language learning classes, a safe haven to
6 our neediest youth, the seniors, those who are
7 disenfranchised. Libraries are the lifeblood of our
8 communities. Especially when there are those who
9 lack resources and opportunities. We are very, very
10 pleased that the mayor's executive budget has
11 baseline funding and we do not have to go through the
12 annual budget dance. But we must remain focused on
13 the fact that libraries are down from their peak
14 levels of funding in 2008 and we must do everything
15 we can to restore library funding to increase hours
16 and days of service which will also allow us to hire
17 back library workers who are not in their positions
18 anymore due to budget cuts of the past. We need
19 every library in this city open at least six days a
20 week. That is the service level that people in the
21 City of New York deserve and want and need. Think of
22 how much more libraries will be able to do when they
23 are opened six days a week. So I join in support of
24 full restoration for libraries with all who care
25 about and love libraries, like I do. And with that

2 I'd like to invite Chair Constantinides of the Select
3 Committee on Libraries to make his opening statement.

4 CO-CHAIR CONSTANTINIDES: Good morning.

5 Thank you Chair Ferreras and Chair Van Bramer. I am
6 Costa Constantinides, Chair of the Council's Select
7 Committee on Libraries. The fiscal 2015 executive
8 budget maintained the baseline restoration in three
9 systems. They allowed us to focus on enhancing
10 services for branches across the city. During the
11 preliminary budget we heard from the Presidents, that
12 the capital needs of their branches far outweighed
13 the capital funding they received. As we think about
14 the next four years, we must consider the impact we
15 will have on communities and neighborhoods in the
16 five boroughs. We need to move towards
17 sustainability for all of our branches. And move
18 away from the band aid approach to problems. I echo
19 Chair Van Bramer and Chair Ferreras' concerns while
20 that we had excitement about the base lining of our
21 library funding and removing the budget dance, that
22 no additional funding was provided in the executive
23 budget that would provide for a six day a week
24 service, additional staffing and the great additional
25 programming that the libraries have become to known

2 for. I hope the administration will be our partners
3 in this effort. In closing, I'd like to thank my
4 staff and the committee staff for working to put this
5 together. I look forward to hearing the testimony
6 from the three systems. Thank you Chair.

7 CHAIRPERSON FERRERAS: Thank you. You may
8 begin your testimony.

9 UNIDENTIFIED MALE: Thank you Madam Chair.
10 I think as discussed before, we thought we'd take
11 just a few minutes, if that's alright to show a video
12 that was created by the Revson Foundation, done by
13 Julie Dressner and Jessie Hicks. Just a few minutes
14 talking, documenting a day in the life of New York's
15 Public Libraries and we found it to be illuminating
16 and inspiring. We hope you will as well.

17 [Showing video][Music in background]

18 UNIDENTIFIED FEMALE IN VIDEO: Sometimes I
19 go before the doors even open because they'll already
20 be people waiting there.

21 UNIDENTIFIED FEMALE IN VIDEO: I'm at the
22 library this morning because the afternoon is
23 extremely crowded. There's usually no computers
24 available.

2 UNIDENTIFIED FEMALE IN VIDEO: I am 27 now.
3 I was 17 when I had my son. I'm applying for
4 financial aid so I can finish my nursing degree.

5 [Background talk]

6 UNIDENTIFIED FEMALE IN VIDEO: The
7 librarian was very helpful and she just knew what to
8 do?

9 [Background talk]

10 UNIDENTIFIED FEMALE IN VIDEO: They know me
11 so well. I used to send emails. Such and such a
12 book came out. Could you send it to me? I'd get a
13 response, it was sent to you yesterday.

14 [Background talk]

15 UNIDENTIFIED FEMALE IN VIDEO: I'm
16 homebound and I can't go to the library. I will read
17 anything practically. Except romance stories.

18 [Background talk and laughing]

19 UNIDENTIFIED FEMALE IN VIDEO: I do draw
20 the line at that.

21 UNIDENTIFIED MALE IN VIDEO: I've been
22 looking for a job for a couple of months.

23 [Background talk]

24 UNIDENTIFIED MALE IN VIDEO: I didn't have
25 everything growing up. I've been in foster care.

2 This is like a safe have. I'm looking to become a
3 counselor. I work the after-school programs. I also
4 work for the summer programs and I work for the
5 library helping kids. The library has really been a
6 key part of my life growing up. Whether I'm going
7 through something or just need help in school.

8 UNIDENTIFIED FEMALE IN VIDEO: There's
9 nothing on here that says that you want to work with
10 young adults. But I will work with you to get some
11 entry level work. Are you with me on this?

12 UNIDENTIFIED MALE IN VIDEO: Yes.

13 UNIDENTIFIED FEMALE IN VIDEO: Wait a
14 minute, are you excited?

15 UNIDENTIFIED MALE IN VIDEO: Yes.
16 Extremely.

17 UNIDENTIFIED FEMALE IN VIDEO: You are
18 excited.

19 UNIDENTIFIED FEMALE IN VIDEO: She will
20 show you how to succeed, how to play, talk, sing.
21 Read in the library. And always remember that you
22 are the best. Your child's teacher.

23 UNIDENTIFIED FEMALE IN VIDEO: Free
24 education for the children, and free learning for the
25 parents.

2 [Background talk]

3 UNIDENTIFIED FEMALE IN VIDEO: When I came
4 to New York I brought my son to the school. Every
5 parent can speak, I don't understand language. One
6 lady, she send flyer in front of school and I take
7 the flyer. Give me the knowledge. Now I help other
8 immigrant families.

9 [Music]

10 UNIDENTIFIED FEMALE IN VIDEO: I wake up at
11 7:00 am.

12 [Background talk]

13 UNIDENTIFIED FEMALE IN VIDEO: We have a
14 full house. It's Mary Jane, Ronald, Helen, Alice,
15 Joan, Ann, Clair and Elaine.

16 UNIDENTIFIED FEMALE IN VIDEO: I know all
17 their children's names. Their grandchildren's names.

18 UNIDENTIFIED FEMALE IN VIDEO: Marion are
19 you on.

20 UNIDENTIFIED FEMALE IN VIDEO: Yes.

21 UNIDENTIFIED FEMALE IN VIDEO: Oh I didn't
22 hear you come on.

23 UNIDENTIFIED FEMALE IN VIDEO: I'm hanging
24 in there.

2 UNIDENTIFIED FEMALE IN VIDEO: When you are
3 homebound, you read a book and you have really no one
4 to discuss it with. You have nothing to look forward
5 to. That's gone.

6 UNIDENTIFIED MALE IN VIDEO: Who speaks
7 English but need help with reading or writing. How
8 many people are like that?

9 [Background talk]

10 UNIDENTIFIED MALE IN VIDEO: I already
11 finished high school. I have my diploma. But my
12 reading and writing was not good. I'm trying to be a
13 cop. As a cop, you have to know how to write.
14 Everyone knows how to write, everyone knows how to
15 read. But not me.

16 UNIDENTIFIED MALE IN VIDEO: The space is
17 limited which means we have very few spaces
18 remaining.

19 UNIDENTIFIED MALE IN VIDEO: What gets me
20 personally is when I'm doing an info session and I
21 can see hundreds of people and I know we can maybe
22 serve sixty or so. There is going to be some people
23 that are going to be left outside. On the waiting
24 list.

25 [Music]

2 UNIDENTIFIED FEMALE IN VIDEO: I had a knot
3 in my cheek and they found out that I had cancer and
4 I had to go for radiation five days a week. And I
5 was very depressed. When I came here, I just joined
6 with all the laughter and the fun times and the chit
7 chat. I joined in with it. It's like a new life for
8 me.

9 UNIDENTIFIED MALE CHILD IN VIDEO: Every
10 day after school I shake my teacher's hand tell her
11 where I'm going.

12 UNIDENTIFIED FEMALE IN VIDEO: My son,
13 Isiah. He's nine. I usually can't pick him up after
14 school.

15 UNIDENTIFIED MALE CHILD IN VIDEO: I come
16 to the library and do my homework. It doesn't only
17 have librarians. It also has a security guard to
18 watch over us and keep us quiet and let us stay
19 focused.

20 [Background talk]

21 UNIDENTIFIED MALE CHILD IN VIDEO: It like
22 when your parent is not around. It's like they're
23 your parent.

24 [Background talk]

2 UNIDENTIFIED MALE IN VIDEO: I always
3 thought you guys were just playing dominos.

4 UNIDENTIFIED FEMALE IN VIDEO: How often
5 are you here?

6 UNIDENTIFIED MALE IN VIDEO: Almost every
7 day. If I don't have work. Yes.

8 UNIDENTIFIED FEMALE IN VIDEO: Where do you
9 work?

10 UNIDENTIFIED MALE IN VIDEO: I work at
11 McDonald's

12 UNIDENTIFIED FEMALE IN VIDEO: Oh good.

13 UNIDENTIFIED MALE IN VIDEO: I want to work
14 in the food industry. Eventually move up.

15 UNIDENTIFIED FEMALE IN VIDEO: I was a cook
16 for Staten Island Hospital for 22 years.

17 UNIDENTIFIED FEMALE IN VIDEO: Anthony if
18 you want I can put you in touch with a person in the
19 volunteer office.

20 [Background talk]

21 [Crosstalk]

22 UNIDENTIFIED MALE IN VIDEO: Okay. Let's
23 see the correct answer. It's the Great Barrier Reef.

24 [Applause]

2 UNIDENTIFIED FEMALE IN VIDEO: Every black
3 bag is a surprise for me. I open it up and I go its
4 Christmas.

5 UNIDENTIFIED FEMALE IN VIDEO: They know
6 the kids, their routines. Who usually picks them up?
7 She'll say Isiah, start packing up your mom is here.
8 It's great that his homework is done. It gives us a
9 little bit more time. What you want to do with your
10 children is spend time with them.

11 UNIDENTIFIED MALE IN VIDEO: At the time we
12 just wanted a place to go and just hang out.

13 UNIDENTIFIED MALE IN VIDEO: A couple of
14 patrol officers came by and they issued a lot of
15 summons to all of us for standing outside doing
16 nothing.

17 UNIDENTIFIED MALE IN VIDEO: I know some of
18 us don't really want to go home for different
19 reasons.

20 UNIDENTIFIED FEMALE IN VIDEO: We want them
21 to be here where it's safe.

22 UNIDENTIFIED MALE IN VIDEO: My first
23 instance was, oh god, these people. I'm never going
24 to make friends with them. Then after like two years
25

2 later, they are my second family. I mean I love all
3 of you.

4 UNIDENTIFIED FEMALE IN VIDEO: The library
5 is sort of like an alternative place and the
6 librarians are authority figures, but we're not
7 grading them, we're not there to judge them. I think
8 that's an important thing.

9 UNIDENTIFIED FEMALE ON INTERCOM IN VIDEO:
10 The library is closing in 10 minutes.

11 UNIDENTIFIED FEMALE IN VIDEO: People ask
12 why you are closed in the mornings. Why aren't you
13 open Sundays? Or why do you have to close at 6? The
14 library does close and their parents aren't home.
15 You know, I don't really know where else they're
16 going to go and that scares me a little.

17 [VIDEO OVER]

18 UNIDENTIFIED MALE: Thank you for letting
19 us bring the libraries into this august chamber.

20 CHAIRPERSON FERRERAS: Thank you and we
21 just wanted to add. In some ways we appreciate the
22 video, because it shows New York City and our
23 communities that we represent and its diversity. So
24 I appreciate the video and I appreciate you bringing
25 this here to us today. So I thank you, although I

2 definitely want to hear your testimony. It's
3 important for this. So I know that Council Member
4 Van Bramer was to say something.

5 CO-CHAIRPERSON VAN BRAMER: Thank you Madam
6 Chair. And I just want to thank Julie Sandorf and
7 the Revson Foundation for their unbelievable support
8 of libraries across the city in supporting this film
9 and so many other things. Anyone who sees this film
10 is reminded of how important libraries are and as
11 someone who used to work for the libraries, everybody
12 over here in this room who works for one of the three
13 library systems should feel very good. The work that
14 you do every day impacts the lives of all of our
15 constituents in so many powerful ways. This is just
16 the tip of the iceberg and a really powerful and
17 compelling message about why we need to make sure
18 that these libraries are open as often as they
19 possibly can be. Because when they are, this kind of
20 magic happens every single day. So thank you for all
21 the work that you do. Those who work for our
22 libraries and help people live the lives that they
23 are entitled to live. Thank you very much.

24 PRESIDENT TONY MARX: Thank you again. I'm
25 Tony Marks, President of the New York Public Library

2 and I'd like to start by thanking Speaker Melissa
3 Mark-Viverito, Council Member Julissa Ferreras, Jimmy
4 Van Bramer, Costa Constantinides, as well as the
5 entire city council for your strong support of New
6 York City's public libraries. And we appreciate this
7 opportunity to testify on the mayor's 2015 executive
8 budget.

9 In the mayor's presentation of the
10 executive budget he stated a desire to move away from
11 the budget dance and to work more closely with the
12 council to develop shared goals through tangible
13 investments. I believe and I know you share this
14 belief, that there is no single investment that
15 touches more New Yorkers with more impact than the
16 libraries. And for this we thank you. Without your
17 long time support and advocacy, the programs and
18 services we provide would simply not be possible. In
19 this tradition of support that council urged the
20 mayor to increase library expense funding. Thanks to
21 you we are not having a very different kind of
22 conversation. In fact, we are here today to say that
23 with an even greater investment there is a tremendous
24 future for libraries in this city and for the
25 millions of people who use them.

2 As we all know, libraries are not only
3 thriving they are more important now than they've
4 ever been. Last year at NYPL we hosted programs for
5 1.2 million attendees. A 75% increase from 2008
6 which was the last time library funding was
7 increased. Last year as well we circulated almost 30
8 million items, a 33% increase from six years ago.
9 We've made substantial and path breaking investments
10 in educational programs that serve tens of thousands
11 of New Yorkers and together our three library systems
12 have more visits than all of the professional
13 sporting teams and cultural institutions in this city
14 combined.

15 The library is crucial to so many New
16 Yorkers. The aspiring entrepreneur, the job seeker
17 the new parent, the researcher, immigrants, the
18 teenager, the senior. And provides critical support
19 for the city's educational infrastructure. At our 88
20 branches and 4 research centers, we serve all New
21 Yorkers and their various educational and
22 intellectual needs, cradle to grave. No institution
23 does more. All that we've accomplished and still
24 plan to achieve, we've done with consistently less
25 city funding over the last six years. Again, we are

2 grateful to the mayor, the city council for the end
3 of the budget dance. However, the proposed executive
4 budget does not address the significant fact as
5 already mentioned. But since FY08, NYPL's budget has
6 been cut 11 separate times, totaling 16%. We've lost
7 446 jobs, which we've managed to absorb without union
8 layoffs. While we manage to stay open for an average
9 of 46.6 hours per week, which is an amazing effort on
10 the part of our staff, to maintain six day a week
11 service. This is still insufficient for the working
12 families and students that need more hours in the
13 evenings and weekends. Given budget realities, we
14 have become more efficient. But in the face of
15 increased visits, program attendance, and
16 circulation, past cuts make maintaining the quality
17 of our services and our spaces a constant challenge.

18 Over the last few months, my colleagues and
19 I have met with the mayor, speaker and council
20 leadership about a new deal for libraries. For both
21 our operating and capital budgets. At the center of
22 this new deal is a promise that for an increased
23 investment in library funding a restoration of that
24 funding, we will provide increased hours, books and
25 education programs as well as improved and inspiring

2 spaces. We will provide more of what New Yorkers
3 demand and more of what they deserve.

4 To do this we seek a restoration of the \$65
5 million lost in our budgets across the city's
6 libraries. Restoring our expense budgets to levels
7 last seen in 2008. In return for this investment, we
8 are prepared to deliver on a series of promises.

9 Collectively at our 207 library locations, we will
10 insure an average of 50 hours and six day a week
11 service, up from 43 hours and too often five days
12 today. That's 5 million more visits and 10 million
13 more materials circulated. With more hours we will
14 dramatically expand key educational programs across
15 the three systems. 130,000 more technology training
16 attendees. Over 20,000 more kids in our afterschool
17 programs. Nearly 15,000 more students in our English
18 language courses. Becoming the largest free provider
19 of ESOL in New York City. And importantly, to
20 achieve these goals, we will collectively add over
21 600 jobs. A significant and much needed increase to
22 the city's library workforce.

23 According to this plan the New York Public
24 Library would receive \$28.7 million. We will commit
25 to five and a half more hours on average throughout

2 our system and 320 more full time employees. More
3 children and teen librarians, custodial and security
4 workers and expert staff to support our educational
5 programs. We will expand our new after school
6 offerings ten-fold, to offer exciting educational
7 opportunities to 20,000 kids. We will more than
8 double our formal ESOL classes. Teaching English as
9 well as citizenship to New York's immigrants. From
10 7,800 attendees to 16,800, an eight-fold increase
11 from 2012. And we will nearly double our technology
12 training program which currently services 80,000
13 attendees to about 150,000, a four-fold increase from
14 just two years ago. To do this we will not rely upon
15 your support along, though your support is crucial.
16 The New York Public Library will commit to an
17 unprecedented level of fund raising for our
18 neighborhood branches and educational programs.

19 But that's not all. We will also build on
20 our progress within each of these programs. Already
21 we are partnering with City Hall and other library
22 colleagues on a new pilot to expand broadband access
23 beyond the walls of the library and into the
24 communities and homes where it is sparse or
25 completely absent. The pilot we envision will lend

2 mobile internet hotspots to 10,000 families in our
3 educational programs in the poorest neighborhoods of
4 New York. With the funds to hire more staff for more
5 hours, we will also hire more children's librarians,
6 who in support of universal Pre-K will actively
7 promote literacy and love of reading in the early
8 grades. We will further increase our existing
9 partnership with online education providers.

10 Including Khan Academy and Coursera to expand
11 learning opportunities. We can also add even more
12 classes in coding. Especially in the poorer
13 neighborhoods to help feed our fastest growing
14 industry with a diversity of talent it desperately
15 needs.

16 On capital funding as well, we have
17 benefitted from your leadership. Recognizing the
18 capital improvements are completed without a
19 dedicated citywide funding stream. These projects
20 are only made possible by funds committed by
21 individual council members, the speaker, borough
22 presidents and the mayor. Over the last 12 years
23 with your support we have completed over 150 projects
24 in our branches valued at \$280 million. Another \$191
25 million is currently being invested in ongoing

2 capital projects across the system. This year alone
3 we finished extensive renovations on two libraries,
4 Stapleton in Staten Island and Washington Heights in
5 Manhattan as well as opened a brand new Mariners
6 Harbor Library. We plan to begin construction for a
7 major renovation of the Woodstock Library in the
8 South Bronx, continue a second phase of renovations
9 at the amazing Schomburg Center in Harlem and proceed
10 with three new library buildings in each of our three
11 boroughs, West Chester Square, Rossville and
12 Roosevelt Island. We also look forward to the
13 possibilities of our revised Mid-Town renovation.
14 Providing a much needed renovation of our largest
15 circulating branch, the Mid-Manhattan. And opening
16 up 50% more space to the public in the Schwarzman
17 Building, including an integrated science industry
18 and business library. We'll create a vibrant Mid-
19 Town campus with more space for books, exhibitions,
20 and educational programs for all New Yorkers that
21 will support and give back to our entire system. All
22 told, we have more libraries today at the New York
23 Public Library than we have ever had in our more than
24 100 year old history. But to insure that all
25 critical infrastructure projects are addressed we

2 must establish a dedicated capital funding stream.

3 Across the New York Public Library there are still
4 about \$492 million in capital needs. For the three
5 systems that number rises to about \$1 billion.

6 However, on average the three systems receive
7 approximately \$80 million in capital funding
8 commitments each year from all sources. And so we
9 propose a simple solution. A longer term capital
10 investment for libraries to be made over four years.

11 With a stable stream of funding we can more
12 effectively plan for the long term needs of our
13 systems and at New York Public Library we can deliver
14 these projects as pass-throughs more cheaply and more
15 expeditiously.

16 Supported by over a decade of data, we are
17 confident in our ability to manage capital projects
18 in a responsible, cost effective and timely manner.
19 Ultimately realizing the greatest possible benefits
20 to New Yorkers. This is a tremendous opportunity for
21 us to think more creatively together about how to
22 manage and deliver on capital projects and we're
23 eager to work with our partners in city government to
24 explore new and creative solutions. We are all aware
25 of the challenges facing this city as well as the

2 corrosive effects of inequality. Only 26% of third
3 through eight graders meet the state's standards for
4 English language. 42% of New Yorkers lack an
5 education beyond high school. 27% do not have
6 broadband access at home. To meet the needs of the
7 underprivileged kids, to offer opportunities for
8 adults to learn. To empower our cities newest
9 immigrants. To help bridge the digital divide and
10 insure that the digital revolution does indeed
11 democratize information. We need our libraries. And
12 we need them to do more than they've ever done
13 before. Particularly since 60% of our users have
14 annual incomes of less than \$50,000. These are the
15 most-needy of New York.

16 At the preliminary budget we asked you to
17 consider a new possibility. To invest further in the
18 future of libraries and the future of all New
19 Yorkers. We are truly grateful for your response.
20 Which will allow us to offer more hours, more
21 programs, and more materials, to invest in better
22 technology, to add to our staff and to make the
23 necessary critical repairs to our aging
24 infrastructure. We ask you and the mayor to go even
25 further, giving us the opportunity to continue to

2 innovate and build on our success and to raise even
3 more private dollars to our goal. Let us renew
4 Andrew Carnegie's pack for the 21st Century and be a
5 model of what libraries everywhere can and should be.
6 Let us together help the city realize the vision of
7 one New York. Thank you again for the opportunity to
8 testify.

9 CHAIRPERSON FERRERAS: I know that we have
10 other testimony. Are you reading additional
11 testimony? Yes. Okay.

12 PRESIDENT LINDA JOHNSON: Good morning.
13 I'm Linda Johnson, President and CEO of Brooklyn
14 Public Library. Thank you to Speaker Melissa Mark-
15 Viverito and to Chairs Julissa Ferreras, Jimmy Van
16 Bramer and Costa Constantinides for their leadership
17 and to everybody in city council for fighting on
18 behalf of libraries and in particular it's heartening
19 to see so many of the Brooklyn delegation here this
20 morning.

21 CO-CHAIRPERSON VAN BRAMER: Linda, can I
22 interject for one second. We are over schedule, over
23 time, partly because of the video which we all really
24 wanted to share so if I would ask that maybe yourself
25 and Bridget highlight or maybe condense a little bit

2 so we can get to questions as we're on a very tight
3 schedule for the rest of the day. Thank you.

4 PRESIDENT JOHNSON: I'll read fast. Evenly
5 distributed throughout the borough of Brooklyn Public
6 Library, 60 branches are at the heart of every
7 Brooklyn community. Our libraries provide access to
8 award winning children's and teen programming,
9 cultural events and exhibitions, a collection of over
10 3.5 million items, software and technology classes.
11 We equalize access to information and technology,
12 insuring that people from all backgrounds have an
13 opportunity to succeed. Every day at our libraries
14 recent immigrants learn to speak English. Students
15 receive homework help. Children play and are
16 encouraged to be creative and job seekers learn how
17 to produce and or improve their resumes. From email
18 classes in Spanish and computer basics in Chinese, to
19 Japanese conversation groups, an author events and
20 book discussions. We understand our communities and
21 provide programming tailored to local needs. Our
22 presence in every neighborhood insures that all
23 Brooklynites can benefit from our educational and
24 cultural programs, computers, books and other
25 materials. In fact, last year over 10 million

2 visitors made use of our critical resources. We are
3 especially committed to offering programs that
4 encourage and motivate children. Two days from now
5 we will hold our popular summer reading kickoff event
6 at Central Library. The program provides free..., in
7 addition to that we are helping to fight child hunger
8 during the summer break and are greatly expanding our
9 summer meals program from six libraries to twenty-
10 five. The program provides free weekday lunches to
11 children and teenagers. Throughout the year efforts
12 to provide resources to Brooklyn's children will
13 continue through popular programs such as Kid's Tech
14 Time, Bedtime Stories, chess for kids, Preschool
15 Story Time and Babies and Books. This work is
16 integral to our communities. Work the city council
17 has consistently supported and work we would expand
18 if we had the resources we truly need.

19 We are very thankful that our expense
20 funding was base-lined this year. However, as my
21 colleague Dr. Marx has testified and as you have
22 heard from us in the past, we are still operating
23 with 20% less discretionary funding than we had in
24 2008. This amount is roughly a \$15 million decrease
25 over the past six years. Despite this large funding

2 decrease we are expected to increase services and
3 want to increase services because public demand for
4 libraries is higher than ever. As part of a joint
5 request with the New York Public Library and Queens
6 Library we are asking for \$65 million in additional
7 funding this year to hire more librarians, expand
8 library programming and increase library hours of
9 operation. With increased city funding we would
10 offer additional and more convenient hours for our
11 patrons, provide more one on one assistance, expand
12 our print and digital collections and insure that all
13 Brooklynites have access to the library services they
14 need and deserve.

15 In order to offer these critical resources,
16 we must also have branches that are safe and
17 accessible. Our 60 facilities face nearly \$300
18 million in unmet capital needs. IN fact, more than
19 half our neighborhood libraries have capital needs
20 exceeding \$3 million. Last summer 10% of Brooklyn
21 libraries were forced to close because of faulty air
22 conditioning. This year Brooklyn Public Library has
23 asked the city council to join with the
24 administration, our borough president and state
25 government to find an \$82 million emergency

2 infrastructure fund to help stabilize a rapidly
3 deteriorating physical plant. This fund will go a
4 long way toward creating a library system that
5 Brooklynites can be proud of for generations to come
6 and feel safe attending. This money would allow us
7 to replace faulty heating and cooling systems, repair
8 roofs, replace window, install new fire safety
9 systems, and renovate our libraries to make them all
10 ADA accessible. These are repairs that need to
11 happen in order to protect the safety of our patrons
12 and staff and insure that everyone can make use of
13 our libraries.

14 I will in the interest of time, skip over
15 the capital portion of my testimony because I
16 understand this is about our operations and talk for
17 a moment about the support that we get from the
18 public.

19 Despite significant funding challenges that
20 we face, public support for libraries is stronger
21 than ever. Recent participatory budget results in
22 Brooklyn demonstrate how highly local residents value
23 their neighborhood libraries. Brooklynites casted a
24 total of nearly 4,000 votes in support of library
25 projects. Including technology upgrades at Midwood,

2 Mapleton and Rider libraries, a community room at
3 Sunset Park library, a new garden at Red Hook library
4 and space for the community and a green roof at
5 Windsor Terrace library. We are extremely
6 appreciative of this funding and the support of our
7 patrons and this symbolism their support provides.
8 Ultimately however we all need to receive much more
9 funding to address our system's vast financial
10 challenges.

11 In another show of community support
12 hundreds of Brooklynites participated in an annual
13 fundraiser that we held just a few weeks ago called
14 Bike the Branches. And I'll spare you the details of
15 that as well.

16 I do want to take a moment, however just to
17 talk about the Brooklyn Heights project in part
18 because of its complexity and the status of that
19 project, but also because it demonstrates the
20 library's willingness to also roll up our sleeves to
21 determine how we can contribute to the funding that's
22 necessary to repair the libraries across the borough.

23 Our Brooklyn Heights project represents
24 another way in which we are pursuing new sources of
25 revenue.

2 Our current library in Brooklyn Heights is
3 housed in a poorly laid out and uninspiring building.
4 That is hobbled by approximately \$10 million in unmet
5 infrastructure needs. The project will generate tens
6 of millions of dollars in funding for libraries
7 across the borough and get us out from under the
8 Brooklyn Heights library's current capital needs by
9 replacing the aging branch with a new expanded
10 neighborhood library. Our new Brooklyn Heights
11 library will still be a public facility, will still
12 be owned by the city and will be among the five
13 largest libraries in Brooklyn. We are looking
14 forward to working with the community to design the
15 new branch. With funding from this project, we can
16 invest in infrastructure upgrades throughout the
17 system. In the upcoming months, we expect to select
18 a developer for the project.

19 Brooklyn Public Library is committed to
20 providing our patrons with spaces that are first and
21 foremost safe and functional. Financing our
22 emergency infrastructure fund is a critical first
23 step in insuring that all sixty of our libraries can
24 meet this basic standard. As evidenced by our work
25 at Stone Avenue, at Coney Island and Gerritsen Beach

2 libraries with adequate funding we can also offer
3 inspiring spaces that are designed to meet modern
4 uses. Moreover with additional expense funding we
5 can fully staff all of our libraries, offer increased
6 programming, purchase additional books and other
7 materials and extend operating hours. Goals that we
8 are deeply, deeply committed to.

9 Besides Central Library's historic main
10 entrance, reads the following inscription. Here are
11 enshrined the longing of great hearts and noble things
12 that tower above the tide. The magic word that
13 winged wonder starts, the garnered wisdom that never
14 dies.

15 For over a century Brooklyn Public Library
16 has provided access to virtually all of humanities
17 knowledge free of charge. With your help, we will
18 keep this vital tradition alive. We look forward to
19 working with you to increase expense and capital
20 funding so our libraries can continue to entertain
21 and educate all Brooklynites. Thank you for your
22 attention and your consideration and I'm please to
23 answer any questions that you might have.

24 PRESIDENT QUINN-CAREY: Good Morning, I am
25 Bridget Quinn-Carey. I'm the Executive Vice President

2 and Chief Operating Officer at the Queens Library. I

3 want to begin by thanking the city council and the
4 committees for the opportunity to testify today.

5 Including City Council Speaker, Melissa Mark-

6 Viverito, Council Member Julissa Ferreras, Chair of

7 the Finance Committee, Council Member Jimmy Van

8 Bramer, Majority Leader and Chairman of the City

9 Council Committee on Cultural Affairs, Libraries &

10 International Intergroup Relations, Council Member

11 Costa Constantinides, Chair of the Subcommittee on

12 Libraries and Council Member Mark Weprin, Chair of

13 the Queens Delegation. And I will certainly edit my

14 remarks too, and read quickly. I promise.

15 Thank you very much for your opening

16 remarks. It clearly demonstrates how much you know

17 about libraries and how you know that it makes such

18 an impact on our communities and we're so incredibly

19 grateful for your unwavering support which has

20 certainly sustained the quality of public library

21 service in this city over the last half a decade of

22 very difficult budget cycles. Year after year as

23 annual proposed budget cuts threaten to dismantle the

24 system of public libraries as we know it. This

25 council spoke up, stepped up and made libraries a

2 priority. It is only because of this support and the
3 very large restorations made each year that we have
4 maintained five day per week service in every
5 community we serve and maintain core services that
6 our customers rely on.

7 Just last week I had the distinct honor of
8 officiating at a ceremony celebrating the graduation
9 of more than 50 of our Queens Library students.
10 These learners, and they ranged in age from about 20
11 to over 70, have turned to the library for free adult
12 education classes preparing for the high school
13 equivalency exam. It was an incredibly moving
14 experience. Some of those folks had come to the
15 library not speaking any English and working all the
16 way through, not only learning English but earning
17 their high school equivalency diploma. They took
18 advantage of classes, small group learning sessions
19 and access to resources and computers. Last week when
20 we celebrated their graduation and it was pomp and
21 circumstance, caps and gowns, the whole nine yards.
22 And each of them achieved their high school
23 equivalency diploma it was quite an event. I could
24 not have been more proud of these students and the
25 library team, those teachers and educators and

2 administrators that made sure that that actually
3 happened.

4 One of the graduates told the audience that
5 she was a new immigrant. Only three and a half years
6 ago she came to the library not speaking English and
7 today she's enrolled in a Community College. That
8 will certainly improve her life and the life of her
9 five year old daughter who she is supporting on her
10 own. She said I believe that my dream will come true
11 because the Flushing Library gave me the confidence
12 in the very first step. To perform everyday miracles
13 like that we must keep our doors open as many hours
14 as possible.

15 In 2008, libraries were funded to be opened
16 six day a week in every community in Queens. Queens'
17 customers enjoyed a 45 hour per week schedule,
18 delivered by a full time workforce of nearly 1,200.
19 The materials budget was about twice what it is
20 today. Since that time, as series of large budget
21 reductions spurred by a faltering economy began and
22 continued for the next six budget cycles.

23 The opportunities before us today is only
24 achievable with your support and we are very
25 encouraged by the current budget proposal from the

2 city council and for baseline funding in the mayor's
3 budget. We are so grateful to the mayor for
4 proposing an executive budget that sustains the
5 baseline of fiscal year 14 council restorations. We
6 are additionally grateful and encouraged by the
7 council's response to that budget, with a request for
8 an additional \$35 million to New York City's Public
9 Library funding this year. Which gets us half way
10 there. This represents a significant turning point
11 in that for the first time in many years, we can have
12 a conversation about what more libraries can do in
13 every community rather than what we have to give up.

14 New city funding for fiscal year 2015 will
15 translate directly into jobs with the hiring of new
16 employees to keep libraries open and with the
17 purchase of materials. With a full citywide
18 additional of \$65 million over the executive budget
19 proposal, we envision a vast increase in weekend
20 service, meeting the community demand for a six day a
21 week service in every single Queens library
22 facilitated by the filling of approximately 250 jobs.
23 In addition the materials budget, something has
24 suffered quite a bit at Queens, would see a much
25 needed increase.

2 Since 2008, as you know, significant
3 changes have occurred in the way that libraries
4 deliver information. Increasingly, customers are
5 demanding digital materials and the loaning of
6 digital materials is up significantly over year to
7 year. For libraries, however, this creates the
8 additional challenge of providing both digital
9 materials as well as print materials. And in fact,
10 doubling the demands on the material budget. We are
11 also providing users with access to mobile devices on
12 which to take advantage of digital materials. We are
13 lending devices, including Google Nexus Tablets for
14 free with a library card. In this important way
15 Queens Library helps our users keep pace with the
16 ever changing digital information landscape.

17 Your investment would be in people. In
18 jobs for children's librarians, teen librarians,
19 adult librarians, custodians, clerical staff, youth
20 counselors, adult literacy teachers, case managers,
21 and all of the public library public service staff
22 and other staff that support them to deliver high
23 quality library services. That investment will be
24 returned many times over in your communities. As the
25 doors are open on weekends and residents gain more

2 access to computers, resources, technology training,
3 English language classes, adult education programs,
4 and as you know, so much more.

5 The library continues to innovate and
6 deliver programs that meet the evolving needs of our
7 communities. The Queens Library Job and Business
8 Academy is a growing part of our programmatic efforts
9 and it's especially important for people that don't
10 have internet access at home. While this program is
11 incredibly successful, it is only available in 14
12 locations. Scaling it to make it available in every
13 location is crucial, but only possible with increased
14 support.

15 After school support remains a top priority
16 for the library. Providing an enriching environment
17 for students that assist them along their academic
18 path. In Queens, attendance for young adult programs
19 doubled between 2002 and 2011. We are now welcoming
20 nearly 450,000 annually. And expanding this core
21 service for children and teens after school requires
22 funding to hire new children and teen librarians and
23 youth counselors.

24 We are expanding early learning
25 opportunities. In addition to the traditional

2 library offerings for the very young, the Queens
3 Library is proud to share with you today that we have
4 been awarded the opportunity through the competitive
5 process with the Department of Education, to provide
6 universal Pre-K classes as part of the citywide
7 initiative. This initiative will tap into some of
8 the great unrealized potential of public libraries as
9 community based learning centers.

10 Last year we provided English language
11 learning and adult basic education to almost 8,000
12 learners. In addition we are one of only a small
13 group of invited organizations to be a pilot site for
14 administering the new online high school equivalency
15 exam. However, we know the need in these areas far
16 exceed what we can offer in a borough whose
17 population is almost half foreign born. Beginning to
18 restore six day a week service will begin to make
19 these objectives a reality. We are enormously proud
20 of all of our community libraries and their dedicated
21 staff, their programs and the value they deliver for
22 the community. We also know its imperative to
23 protect the investment in the physical space.

24 Like Linda I'm going to skip over some of
25 the capital stuff and get to the bottom line. I

2 think as Tony had also testified, the overall capital
3 needs are overwhelming. In Queens, the library
4 totals over \$287 million in unmet capital needs.
5 Critical infrastructure needs are \$16.8 million.

6 Public libraries have been and will
7 continue to be the most democratic of institutions.
8 Offering free educational services and resources to
9 every New Yorker. Now is the ideal time to reinvest
10 in the people that make our city libraries great. We
11 know you face some tough negotiations ahead. As you
12 do, we urge you to remember the testimonials, the
13 stories, the people you met on the video and think
14 about how libraries literally change lives in the
15 City of New York.

16 Again I want to thank you for your support
17 and what support you have shown year after year to
18 the institutions during the toughest of times. Thank
19 you for the opportunity to testify today and I
20 welcome any questions.

21 CHAIRPERSON FERRERAS: Thank you for your
22 testimony. We've been joined by Minority Leader
23 Ignizio, Public Advocate James, Council Member
24 Gibson, Council Member Johnson, Council Member

2 Lander, Council Member Koo, Council Member Levine,
3 Council Member Crowley and Council Member Cornegy.

4 Just a reminder to my members we are on a
5 five minute clock. We have DCA coming before us in a
6 half hour. So we'll try to get everything in within
7 thirty minutes so the new commission doesn't have to
8 wait too long.

9 Again we will now hear from the Public
10 Advocate followed by the co-chairs who will have
11 their questions.

12 [Background talk]

13 PUBLIC ADVOCATE JAMES: Thank you Madam
14 Chair, thank you council member, Chair Van Bramer and
15 council member, Chair Ferreras and to the city
16 council as always, for allowing me to say a few words
17 and to ask a few questions at this hearing.

18 First let me ask..., my first question is to
19 Mr. Marx. Mr. Marx, there was an article I believe
20 in the New York Times most recently with respect to
21 the cost associated with the Central Library plan.
22 It was originally estimated to be \$300 million and
23 then my understanding is that the original cost was
24 \$500 million. When did those numbers change and why
25

2 was the city council not notified with respect to the
3 increased costs.

4 PRESIDENT MARX: Well thank you. The
5 original estimates I think were \$315 million that was
6 back in 2007. Obviously the world has changed
7 considerably. We heard from our elected officials
8 and from the public that we needed to submit the
9 entire plan for a cost estimate. We had to have a
10 plan that was ready to submit to that. About nine
11 months ago we had that plan. We sent it out, as we
12 said in public. And as soon as we got the results of
13 that we saw that a plan that had been estimated at
14 roughly \$315 million was headed north of \$500
15 million. We thought it was irresponsible to blow
16 that kind of a hole through our budget given the
17 needs of the system that we're talking about here.
18 And we were able to find a way to solve all the
19 crucial needs in Midtown. Renovating the Mid-
20 Manhattan, our largest branch, half of its users come
21 from outside of Manhattan. The largest renovation of
22 our main building so that 50% more space for the
23 public, so that all New Yorkers are welcome and
24 storing all of our books for a budget that was more
25

2 like the original budget that we had been starting to
3 talk with you all about in 2007.

4 PUBLIC ADVOCATE JAMES: I hate to cut you
5 off but my time is short and so I'm not trying to be
6 rude but I only have five minutes.

7 PRESIDENT MARX: Sorry.

8 PUBLIC ADVOCATE JAMES: And I know that
9 they are going to stick to the clock.

10 It's also my understanding that Mr. Stephen
11 Schwarzman whose the head of Blackstone said recently
12 that he was going to transfer \$100 million to the New
13 York Public Library. He said it was primarily for
14 the Central Library plan. Are you aware of that
15 transfer?

16 PRESIDENT MARX: Mr. Schwarzman made a
17 pledge that is now complete. It was completed this
18 year. Of \$100 million, as per the agreement with him
19 and his generous gift, it is in the endowment
20 providing funds for the operating of the library. It
21 was not funding for the renovation. It was funding
22 for all of the programs, books, librarians of the
23 libraries and it is now in our endowment and
24 providing roughly \$5 million a year additional
25 budget.

2 PUBLIC ADVOCATE JAMES: And will that gift
3 be dedicated primarily to the branches within New
4 York City or will it be shared amongst all of the
5 branches.

6 PRESIDENT MARX: So that gift was to the
7 New York Public Library and remember roughly half of
8 our budget comes from private sources. Those gifts
9 as well as the return on \$1 billion endowment.

10 PUBLIC ADVOCATE JAMES: My other question
11 is, according you IRS 990 form I note that there have
12 been some significant payments to fundraisers who
13 assist the New York Public Library with raising
14 money. For example, one fundraiser raised \$26,000,
15 took a commission of \$17,000. Is that the norm?

16 PRESIDENT MARX: Not at all. The library
17 spends on its development efforts, mostly in-house.
18 We have a staff of roughly 50 and that has enabled us
19 to raise on average, \$85 million of private money
20 every year. The year before this, we raised a record
21 of close to \$100 million. So our return for
22 investment in fundraising is actually way above the
23 industry average.

24

25

2 PUBLIC ADVOCATE JAMES: And was there any
3 agreement with Mr. Schwarzman with respect to naming
4 rights?

5 PRESIDENT MARX: Yes. The pledge that he
6 made, again this goes back to I think 2007 as I
7 recall, was that his name..., that his name would be on
8 the main building at 42nd Street and Fifth Avenue.

9 PUBLIC ADVOCATE JAMES: Let me now turn to
10 Brooklyn. In Brooklyn, Ms. Johnson, I understand
11 that Brooklyn Public Library published a strategic
12 plan calling for all of its real estate assets to be
13 leveraged. Can you elaborate more on the plans for
14 all of the assets in Brooklyn to be leveraged?

15 PRESIDENT JOHNSON: The idea is that we
16 need to make the best use of our resources regardless
17 of where the libraries are located and as we have
18 been doing over the past three years, we've been
19 looking for partners to help us take care of the
20 branches that we are responsible for. And in those
21 cases where Brooklyn Heights is the most extreme
22 example, a case where a particular library has
23 significant value. We are leveraging that value in
24 order to take care, not only of that branch, but also
25 other branches in the system that actually don't have

2 the intrinsic value but that could benefit greatly by
3 investment in the infrastructure there.

4 PUBLIC ADVOCATE JAMES: Is there an overall
5 plan for all of the branches in the Borough of
6 Brooklyn and if so, can the city council as well as
7 my office have a copy of those plans?

8 PRESIDENT JOHNSON: There is not a plan for
9 the overall branches.

10 PUBLIC ADVOCATE JAMES: So after Brooklyn
11 Heights, what is next?

12 PRESIDENT JOHNSON: Well part of it depends
13 on the opportunities. I think you know that we have
14 made a commitment to participating in the Band South
15 Project and that will be our next focus raising money
16 to fit out the space there. That will not be at the
17 expense of the Pacific Street Library which is just a
18 block away.

19 PUBLIC ADVOCATE JAMES: Great Segway. What
20 are the plans for Pacific Street?

21 PRESIDENT JOHNSON: For Pacific Street, we
22 will need to find a partner. We will work as
23 diligently as we can to preserve that beautiful
24 building. But that building is in a condition right
25 now that keeps us all up at night. It needs a lot of

2 work. Probably \$9 million of work and I think the
3 idea there is to find somebody who would like to work
4 with us to make that happen.

5 PUBLIC ADVOCATE JAMES: And do all of you
6 share the same architects, engineers whenever there's
7 a capital plan? Or is in each system, separate and
8 apart in terms of capital projects. Do you ever
9 share? Is there any savings associated with capital
10 construction that you know?

11 PRESIDENT JOHNSON: No. We do not share
12 architects, or construction firms. We collaborate in
13 the sense that we talked to one another, tried to
14 determine best practices and learn from one another's
15 successes and mistakes. But there's significant
16 volume within each system and again as I think Mr.
17 Marx testified, we are also, when using public money
18 at this point, doing construction through DDC, but
19 also we'd like very much to be able to use pass
20 throughs to do our construction more efficiently.
21 Both economically and in terms of time. Thank you.

22 CHAIRPERSON FERRERAS: Thank you Public
23 Advocate James. I want to speak specifically on base
24 lining or the potential of capital as you know.
25 Libraries represent less than 1% of the total capital

2 expense for our city. Which is at 48.9 and I'm going
3 to be engaging Dean Hoolihan in this conversation
4 about a bigger picture, so I just need this for the
5 testimony. I know we've all had this conversation,
6 but it's vital for me for the record.

7 Can you explain to me what the impact if
8 you were to receive baseline funding, what that would
9 mean for your system? Capital in this case.

10 PRESIDENT MARX: So, what we have proposed
11 and we've been in discussions, is in addition to the
12 new deal of operating which would allow expanded
13 hours, expanded educational programs and we would
14 also find additional private sources unprecedented
15 amounts of private sources to match. On the capital
16 side, what we have been hoping for is simply a more
17 rational approach that allows us with a goal of what
18 can be spent in four years that is still at the
19 discretion of the city council and the mayor. And
20 I'm sure there are libraries particularly in poorer
21 neighborhoods that we can focus on to improve, that
22 need capital improvements. It would allow us to
23 plan, and we would also..., we would like to be able to
24 raise additional private money so that we can do
25 those as pass-throughs because in our experience and

2 we're happy to provide the city council with all the
3 data of all of our projects and all the contractors
4 and architects thereof. We have found that when we
5 manage those projects, we can get them done in half
6 the time for half the money. SO we want New Yorkers
7 to get more in terms of the renovations of their
8 libraries in every neighborhood.

9 CHAIRPERSON FERRERAS: So just as a follow-
10 up to a DDC hearing that we had in reference to
11 capital project timelines. And I know that you just
12 mentioned the past year component. Can you speak to
13 me on the statistics or what on average..., what's the
14 length of time for projects to go through the
15 systems?

16 PRESIDENT MARX: So I can tell you that
17 looking and again I'm happy to give you these
18 projects. For capital projects in the last decade,
19 when we managed the projects the average trade cost
20 was \$316 per square foot and it took about two years.
21 The DDC projects were about \$435 per square foot and
22 took 6.7 years. For new construction, our cost was
23 about \$497 per square foot and an average of 3.6
24 years and also exactly double for DDC in terms of
25 both cost and time to get the project done. And of

2 course, not only does more money mean there's less
3 money to do more projects elsewhere, but everyone
4 gets frustrated. Every constituent, every elected
5 official, we get frustrated when it takes twice as
6 long to get these projects done because people are
7 eager for them and very unhappy when their libraries
8 are closed even for renovation.

9 CHAIRPERSON FERRERAS: Are you speaking for
10 all three systems?

11 PRESIDENT MARX: That is our data.

12 CHAIRPERSON FERRERAS: Would you like to
13 speak on this issue?

14 PRESIDENT JOHNSON: Yes, I don't have as
15 formal a presentation to make on the issue of square
16 feet and cost per foot. But anecdotally over the
17 past three years we have done some projects privately
18 in particular at Coney Island and in the Central
19 Library and finish those projects on time and on
20 budget, I'm proud to say. Because our capital
21 planning and facilities management team has been
22 diligent. Where we would very much like to take that
23 experience and urge DDC and OMB to allow us to do
24 pass throughs so that we can actually get some of
25 these projects that are in the pipeline completed on-

2 time and on budget. We have experience in Park Slope
3 where it took three years to renovate a relatively
4 small library. Kensington Library which we built
5 from ground up through DDC that took 11 years to
6 build. And I will say that since the new
7 commissioner of DDC has come on board, we have met
8 with him, we've had a good meeting where we have gone
9 through some of the history that we found
10 challenging. I think he understands the problem and
11 is looking for ways to work more efficiently on those
12 projects that DDC completes for us.

13 CHAIRPERSON FERRERAS: So when..., I'm sorry.

14 PRESIDENT QUINN-CAREY: Yes. I can weigh
15 in a little bit on this too. We certainly view DDC as
16 our partner in these projects and even for pass
17 throughs DDC is definitely part of that overall
18 process. And I can just give you a couple examples
19 of some recently completed projects that I have
20 comparisons on.

21 We find that the interior renovations are
22 projects that we can handle very effectively and cost
23 efficiently. So, for example Queensboro Hill which
24 was a DDC project, the renovation took 24 months and
25 it was \$953 per square foot. Similarly sized and

2 scoped projects, Fresh Meadows and Bayside. Those
3 renovations took considerably less. Less than a
4 year. And the cost for Fresh Meadows was \$109 a
5 square foot and Bayside was \$153 a square foot. Now
6 that was state funding, it was not city funding. We
7 were able to do those on our own. So it kind of
8 gives you an order of magnitude of where we can find
9 some savings. But we do have a great working
10 relationship with DDC and understand that they are a
11 critical partner for us as we move forward with our
12 capital plans.

13 CHAIRPERSON FERRERAS: Clearly. And what
14 is the challenges you face when why some projects go
15 through pass throughs and others don't. Is it an
16 administration issue, is it a funding issue, is it
17 a..., what's the issue where we don't have more
18 projects going through fast.

19 PRESIDENT MARX: As I understand it Madam
20 Chairman those are discussed with OMB and with DDC,
21 again important partners for all of us. Also, as I
22 understand it, a pass through requires or typically
23 requires some private investment and in at the New
24 York Public Library I know that that macro numbers
25 are roughly 10% of our branch renovation and

2 construction comes from private sources which is
3 helping obviously to fund them but also to make pass
4 throughs. In the case of the Central Library, the
5 Midtown renovation, obviously our private investments
6 are significantly more than that. It's roughly the
7 50/50 split that we started with in 2007.

8 PRESIDENT JOHNSON: If I might add to that.
9 In order to do a project as a pass through we need
10 authorization to make that happen. And there's
11 certain criteria that we need to demonstrate in order
12 to get that authorization. Brooklyn public library
13 hasn't had a long tradition of pass throughs. It's
14 just been in the last couple of years. But in
15 addition to putting up collateral we actually need
16 authority to move forward to work on city buildings
17 privately without DDC and I think that creates, at
18 least for us, part of what's holding us back.

19 PRESIDENT QUINN-CAREY: We have to
20 demonstrate that the project is fully funded. So if
21 we take a number of years to gather the funding, then
22 we have to wait until we have it fully funded before
23 we can even approach the approvals. So it is a long
24 prescribed process. I think we'll all up for the
25

2 challenge though and would like to be able to pursue
3 those in the future.

4 CHAIRPERSON FERRERAS: So in many ways, I
5 believe that you have to..., you know and I'm you speak
6 to OMB and DDC all the time. So we have to figure
7 out a way where this makes sense. Especially when
8 we're talking about efficiencies. Because all this
9 does is create more frustration on our end and it's
10 where we don't want to get to the point where people
11 are not investing because you don't see the resources
12 or actually what you want. Because of course our
13 constituents don't understand that they're separate
14 systems. That you raise privately. All they
15 understand as you very well showed in the video, I'm
16 lined up outside to get into the library and I want
17 to make sure that I'm able to use it.

18 So I want to give it over to my co-chairs
19 because we have several questions and I want to do
20 this all within time. So I'm going to now pass it
21 over to my co-chair, Chair Van Bramer.

22 CO-CHAIRPERSON VAN BRAMER: Thank you very
23 much Madam Chair and I think you highlight a very
24 important issue within the City of New York and that
25 is the ongoing and really systemic issue with capital

2 funding for libraries and I'm very proud that we
3 included in our budget response a calling for a real
4 plan, a real way forward, where there is a
5 demonstrated commitment to the long term capital
6 needs of our libraries. The film that we saw is
7 absolutely powerful and gripping, but the truth is
8 that everything that happened there needs a roof that
9 doesn't leak and needs windows that are free from
10 wind and HVAC and air-conditioning and all sorts of
11 things that they need to happen in order for all that
12 magic to take place. And we need a commitment, a
13 citywide commitment really for capital resources that
14 will alleviate the issues that all of you are facing.

15 I want to go back to expense though,
16 because we are looking at a funding increase
17 hopefully. We're pushing very, very hard for a
18 meaningful increase for funding for libraries on the
19 operating side. If you received \$65 million this
20 year, 3 systems. How many people would be hire back?
21 Would those be people who were laid off or attritted?
22 And how would you handle that? So give us the
23 numbers, the raw number of how many people you're
24 going to hire back for each system and if you're
25 going to call back anyone who might have been laid

2 off in the order that they were laid off to hire them
3 back.

4 PRESIDENT QUINN-CAREY: I'm happy to start
5 with that one. With the \$65 million restoration
6 scenario we would look to fill about 250 jobs. And
7 that would include positions that had been attritted
8 over time and would include going to the preferred
9 list to bring people back. And in fact we have
10 brought back a number of people from the preferred
11 list already. After the notification of a baseline
12 budget, we have some very, very critical and
13 positions. So we've already gone to the preferred
14 list and filled four positions and we have other
15 positions that are posted. So with the full
16 restoration we anticipate that in the preferred list
17 we would also be able to go back to that list to
18 hopefully bring them back.

19 CO-CHAIRPERSON VAN BRAMER: Linda.

20 PRESIDENT JOHNSON: Yes we would actually
21 be hiring 200 employees with an additional \$65
22 million to the three systems. And would also go to
23 the preferred lists. But also would make sure that
24 we are hiring the right type of staff given the needs
25 that we have today and the services that we're

2 looking to provide. We've already started to hire
3 children's librarians. Because we believe every
4 library should have a children's library in it.

5 PRESIDENT MARX: We believe we would be
6 hiring 300 and adding 320 staff. Again as Linda
7 described it in terms of the process. For us we're
8 significantly expanding our educational programs. In
9 fact the New York Public Library has invested about
10 \$12 million of private money to jumpstart those in
11 the hope and preparation for a partnership with the
12 city ongoing. And so that is a slightly different
13 mix of folks, though obviously we're happy to find
14 talent and look for talent wherever we can and will
15 be delighted to more librarians to help with Pre-K
16 work, to open more hours. All the things that we are
17 aspiring to do.

18 CO-CHAIRPERSON VAN BRAMER: That's close to
19 800 New Yorkers being employed and I know you may not
20 be able to come up with an exact number here, but
21 what percentage of those might be union employees and
22 union jobs?

23 PRESIDENT QUINN-CAREY: Typically our mix
24 is about 80/20. Between union and non-union we would
25 envision sticking to that percentage.

2 PRESIDENT JOHNSON: The same for us.

3 PRESIDENT MARX: Because of the research
4 libraries and other differences from the systems. I
5 think our mix is closer to 70/30 as I recall and
6 again we would anticipate staying within that range.

7 CO-CHAIRPERSON VAN BRAMER: So that's a
8 significant factor and I know that all of us here
9 care greatly about hiring back any workers who may
10 have lost their jobs. But these are good jobs in
11 every neighborhood across the City of New York, in
12 our district and it's really vitally important. In
13 terms of hours and days of service, with the \$65
14 million, where would you go in terms of numbers of
15 libraries open six days, maybe some seven days and
16 expanding hours? Tony you spoke a little bit about
17 this earlier in your testimony. But for all three of
18 you.

19 PRESIDENT MARX: We would go from
20 46.something, to I think its 52.something and
21 obviously we would like to if possible, go beyond
22 that in terms of Sunday hours, in more of, we have I
23 think four or five facilities that are now open on
24 Sundays. Again particularly people who are working
25

2 or are in school, Sunday is an important day for
3 access to libraries.

4 PRESIDENT JOHNSON: Similarly we would open
5 all libraries six days a week and hope to open seven
6 days a week in 10 to 15 branches. Currently we only
7 have two branches open on Sundays. We're currently
8 at 43 hours a week and we would like to get up to 48.

9 PRESIDENT QUINN-CAREY: Our numbers are
10 very similar. We would increase to an average weekly
11 hour estimate of 46.9, almost 47 hours per week and
12 have 60 libraries open six days a week. At least two
13 open Sundays and if we could we would open more on
14 Sundays.

15 CO-CHAIRPERSON VAN BRAMER: That would be a
16 very dramatic level of service increase for the
17 people of the City of New York and one that in think
18 would be much, much needed for all and I just want to
19 reiterate my commitment to fighting for this and
20 working with the administration and all of my
21 colleagues who care so very much. In this moment
22 where we talk so much about equity access and really
23 ending inequality, I've always believed, I know this
24 to be true. There is no institution that tackles
25 inequality in the way that public libraries do.

2 Because everything that you do is free and everyone
3 can enter into those libraries and have their lives
4 changed for absolutely no cost whatsoever. This is
5 an investment the City of New York must make. If our
6 city is to truly bring equity to every single
7 neighborhood and access to a better life. So with
8 that I want to ask my co-chair of the Select
9 Committee on Libraries Chair, Costa Constantinides to
10 ask him questions.

11 CO-CHAIRPERSON CONSTANTINIDES: Thank you
12 Chair Van Bramer and Chair Ferreras who is not here
13 at the moment. Just want to build on both of my co-
14 chairs conversation about capital needs. Sort of, if
15 you don't take care of your things, it costs more to
16 fix them as the time goes along. So I see..., I know
17 that the Queens..., you have sort of represented \$287
18 million in capital needs for FY15. I know Brooklyn
19 somewhere around \$300, is that an accurate number?

20 PRESIDENT JOHNSON: Yes. 300.

21 CO-CHAIRPERSON CONSTANTINIDES: And then
22 for NYPL. That number I didn't have off the top of
23 my head.

24 PRESIDENT MARX: I think it's in the upper
25 400's.

2 CO-CHAIRPERSON CONSTANTINIDES: Now what
3 are the projections that we have sort of in the out
4 years? Going FY16, Fy17. Because the longer we
5 allow things to sort of move forward, those problems
6 are going to be exacerbated and of course capital
7 needs that may not be in FY15 may be happening FY16,
8 FY17. What do you project your capital needs being,
9 sort of, in the out years?

10 PRESIDENT MARX: So for us, the \$491 total
11 of capital needs is what we know of now and as you
12 say, the sooner we get to it the less expensive it
13 can be and there are other ways to make it less
14 expensive. Can I just say beyond that I have a sense
15 that there's a general enthusiasm in finding creative
16 solutions here. That this is a new moment. Just as
17 the city has been creative in finding solutions on
18 the Affordable Housing front. We all need to work
19 together to be creative on exactly this issue for the
20 reason you describe sir.

21 CO-CHAIRPERSON CONSTANTINIDES: Yeh, I mean
22 I definitely echo my co-chairs concern. Because as
23 time moves along, we don't find a creative solution
24 to our capital needs, we're going to continue with
25 these band aid approaches. Because I know that for

2 FY15 I see what \$93 million for Brooklyn and that
3 leaves you with a \$207 million shortfall. That's a
4 fair representation?

5 PRESIDENT JOHNSON: Yes.

6 CO-CHAIRPERSON CONSTANTINIDES: And that's
7 not where we want to be as a city. We want to make
8 sure that as Chair Van Bramer and Chair Ferreras has
9 said, the roofs, the HVACs, the air conditioning, the
10 doors can be opened because the building is not
11 falling apart. And that's the creative solutions
12 that we are committed to at this council and through
13 the leadership of our Finance Chair, our Chair of
14 Cultural Affairs and myself and everyone at the
15 council looking to find those creative solutions.

16 Quickly on technology. As we look to the
17 21st Century. What the 21st Century library looks
18 like. And all three systems are doing a great job of
19 that. What are your technology budgets for materials
20 and technology for fiscal fy15 and FY14?

21 PRESIDENT QUINN-CAREY: Our materials
22 budget in fiscal year 14 was \$5.2 million. Vastly
23 reduced from what it had been in years past. And
24 currently with just the baseline budget for fiscal
25 year 15 we are looking at a \$4 million book budget...

2 materials budget. As far as technology, we are
3 looking at about \$8 million and that's all in.
4 That's staff and maintenance contracts and all of the
5 work that goes along with technology. That's fiscal
6 year 14 we would hold that about the same for fiscal
7 year 15 unless there's restorations.

8 PRESIDENT JOHNSON: In Brooklyn, we are
9 spending a total on materials of \$8.7 million and on
10 technology, we have a technology budget in excess of
11 \$4 million.

12 PRESIDENT MARX: We spent in FY13 on branch
13 circulating materials, \$14 million. We were able to
14 raise it to \$15 million in the last year. We spend
15 about \$18 million total on technology. That's both
16 materials as well as hardware. And what we have seen
17 is obviously we circulate many more physical books,
18 but the rate of increase of electronic books is
19 climbing roughly at doubling every year at this
20 point. So we know that's an increase in demand that
21 we have to meet.

22 CO-CHAIRPERSON CONSTANTINIDES: I'm just
23 sort of curious about, sort of outreach in the
24 communities beyond sort of the physical branches, I
25 know in Queens that there's the Queen Center Mall now

2 has a branch that comes out. I've spoken to the
3 Queens library about mobile units and how they can
4 get them out either to our NYCHA developments or
5 areas where maybe the library is a little bit further
6 away. How would this technology bundle sort of mesh
7 with that, what else can we do to sort of make those
8 things happen?

9 PRESIDENT JOHNSON: At Brooklyn Public
10 Library we started to look at that. Mobile units in
11 the past have traditionally meant book mobiles and we
12 think there are new and better ways to use technology
13 to reach into the neighborhoods. But at the end of
14 the day, its' really about people making connections
15 in the neighborhoods. We're all working on a project
16 called My Library NYC which brings the database of
17 all three library systems into the public school
18 systems. And we know from experience in the pilot of
19 that program that nothing is more successful than
20 having an outreach librarian involved in that process
21 of bringing the materials into the schools to help
22 both the teachers and the students. So one of the
23 things that we would do of course with additional
24 funding for the upcoming fiscal year, is to have more
25 outreach librarians.

2 PRESIDENT QUINN-CAREY: Additional
3 technology outreach. We would certainly welcome the
4 opportunity to expand even further. Our device
5 lending program we do have 5,000 Nexus tablets that
6 were donated by Google that we have just started
7 expanding to the entire borough. But, you know,
8 that's only one type of device. We would like to do
9 more with that and work with communities and
10 organizations to insure that they are getting to the
11 communities and being used for educational
12 opportunities throughout the borough.

13 PRESIDENT MARX: In addition to what my
14 colleagues have been describing we've been working
15 very closely with colleagues in the mayor's office
16 and also with folks in Washington on the notion that
17 even if you have a device. If you cannot afford or
18 do not have broadband access at home, the device
19 isn't going to do you a whole lot good. Something
20 like a third of New Yorkers are in that situation and
21 there are many neighborhoods that we know where the
22 percentage must be much higher and we're trying to
23 think of a way in which the libraries can help to
24 provide broadband into the poorest neighborhoods.
25 Not on the streets or in the parks, but at home where

2 people actually live and work. And that would be...
3 if we do this right, New York with its libraries and
4 in partnership with you all could be the breakthrough
5 to the digital divide that is such an issue in this
6 country.

7 CO-CHAIRPERSON CONSTANTINIDES: I mean I
8 definitely share that concern and want to thank you
9 for your work. The libraries really are amazing
10 places and they really are community hubs. And as we
11 look to the 21st Century while we've maintained the
12 robust book budgets, and people come in to get those
13 books. Libraries also provide internet access,
14 opportunities for people to apply for jobs, learn a
15 skill, learn English, learn how to use email for the
16 first time, connect students to the world around
17 them. And as we look to stem as a real sort of
18 opportunity for the future. I know we're all very
19 concerned about that and how we can utilize the
20 libraries to continue those good works. Thank you.
21 Thank you Chair Ferreras.

22 CHAIRPERSON FERRERAS: Thank you Chair
23 Constantinides. I bet you're very proud I can say
24 that.

2 We will now have Council Member Lander
3 followed by Council Member Koo and we've been joined
4 by Council Member Reynoso.

5 COUNCIL MEMBER LANDER: Thank you very much
6 too all three of our chairs here. I appreciate all
7 the support. The Queens support for libraries. And
8 I'm glad to hold up the Brooklyn end a little bit
9 here. I do first want to..., I don't know that anyone
10 was focused on the power point that the three systems
11 sort of put on our desk. But I do want to call
12 attention to slide 8 which essentially offers a deal
13 that I'm prepared to accept today basically. The
14 city's committing of increasing library budgets of
15 \$65 million, a dedicated capital fund of \$500 million
16 and an exchange, a commitment to six day service,
17 expanded service for English speakers of other
18 languages, workforce increases, more private funds
19 raised and a bunch of basic needs capital projects
20 funded. So I just want to call attention to that. I
21 think it's to me kind of this hearing summarized in a
22 slide. So I appreciate your preparedness.

23 PRESIDENT MARX: Done.

24 [Laughing]

2 COUNCIL MEMBER LANDER: And I want to ask a
3 question about it and I guess this in some ways
4 mostly to Linda, although I think it is a question
5 for the other systems as well. One thing that I
6 appreciate that's highlighted there is the need for
7 an improved capital project process. And you've
8 asked us, the Brooklyn delegation, for \$20 million
9 towards the \$300 million in overall capital needs, or
10 maybe particularly the \$82 million in emergencies. I
11 am supporting the Brooklyn Heights project because it
12 contributes more resources if done right to that
13 need. And I would like to see us have a broader
14 systemic approach in which there is genuine capital
15 centrally available for all three systems. But we
16 really then do need both the planning and the
17 implementation of the projects, that process
18 overhauled. Because we have no ability..., you don't
19 seem to have an ability to plan. We don't really
20 therefore have an ability to know what you're
21 planning. It's very project by project. You come
22 hat in hand to members, things are done, and you know
23 the public feels like it's behind closed doors. Can
24 you start to imagine what the system would be if we
25 were able to come up with additional resources and I

2 guess this is both in the medium and the long term,
3 right. In Brooklyn I'm hoping that we will come up
4 with tens of millions. You know hopefully maybe as
5 much..., between all of the commitments that I hope the
6 administration, the council, and the borough
7 president will make. Add in the Brooklyn Heights
8 money. Maybe we'd have \$100 million. What's the
9 process of being smart and thoughtful and strategic
10 in how we plan and then efficient in how we spend
11 that money. Because today's system is not getting us
12 there.

13 PRESIDENT JOHNSON: Let me address this in
14 several parts. A significant problem that we have
15 right now is one that Chairman Constaninides raised.
16 Which is that we are dealing with projects when they
17 are true emergencies because the lack of funding
18 means that we have limited resources to deal with the
19 very large problem and so it's the squeaky wheel.
20 And that's not a good way to plan because what looks
21 like is going to be the next project one minute,
22 might fall further down the list based on some dire
23 need that arises out of left field. And this
24 happens. The other problem that we face is the
25 funding streams and, you know, we start a project and

2 we think it's going to cost "x" and by the time we
3 get it through the process with DDC, it turns out
4 that the estimate is low and now we have to find more
5 funding and no one wants to begin the project if they
6 think they can't finish it. So, as you know, the
7 system isn't great the way it exists today. I think
8 in a perfect world we would get through and that's
9 why we've asked for this emergency fund of \$82
10 million, to all of the bodies that you mentioned in
11 addition to we've also gone to the state and asked
12 the state for money as well. And if could get the
13 emergencies taken care of, then we could actually
14 come up with a much better system and plan to address
15 the remaining items.

16 And I also want to say that in all of these
17 discussions about our capital needs, we are really
18 setting a very low bar, which kind of breaks my heart
19 and everything that we've been talking today has been
20 about really basic infrastructure needs. HVAC,
21 boilers, roofs, windows that don't have drafts.
22 Really what we need to do is to create inviting
23 inspiring spaces. But unfortunately until we have
24 safe spaces, we can't get there. So, we're also
25 trying when we're going into work on some of these

2 libraries, to..., we tackle a project when we've got a
3 number of things that can happen at one time so that
4 we're not closing the library more than it needs to
5 be closed. So if we're going in to do, for example,
6 a roof and we know that that building will be offline
7 for a while, we at the same time will try and also
8 take of a technology need like self-check, which we
9 installed across all the libraries. So it's partly...,
10 it's a very dynamic process with a lot of factors
11 that come into play in terms of deciding what to do
12 and when. And I hear the buzzer but I want to say
13 one more thing about the Brooklyn Heights money.
14 Which is that will yield a pot of money that we can
15 work with and we have been for months now, working on
16 a plan about how the funds will be used. Of course,
17 we need to know how much money the project will
18 generate before we can spend it. But it's also a
19 process that we will involve elected officials and
20 the community in and we will of course try to use
21 those funds in libraries where not only the need in
22 the building is great, but the need in the community
23 is great.

24 COUNCIL MEMBER LANDER: I appreciate that
25 transparency and I think in addition to detailing as

2 you have, the \$82 million in emergency expenditures,
3 the more transparent we can be with the public and
4 you can be with us so that it's really clear how all
5 this money is being spent, where the need is, what's
6 coming from where and what's going to where, is just
7 essential for all us. For us to be able to try to
8 push for the commitments on our end and for us to be
9 able to work with you on those projects across the
10 board.

11 PRESIDENT JOHNSON: Thank you very much.

12 COUNCIL MEMBER LANDER: Thank you.

13 CHAIRPERSON FERRERAS: Thank you Council
14 Member Lander. Council Member Koo, followed by
15 Council Member Johnson.

16 COUNCIL MEMBER KOO: Thank you all the
17 chairs. And thank you for the leadership of the free
18 library systems. I want to say thank you to all of
19 you because of your leadership. Library services is
20 very important. I would say library service is
21 almost..., just as equally important as hospital
22 service. Hospital take care of our physical health.
23 Libraries take care of mental and spiritual health.
24 So I would advocate for more funding for library
25 service. Because I would say that if we increase

2 library service crime will come down and other
3 things..., other social problems will come down. So we
4 want to encourage our residents to use more library
5 service. I am Council Member Peter Koo I'm from
6 Flushing, Queens. And people always ask me, what's
7 Flushing? I always mention to them that Flushing, we
8 have a library system. We have a library that is the
9 most busy in all of New York City, probably in the
10 whole country. It is something I am very proud of.
11 Because my residence uses the library a lot. Not
12 only as resources for books. But they go there for
13 classes, for concerts, for business symposiums, a lot
14 of activities. So library has become that town hall
15 of the community now.

16 So, I want to say to my colleagues on this
17 committee and the administration, please support the
18 library as much as possible. It is really critical.
19 So that our new immigrants have access to knowledge.
20 Knowledge is power. And my question is actually,
21 talking about technology. We all know that
22 technology is improving a lot, every five years,
23 change all the cell phones, and everything. With my
24 cellphone I can access all the books, almost, I mean,
25 if I can pay for it. I can get Amazon. But a lot of

2 immigrants, they don't have access to internet. So
3 what do you foresee in the future for the library
4 systems. I mean will all libraries have increased
5 access of internet and Wi-Fi service?

6 PRESIDENT QUINN-CAREY: Yes. One of the
7 strategies to connect immigrants with technology and
8 other users, is absolutely by lending devices, but
9 also expanding our Wi-Fi service to be a wider fi.
10 So in many of our buildings we do have Wi-Fi Service
11 that expands beyond the borders, so that other people
12 can take advantage of the Wi-Fi service. And we also
13 make an effort to seek out where there is other Wi-Fi
14 providers in a community. Free Wi-Fi providers in a
15 community so that we can share that information so
16 people can use it when the library is not available.

17 And then the project that Dr. Marx was
18 talking about will even expand that further. And I
19 can turn that over to you for more details.

20 PRESIDENT MARX: Well, just, I think there
21 are at least two ingredients here. One is people
22 need devices and broadband access more in the
23 libraries, but also at home. Because people are
24 lining up for those computers in our branches. You
25 know, a third of New York doesn't have that access at

2 home. We need to get them that access at home. But
3 it's not just the devices and the broadband. It's
4 the content as well. Because a third of New York
5 depends on the public libraries to be able to read
6 because they can't afford to buy the books or
7 subscriptions that they want. And we provide those
8 for free. We are proud that two years ago we were
9 able to get the entire commercial publishing industry
10 to let us buy and lend e-books for free for the first
11 time. Which is now providing that access nationally.
12 Not only in New York but there is much more work to
13 be done and as we know from the front pages of the
14 newspaper, this is a vigorously debated issue in the
15 commercial world.

16 COUNCIL MEMBER KOO: So how often people
17 use e-books? Do you provide e-books now?

18 PRESIDENT QUINN-CAREY: Yes all three of us
19 provide e-books and I think we add to collections
20 robustly each month as much as we possibly can. The
21 use of our e-books. We see an increase of almost 23%
22 month to month of the use of the electronic books.
23 But it's not just e-books, its online digital video,
24 digital music, spoken word and we provide as much
25

2 content as we can possibly find in international
3 languages, online.

4 COUNCIL MEMBER KOO: Thank you, thank you
5 very much.

6 CO-CHAIRPERSON VAN BRAMER: Thank you very
7 much Council Member Koo. I do not see Council Member
8 Johnson. So we will skip Council Member Levine, not
9 here. Council Member Crowley.

10 COUNCIL MEMBER CROWLEY: Thank you, good
11 morning. Thank you to all of our chairs today. I
12 have a question for Queens Library. A few weeks ago
13 I wrote President Tom Galante about security concerns
14 I have. In particular, Ridgewood Library and you
15 know, a few years ago the complaints started to come
16 in from seniors about kids and gangs and you know. I
17 didn't take these complaints as serious as they were
18 in the beginning but upon more and more complaints of
19 kids setting off alarms, or stink bombs. Then I went
20 down, because there was a situation where there was a
21 fight, the front door shattered, which is glass. And
22 you know, the cops were called on a number of
23 occasions, to Ridgewood Library. And you know
24 sometimes they're emotionally disturbed people there.
25 My question has to do with security. So then I

2 reached out and I spoke to some of the employees
3 there and they said not only in their location, but
4 in a number of locations in Queens, at least that
5 there have been serious security concerns. Years ago
6 it was in the budget that they would have a security
7 officer at every library. I'm not sure if that's
8 true so I wanted to check with you and then they said
9 nowadays if you do get a security guard, they're not
10 trained the way they once were in the past. They
11 were like retired police officers that had some
12 significant experience. So is there money in this
13 budget that would address the security concerns at
14 Ridgewood Library and the other libraries?

15 PRESIDENT QUINN-CAREY: Thank you for the
16 opportunity to talk about this and I just want to
17 reassure you too, that the response to your letter.
18 We've been working on that. We want to make sure
19 that we have really accurate information so you
20 should have that in the next day or two to you, the
21 response..., the, formal response.

22 But I'm happy to speak about this. The
23 situation that you describe is one of concern to us
24 as well. I mean, one of the things that you know
25 about public libraries can come in. They're public

2 spaces and with that comes quite a bit of
3 responsibility on many levels to insure that not only
4 our valued employees but members of the public are
5 also safe and secure and feel like it's a welcoming
6 environment and they can have a good experience when
7 they are there. Over the years we certainly do have
8 situations at various libraries.

9 COUNCIL MEMBER CROWLEY: Just the
10 operational budget, how much is set aside for
11 security. Do you have security guards working at any
12 library? What is the policy with that and how does
13 that policy compared to years ago? I remember being
14 younger in the library and there was always some
15 guard by the door.

16 PRESIDENT QUINN-CAREY: Yes. Our strategy
17 for managing issues that come up at the library in
18 those instances with users is staff training. As
19 well as using, particularly for teens, to make sure
20 that the teens are engaged when they come in and we
21 find that this is an incredibly successful model.
22 So, for example, you know when kids are coming in
23 after school. If they're getting rowdy it's usually
24 because there's so many of them and there aren't
25 enough staff. So what's really critical is that we

2 have funding to insure that we are fully staffed and
3 have the right kind of staff in those libraries. So
4 after school we want youth counselors we want
5 activity assistance, we want homework helpers.
6 That's what we're looking to provide in the budget.
7 As far as actual staffing positions for security. I
8 would have to get back to you on that. I'm not sure
9 what it was in years past. Right now we do not have
10 security positions in any of our libraries except at
11 Central and Flushing and that is because of just the
12 tremendous volume of people that come in there.
13 However, in those locations we still do rely on our
14 strategy of teen librarians, children librarians,
15 youth counselors, to engage the people when they come
16 in.

17 COUNCIL MEMBER CROWLEY: So there is one
18 location, and that is Flushing Library, that has
19 security posts.

20 PRESIDENT QUINN-CAREY: Central and
21 Flushing.

22 COUNCIL MEMBER CROWLEY: Two.

23 PRESIDENT QUINN-CAREY: Yes.
24
25

2 COUNCIL MEMBER CROWLEY: And years ago. I
3 don't know how long you've worked for the library.
4 How long?

5 PRESIDENT QUINN-CAREY: I've been here a
6 little over three years. So since I've been here we
7 have not. So I would have to go back and check on
8 what that situation was prior to my arrival.

9 COUNCIL MEMBER CROWLEY: Is there a reason
10 Mr. Galante is not here today.

11 PRESIDENT QUINN-CAREY: He was unable to
12 attend.

13 CHAIRPERSON FERRERAS: Thank you Council
14 Member Crowley. We will have Council Member Cornegy,
15 followed by Council Member Reynoso.

16 COUNCIL MEMBER CORNEGY: Thank you chairs.
17 I have a question and a statement. My question is...,
18 well my statement is also to my public library
19 president in Brooklyn. So my library is the Macon
20 Branch. And on my work today, I can't pass that
21 library without a line being outside waiting for the
22 doors to open to get inside. And we've talked a lot
23 about libraries and the capacity that they have to do
24 a lot of great things. We have..., no one has spoken
25 about its cultural significance though. So for my

2 community we have an African American heritage room
3 within the Macon Branch of the library that gets
4 tremendous utilization for every kind of program you
5 can imagine. However, it seems to be under furnished
6 in terms of reading materials and things like that.
7 So I'd really like to make sure that you understand
8 the significance to not only my community but to
9 other communities that have heritage parts of their
10 libraries that speak specifically to the demographic
11 that it serves, and its importance. We've even had
12 black-tie galas in Macon Branch. So we've converted
13 its space to really serve the community correctly. I
14 partner every year with the Macon Branch to take a
15 group of community residents to the Cyprus Hill
16 Cemetery to visit notable African Americans including
17 Arturo Shomburg and Jackie Robinson who are buried
18 there. So it means a lot culturally. So that is my
19 statement.

20 My question is about the Marcy Avenue
21 Branch which is also in my district and its HVAC
22 system. Do you know the status of the repairs on
23 that and do you know the cost, if any that's
24 associated with it?

2 PRESIDENT JOHNSON: I am aware of the fact
3 that there is a problem with the HVAC system in Marcy
4 and I believe that on the current schedule, that our
5 plan is to take that library offline next year, to do
6 the repairs. So we'll have to get through the summer
7 as best we can, but we'll be prepared for the summer
8 of 2015.

9 COUNCIL MEMBER CORNEGY: I'd like
10 definitely work with you to see if there's anything I
11 can do or my office can do to help expedite that.

12 PRESIDENT JOHNSON: We would love that.
13 We'll be in touch on that.

14 COUNCIL MEMBER CORNEGY: Okay and then
15 lastly, because I never make all my time so I'm going
16 to actually try to spend my time today saying that I
17 participated in the Bike the Branches and I must not
18 have read the literature correctly, because I only
19 biked the branches in my district and had a great
20 cheer at the end, not realizing that I had missed
21 several branches and the meeting at the end. But in
22 my district we did Bike the Branches. Myself and my
23 office and enjoyed it tremendously.

24 PRESIDENT JOHNSON: Thank you so much for
25 doing that. I will report that we had 600 people

2 riding bikes throughout the borough and it was a
3 great day. So thank you for participating.

4 CHAIRPERSON FERRERAS: Thank you Council
5 Member Cornegy. Now we will have Council Member
6 Reynoso.

7 COUNCIL MEMBER REYNOSO: Thank you chair
8 for the opportunity to speak. Hello, thank you to
9 the panel. Just want to thank..., I got a notice from
10 Council Member Brad Lander, the great presentation
11 that was performed by Julie Dressner. I just really
12 want to thank her for that presentation. And I guess
13 my conservation is to the Brooklyn Heights branch and
14 what we're using it for, and what we're doing in that
15 site. Specifically, to the price of sale and where
16 that money goes and what input the community and
17 other stakeholders have as to what that money's going
18 to be used for. And whether or not it would be
19 assessed valued at \$20 to \$50 million is the
20 appropriate price value that we should be giving to
21 that site. Or to the sale value of the site. Just
22 want to speak to that a little bit. If you can give
23 me clarity because I think that's what I'm asking
24 for, just to get information so I can understand
25 what's happening on that site.

2 PRESIDENT JOHNSON: Sure. And I'd be happy
3 to talk to you about this offline as well. But I
4 will say that the free market will drive the price.
5 We've engage in a request for bids and we had
6 initially 14 or 15 developers who were interested in
7 purchasing the property. We've whittled that list
8 down significantly and hope to do that further in the
9 coming weeks. But the price will be determined by
10 the fair market value of the land. In terms of how
11 the proceeds are spent, we will fit out the library
12 in the Brooklyn Heights space so there'll be a brand
13 new state of the art library in exactly the same
14 place that the existing library sits. It will be
15 owned by the city exactly as the current library is.
16 And then depending on how much we are able to see
17 that property for, we will go through a process of
18 determining which libraries have the most extensive
19 needs and which neighborhoods are the neediest in
20 terms of the services that we deliver. And we will
21 engage the public and elected officials in making
22 some of those determinations. But until we know how
23 much we have we have not yet fully engaged in that
24 process of determining where the money will be spent.

2 COUNCIL MEMBER REYNOSO: Okay, so just to
3 be mindful, you're saying the market assessed value
4 of the property is currently under zoning. So I just
5 want to speak to opportunity of development and what
6 that cost is as opposed to what the current zoning
7 allows. And for example, especially in North
8 Brooklyn, in my part of the community, manufacturing
9 buildings get sold for pennies on the dollar to what
10 they're going to be rezoned to. And then they build
11 these large towers. I just wanted to know what
12 you're saying an assessed value. The market rate
13 right. We want to know of what? The market rate of
14 the possibility or the opportunity of its potential
15 development, I guess, potential development or its
16 current state.

17 PRESIDENT JOHNSON: There's a fairly
18 stringent zoning code in Brooklyn Heights and the
19 developers all took into account what the zoning
20 requirements are. I don't believe any of the
21 developers who are participating in this process are
22 getting zoning variances and when I said the value, I
23 said the fair market value, which is essentially when
24 multiple people are interested in the same property
25

2 they will bid each other up. It's not an assessed
3 value that we're basing the price upon.

4 COUNCIL MEMBER REYNOSO: I see. Okay.

5 Well thank you for your time and I just want to speak
6 to my library in Queens. The Ridgewood Public
7 Library is my favorite library in the system, so far.
8 You've done a great job of being able to invest in
9 that and see that, if you build it they will come,
10 model is definitely something that's happened in the
11 Ridgewood Public Library and I'm grateful for the
12 work that the Queens Library has done for that
13 library specifically. So I just want to give kudos
14 to you guys and the work that you're doing there.
15 And that's about it for me. Thank you guys. I
16 appreciate it.

17 CHAIRPERSON FERRERAS: Thank you Council
18 Member Reynoso.

19 [Pause]

20 CHAIRPERSON FERRERAS: Co-Chair Van Bramer.

21 CO-CHAIRPERSON VAN BRAMER: So I just want
22 to thank all three of you and again echo what I said
23 before about all of the employees of all of our three
24 library systems. You do lifesaving work. It is
25 going to be a great day for the City of New York when

2 we hire back all those employees, all those union
3 employees. And open our library six days. Together
4 we can do this so thank you for everything you do for
5 the City of New York.

6 CHAIRPERSON FERRERAS: And again thank you
7 for coming to testify. As was mentioned before how
8 important this is to us. And I think I've shared it
9 before, my first job was learning the dewy decimal
10 system at the 82nd Street, Jackson Heights library.
11 Never used the system again, but it was a work
12 experience that I will cherish forever. Thank you
13 for your testimony. We will take a two minute break
14 before we have DCLA.

15 [Pause]

16 CHAIRPERSON FERRERAS: We will now resume
17 the city council's hearing on the mayor's executive
18 budget FY2015. The Finance Committee and the
19 Committee on Cultural Affairs, Libraries &
20 International Intergroup Relations, chaired by
21 Majority Leader Jimmy Van Bramer, just heard from
22 libraries. We will now hear from the Department of
23 Cultural Affairs. Before we hear from the
24 commissioner, I will turn my mike over to my co-

2 chair, Majority Leader Jimmy Van Bramer for a
3 statement.

4 CO-CHAIRPERSON VAN BRAMER: Thank you Madam
5 Chair and I think I speak on behalf of the entire
6 cultural community in welcoming our new commissioner,
7 Tom Finkelparl for his very first testimony before
8 this body and I know the mayor's appointment is one
9 that is very highly regarded throughout the City of
10 New York and I believe that Chair Ferreras and I are
11 both very, very excited about working together with
12 you over the next several years. So congratulations.
13 And obviously what we share so very much in common is
14 a real passion for the arts and for culture in the
15 City of New York and expanding access to the amazing
16 programs and services that come out of the Department
17 of Cultural Affairs which is such a very important
18 agency all over the city. And in this moment we are
19 so rightly focused on arts and education and access
20 and increasing the real wonders and access to the
21 real wonders of the arts. I know we're in good hands
22 with Commissioner Finkelparl and the entire DCA team
23 behind him and of course there are many from our
24 cultural community who are here in the audience
25 supporting the commissioner and supporting the

2 Department of Cultural Affairs. Obviously we're
3 excited about the fact that there's base lining of
4 your agency's funding, including some of the
5 council's initiatives. Although there are some
6 questions about how the initiatives will progress and
7 hopefully opportunities for some exciting expansions
8 of programs and services as it relates to the arts.
9 So I want to welcome our new commissioner and I want
10 to thank the committee's staff, Finance Analyst,
11 Norah Yahya and Policy Analyst, Tanya Cyrus. And my
12 Chief of Staff, Matt Wallace. And Legislative
13 Director, Cody Ryder for their work on all of these
14 hearings and all of the work that we do on behalf of
15 the cultural communities. So I just want to say
16 welcome and look forward to hearing from you today.

17 CHAIRPERSON FERRERAS: You may begin.

18 COMMISSIONER FINKELPEARL: Thank you so
19 much. As you know I've testified at this hearing
20 repeatedly in the past in a very different capacity.
21 And I think the biggest difference this year is am
22 going to actually read my testimony. As you know in
23 the past I always had notes that I deviated from.
24 Good afternoon, Chair Van Bramer, Chair Ferreras and
25 distinguished members of the committee. I'm Tom

2 Finkelpearl, Commissioner of Cultural Affairs of New
3 York City. Today I'm here to present testimony
4 regarding the mayor's 2015 executive budget. I have
5 a bunch of staff members over here. I won't go
6 through all of them but, part of the great staff of
7 Department of Cultural Affairs. Although several
8 members of the committee know me well from my recent
9 years in Queens. I thought I'd take a moment to
10 introduce myself. Over the last three decades I've
11 held a number of positions in the arts. Perhaps
12 important to mention that I first came to New York
13 City as an artist. Attending half time I worked my
14 way through Hunter College's MFA program and emerged
15 with no debt. Housing was inexpensive and my third
16 of the rent on a loft not far from here was something
17 I would afford while working part time and going to
18 school. While my art career did not go far, I remain
19 profoundly sympathetic with artists. And I'm worried
20 that student debt and housing costs are making it
21 harder for artists to survive here. In my years as
22 commissioner I'd like to see how we might address
23 this issue. I spent much of the 80s at PS 1
24 Contemporary Art Center, now known as PS 1, in Long
25 Island City. During this time I witnessed the

2 complexities of an emerging artist community in a
3 former industrial section of town. I also
4 experienced the trials and tribulations of a young
5 non-profit arts group. There were times when we had
6 trouble meeting payroll. And some of the shows
7 barely opened. I know there are groups all over New
8 York City like this who are seeking stabilization.
9 And I have experience firsthand with this
10 institutional growth. For six years in the 90s I ran
11 the Percent for Art Program and the Department of
12 Cultural Affairs. So my arrival at the agency four
13 weeks ago was a return engagement. I must say that
14 I've been truly pleased to get to know the staff in
15 depth. It's a talented and dedicated group. In my
16 years and Percent for Art I had the opportunity to
17 work throughout all five boroughs and get a taste of
18 government.

19 Whatever limitations there are on
20 government employment. I'm truly happy to be back.
21 But most importantly for my current position I've
22 just completed 12 years as the Director of the Queens
23 Museum. In some ways in my experience running the
24 Queens Cultural institution will provide me with a
25 roadmap for my priorities as Cultural Affairs

2 Commissioner. The Queens Museum is located in
3 Flushing Meadows Corona Park in Council Member
4 Ferreras' 21st Council District between Corona and
5 Flushing. During my tenure there we vigorously
6 embraced this site. To professionalize our local
7 engagements we hired community organizers. We had
8 art therapists on staff to engage families with
9 special needs. We worked long term with Queens
10 Library system, presenting classes in native language
11 for adult immigrants. Mostly in Spanish, Mandarin
12 and Korean. It was through this partnership that I
13 first met a talented young leader in the library
14 named, Jimmy Van Bramer. During this time we also
15 embraced the possibilities of working offsite
16 presenting art projects in Corona and helping as
17 Council Member Ferreras envisioned, a dynamic public
18 space in Corona Plaza at 103rd Street and Roosevelt
19 Avenue. Now a part of the Department of
20 Transportation's Plaza Program, this corner of Queens
21 is one of my favorite in New York. Yes there are
22 challenges in Corona, but people want and deserve
23 quality arts programming in great public spaces. Art
24 was present in the community before the Queens Museum
25 got actively involved but it was a pleasure and an

2 honor to collaborate in bringing it up to the next
3 level. Arts and culture are not privileges for the
4 privileged, they are a living and breathing part of
5 the entire city.

6 So when I first met Mayor de Blasio to talk
7 about our priorities, we were both very excited by
8 the idea that art really is for everyone. This basic
9 idea can be manifested both by fully opening the
10 doors of arts institutions and providing meaningful
11 artistic activity in the places where people live.
12 It makes institutions stronger and more relevant
13 while helping to build community.

14 The idea that artists for everyone starts
15 with arts education in the schools. They will be a
16 major priority for cultural affairs under my watch to
17 collaborate with the Department of Education to
18 elevate arts education from Pre-K through high
19 school. From the very beginning of the rich history
20 of public support for museums in New York, it was
21 clear that there would be a special relationship with
22 the public school system. I have here by the way,
23 this is a facsimile of a contract with the Museum of
24 Natural History from the 19th Century and in this, it
25 specifically calls out the relationship between the

2 institution and the public school system giving
3 special access to the public schools. So it was
4 there in the very first contract. This is not the
5 actual contract, but a copy of it. And I flagged the
6 mention of the public schools.

7 So there is a broad spectrum of arguments
8 to be made in favor of public funding for the arts.
9 We have all heard the argument for the economic
10 impact of the arts, metrics on tourism and jobs are
11 valid and impressive here in New York City. And you
12 can expect us to continue to use them in our advocacy
13 efforts. On the other side you have the
14 transformative experience of the arts on a personal
15 level. The special thing that happens when you're
16 captivated by a great painting or watching a ballet,
17 which is also entirely valid, but completely
18 unmeasurable. Somewhere in between the regional
19 vision of an economic impact statement and the
20 personal enrichment intrinsic to an art experience is
21 what happens at the social level when art is present
22 in a community. The local dance group, the arts
23 club, the engage museum and so on. There are
24 systematic ways of capturing this value. In my
25 reading this has been best exemplified in the work of

2 Mark Stern at the University of Pennsylvania's Social
3 Impact of the Arts Project. He's looked closely at
4 the entire eco system in Philadelphia, eco system of
5 the arts. But concentrating mostly on the small non-
6 profits in the communities. And he's demonstrated
7 that there are measurably better social service
8 outcomes in communities rich in the arts. We are in
9 discussion with Mark Stern about conducting a
10 privately funded study here in New York. His is the
11 sort of data that can measure the impact for example,
12 of all the arts programming that is going on in
13 Corona and put it on a par with a well-documented
14 regional value of the arts as an economic engine.

15 So it's important to note here that art is
16 only a part of what cultural affairs funds. This
17 study if we do it, would need to be supplemented by a
18 careful analysis of the value of the gardens, the
19 zoos and the science based museums. These vital
20 institutions across the city bring nature to our man-
21 made environment and science education into our
22 portfolio.

23 So I look forward to working with you
24 toward a shared vision of a more inclusive city where
25 arts and culture are supported in communities

2 throughout the five boroughs. Their value must be
3 understood as something it's not only appropriate but
4 necessary for our government to support.

5 Now for the technical side of my testimony.

6 Looking ahead to fiscal 2015 as you recall the
7 preliminary budget included a \$60 million baseline
8 restoration. This is something to be applauded.
9 This restoration remains in the mayor's executive
10 budget and the agency forecast of \$148 million
11 preserves the fiscal 2014 level of support to the
12 field. According to the forecast for 2015 program
13 groups would receive \$28.4 million through the
14 cultural development fund, and the CIGs would receive
15 \$108.5 million. The fiscal 2015 forecast includes
16 \$5.1 million for Casa which was also base-lined. We
17 continue to work with our partners in the city
18 council and the borough presidents in managing
19 capital grants to arts and cultural organizations
20 throughout the five boroughs. There is \$829 million
21 in the published executive budget for 343 capital
22 projects at 192 cultural institutions for fiscal 2014
23 through fiscal 2018 This portfolio encompasses
24 infrastructure enhancements accessibility upgrades,

2 equipment purchases, renovations and new
3 constructions.

4 Now are we squeezed for time here? We're
5 good so I can read through the whole testimony?

6 Okay. Highlights of recent upcoming projects the
7 renovation of the Billie Holiday Theater at Bed-Stuy
8 Restoration Corporation. A full interior renovation
9 of Mind-Builders. A theater upgrade for Flushing
10 Town Hall. The renovation of the Bronx River Art
11 Center. The renovation of the Staten Island Museum
12 Snug Harbor Facility. A new energy efficient edible
13 garden complex at the New York Botanical Garden. The
14 construction of the new carriage storage facility at
15 Staten Island Historical Society. The renovation of
16 a decommissioned firehouse for the Caribbean Cultural
17 Center in Harlem. And a new visitor's center for the
18 Louie Armstrong House in Queens.

19 Also, included in our capital portfolio are
20 equipment purchases..., by the way I'd like to say when
21 I was at Cultural Affairs in the 90s all capital
22 budget went only to the CIG. This is a quite
23 different capital budget than what I saw back in
24 those days. Also included in our capital portfolio
25 are equipment purchases essential to the operation of

2 cultural groups across the city. Since the beginning
3 of fiscal 2014 we have allocated more than \$4.7
4 million in equipment funding to 33 organizations.
5 Recent purchases include lighting for the Abington
6 Theater. Lighting, Sound and IT equipment for the
7 Society for Educational Arts. Lighting and AV
8 equipment at Player at Horizons. Lighting for New
9 York Live Arts in the Center for Performance
10 Research. AV equipment for Queens Council on the
11 Arts. And IT equipment for Brooklyn Youth Chorus.

12 The deadline to apply for capital funding
13 for the borough president was February 27th. The
14 deadline for city council and DCLA funding was April
15 9th. A total of 212 capital applications have been
16 submitted. The agency is also involved in a number
17 of energy efficient projects on city-owned property.
18 To date we have helped manage \$45.3 million of Plan
19 NYC funding for energy efficient projects including
20 lighting, retro fits, HVAC upgrades and cooling
21 towers at 22 members of the CIG. In April DCLA was
22 allocated an addition \$450,000 for three cultural
23 institutions and a second round of accelerated
24 conservation and efficiency, ACE Program. Which with
25 the goal of improving the city's energy efficiency

2 and reducing its production of greenhouse gas
3 emissions.

4 I'd like to now talk about some of the ways
5 the Department of Cultural Affairs is working to
6 expand the arts education availability for our city's
7 public school students. CASA the Cultural After-
8 School Adventure Program which DCLA manages in
9 partnership with the city council. Provides funding
10 to 96 nonprofit groups for a total of 255 after-
11 school arts programs, five in each council district.
12 DCLA Percent for Art's staff works closely with the
13 School Construction Authority on the commissioning
14 process for permanent public art in city schools.
15 Since the program's inception in 1983, 176 projects
16 have been completed in public schools with another 38
17 currently in progress. We are also looking at how to
18 update the Percent for Art Program including
19 adjustment of the funding caps for inflation.
20 Something that hasn't been done since the program was
21 signed into law by Ed Koch in 1982. The Cultural
22 Institutions Group continued with this education in
23 involvement. The Cultural Institutions Group
24 welcomed 1,868,745 visits students in fiscal 2013.
25 We have helped inform the cultural field about

2 several city initiatives designed to expand access to
3 arts, education for public school students throughout
4 the five boroughs. Including the DYCD's out of
5 school time middle school expansion. In fiscal 2014
6 766 public schools have visited Materials for the
7 Arts Warehouse in Long Island City and have received
8 three materials for the in-school arts programs. The
9 Materials for the Arts Education Center offers
10 workshops, professional development courses, in-
11 school residencies, and field trips for students. In
12 fiscal 2013, Materials for the Arts Program engaged
13 over 5,000 DOA staff and other community educators
14 and nearly 15,000 students.

15 In fiscal 2013 nearly half the organization
16 is funded through the Cultural Development Fund.
17 Receives support for a total of 742 education
18 programs that engage 1.8 million students including
19 overlap, obviously. We look forward to continuing
20 our work with the city council, Chancellor Ferenia
21 and other partners to engage our city's students with
22 quality cultural programming and more broadly connect
23 communities with the arts throughout the city.

24 Finally, I would like to update you on a
25 few agency programs. The fiscal 2015 cultural

2 development fund application review process is well
3 underway. Panel review sessions began March 18th.
4 As of today we have completed 18 panels, two
5 remaining before we conclude in mid-June. As always
6 we appreciate the insight provided by the city
7 council representatives present on each panel.
8 Organizations receiving funding in the current fiscal
9 year are also preparing their final reports. In the
10 2014 cycle of SPARC, Seniors Partnering with Arts
11 Citywide will conclude at the end of June. As you
12 know SPARC which DCLA manages in partnership with the
13 Department of the Aging and local arts councils,
14 places artists and residents at senior centers in all
15 five boroughs. Since January 51 SPARC artists have
16 been engaging seniors in 50 centers with creative
17 projects that will culminate in public events
18 showcasing their work. This year we are inaugurating
19 SPARC week, June 12 through 22, celebrate the breadth
20 of our student's remarkable program. And we have
21 encouraged the artists and senior centers to invite
22 their city council representatives to attend.

23 Materials for the Arts DCLA program that
24 also receives support from the Department of
25 Sanitation Education continues to collect reusable

2 materials from businesses and individuals and make
3 them available for creative and educational
4 activities across the five boroughs. In fiscal 14
5 Materials for the Arts collection 1.2 million pounds
6 in donated materials and made them available to
7 nearly 2,000 non-profits, government agencies and
8 public schools who visited the warehouse. With
9 federal funding from HUD's CDBG program, DCLA
10 launched Community Arts Leadership in September 2013.
11 The capacity building program works to strengthen
12 small budget arts organizations serving low income
13 populations. The 16 participating groups have been
14 engaging in intensive yearlong curriculum designed to
15 build more knowledgeable and engaged boards, develop
16 realistic mission based programming and development
17 strategies and to provide leaders with vital
18 financial management tools for effective oversight
19 and planning. The goal is to help organizations
20 become better equipped to address programmatic,
21 operational and financial issues and provide stable
22 vital presence in their communities.

23 In conclusion I'd like to thank Chairman
24 Van Bramer, Chair Ferreras, committee members and all

2 your colleagues at the city council for the continued
3 support and I would be happy to answer any questions.

4 CHAIRPERSON FERRERAS: Thank you very much.

5 Thank you for your testimony. I'm actually very
6 moved and excited that it's you. I think you have
7 very interesting challenges ahead and you've proven,
8 at least with the work that we've had, and the Queens
9 Museum in its entirety, you've proven that you can
10 rise to the challenge. I guess the situation isn't
11 necessarily about visioning, it's about how you move
12 the bureaucracy of government to where you need it to
13 be.

14 So I wanted to speak..., in reviewing some of
15 the budget lines. I know that there was some savings
16 in the energy costs and what usually happens is that
17 the energy cost line is budgeted incredibly high, and
18 then there's a savings. So where do you envision
19 moving forward, where that savings will go. Is it
20 something..., ideally, the smaller organizations don't
21 necessarily have or aren't able to benefit from
22 energy savings programs. Is that something that you
23 had taken into consideration?

24 COMMISSIONER FINKELPEARL: Yes. And I know
25 what you're talking about. There's been a lot of

2 discussion about how to encourage energy savings,
3 even aside from the over forecasting. There are a
4 bunch of ideas on the table right now. I floated an
5 idea to OMB which is analyzing what's possible. And
6 whether it would be possible to make any sort of
7 changes in the energy. It's actually quite complex
8 situation as everything in government turns out to
9 be. But I do know that this has been a long time..

10 CHAIRPERSON FERRERAS: Welcome to the other
11 side.

12 COMMISSIONER FINKELPEARL: Yes. It's been
13 a long standing discussion which you know of course
14 from a CIG perspective we have been, or they have
15 been quite interested in..., coming to some sort of
16 conclusion that would look carefully both at
17 encouraging, actively encouraging energy conservation
18 which isn't done under the current regime and
19 understanding how that budget can be.

20 CHAIRPERSON FERRERAS: Right, and tying
21 kind of incentives. Because right now if it's not
22 necessarily taken out of your budget being able to
23 have any incentive that says down the line if you
24 save this maybe we're able to give it back. But
25 there is concerns especially..., from many of our

2 colleagues, those that represent communities where
3 they don't necessary have a plethora or are
4 necessarily rich. I know, in New York City, you
5 think every corner would have a cultural institution
6 which I hope that we can get to say that someday
7 really soon. But the reality is that the smaller
8 organizations often are struggling to make ends meet
9 and those energy costs are probably something that
10 is..., if there's an opportunity for them to be able to
11 save on those energy costs, can really keep them off
12 the line of having to close an extra day or fire
13 someone. So I would love for you to take that into
14 consideration.

15 COMMISSIONER FINKELPEARL: Yes. I'm
16 already talking to people about it. But I think
17 there's a lot of ideas floating around. None of them
18 have actually ever come to reality, but may...

19 CHAIRPERSON FERRERAS: We can make it
20 happen.

21 COMMISSIONER FINKELPEARL: Okay.

22 CHAIRPERSON FERRERAS: So I want to talk
23 about the November plan and I know that not only were
24 the restorations base lined but also something that's
25 very near and dear and important to this council,

2 which is the CASA initiatives. So how do you see
3 moving forward your interactions with the council and
4 where voices are, and for people who aren't familiar
5 with CASA, it's one of our after-school initiatives
6 that we created to partner with the cultural
7 institutions. So we used to get a long list, every
8 year it got longer, of organizations that we can pick
9 or choose from to be able to provide after school
10 programming in our neighborhoods and in our
11 districts. Now that its base lined our voices don't
12 necessarily have to be taken into consideration
13 moving forward.

14 COMMISSIONER FINKELPEARL: You don't have
15 to be, that doesn't mean they won't be.

16 CHAIRPERSON FERRERAS: Right.

17 COMMISSIONER FINKELPEARL: So in this year
18 we're not looking at making any major changes in the
19 CASA and we look forward to working with the council.
20 We're not changing the procedure right now, this is
21 something that's going to be adopted quite soon.

22 Right?

23 CHAIRPERSON FERRERAS: Yes.

24 COMMISSIONER FINKELPEARL: So, yes?
25

2 CHAIRPERSON FERRERAS: What I think was
3 really special about CASA is that some of the smaller
4 organizations weren't necessarily put on a
5 competitive edge where RFPs tend to be. And I know
6 that there is a procurement process with the mayor's
7 office. So, it's something that was created with a
8 great vision here in the council and I'm hoping that
9 we can continue to work closer together to preserve
10 what the intention of CASA is.

11 COMMISSIONER FINKELPEARL: Yes. I mean the
12 thing that I have also..., you know having been a
13 participant in CASA I understand it's kind of a self-
14 regulating program in the sense that if a school or a
15 non-profit is not performing the council member
16 doesn't go back to those people. And the most
17 important thing for me is does it deliver an
18 excellent educational experience for public school
19 students. That's what the most important and you've
20 seen it doing so and I think it's a great program.
21 So again, we're not looking to make any changes this
22 year and that we'll talk about going forward.

23 CHAIRPERSON FERRERAS: So just before I
24 give it over to my co-chair. I wanted to have a
25 conversation on capital funding. Clearly there's

2 always a challenge of getting enough capital
3 investments for our larger institutions but also
4 keeping in mind our smaller organizations in these
5 conversations and not creating a space where we're
6 competing for dollars. But, have you considered,
7 perhaps having a base line for smaller organizations
8 and a base line for the larger organizations just to
9 start with.

10 COMMISSIONER FINKELPEARL: Haven't
11 considered it. I actually have not heard that
12 suggestion made beforehand. But I will say that
13 again compared to the capital budget, what it was
14 historically. The small groups have access to this
15 capital program in a way that they haven't
16 previously. So I think that the way we're looking at
17 everything in this administration, has to do with
18 equity and distribution throughout the boroughs and
19 that would be true for capital funding for sure.

20 CHAIRPERSON FERRERAS: Well that's great
21 news. And in many ways..., and you undertook an
22 incredible expansion, a very large one. But it's
23 also about providing technical supports because we
24 see this actually even with the libraries is that
25 Manhattan can always fundraise five times better.

2 And if you have strong boards..., in my conversations
3 with some of the smaller organizations, while they
4 provide incredible cultural experiences, our boards
5 are weaker, the potential for raising money is not as
6 strong and often times it's that government
7 investment that they're able to get those dollars
8 matched. So, having some sort of base line or some
9 sort of security so that they're able to then go out
10 and have aggressive fundraising plans, is very
11 helpful to many of the smaller organizations.

12 COMMISSIONER FINKELPEARL: Right, also..., I
13 agree. That's one of the reasons that, you know,
14 providing this technical assistance which is sort of
15 a field that we got into just quite recently. I
16 think it's a really great thing for the agency to be
17 doing.

18 CHAIRPERSON FERRERAS: Great. And I would
19 love to hear more on kind of what the follow-up is
20 with those technical support and hopefully we can
21 have some organizations really making a change in our
22 community. Thank you Commissioner. We will now have
23 Chair Van Bramer.

24 CO-CHAIRPERSON VAN BRAMER: Thank you very
25 much Chair Ferreras. And thank you so much

2 Commissioner for everything that you've done and I
3 think it's rare that you would have the Finance Chair
4 and the Cultural Affairs Chair both who have had
5 lengthy, lengthy relationships with you prior to be
6 Commissioner and I do want to thank you for referring
7 to me as young in your testimony. Which was much
8 appreciated.

9 [Laughing]

10 COMMISSIONER FINKELPEARL: That's how long
11 ago we met.

12 CO-CHAIRPERSON VAN BRAMER: I thought you
13 were referring to today, but that's alright. But, I
14 do want to ask you a couple of serious questions. As
15 you know each year in addition to CDF, council
16 members allocate funding from their discretionary
17 funding to cultural organizations. It could be a
18 \$5,000 grant, it could be a \$10,000 grant. DCA then
19 sort of rolls that in and lumps it in together with
20 its overall funding. And that includes in the CDF
21 panels, so that when a panelist are looking at
22 applicants and they take a look at what the
23 organization received last year. The city council
24 member's allocations are lumped into there. Into the
25 overall sum and not actually delineated. So my

2 question is..., because I think this can be misleading
3 in a number of different ways. Whether or not you
4 would be open to revisiting that policy and
5 separating the totals particularly in the CDF panel
6 process which I think it can be particularly
7 misleading. And if you've thought about this at all?

8 COMMISSIONER FINKELPEARL: I have not
9 thought about that, but Kathy has. Can I refer to
10 Kathy?

11 CO-CHAIRPERSON VAN BRAMER: Yes absolutely.

12 UNIDENTIFIED FEMALS: Actually they are
13 delineated for the panel. They see.

14 CO-CHAIRPERSON VAN BRAMER: Do you want to
15 just say your name and title for the record.

16 ASSISTANT COMMISSIONER HUGHES: So sorry.
17 Kathleen Hughes, Assistant Commissioner. They are
18 delineated for the panel. They see and CDF award if
19 there was one previously, or the absence of one, if
20 it's a new applicant. Or if it wasn't funded
21 previously. And they see the member item funding
22 separately.

23 CO-CHAIRPERSON VAN BRAMER: But in the
24 budget you lump it all together. And in several
25 instances I've seen that and we've had this

2 discussion in the past. And I do think that you can
3 and should separate them because, what council
4 members give year to year to cultural organizations
5 in their district or citywide, is separate from what
6 the administration through the DCLA budget and CDF
7 is. Those two need to be very, very clearly separate
8 and CDF rotates in and out depending on the award in
9 the panel process. So too can individual council
10 member items. So I would love it if the two of your
11 or the agency would take another look at that and
12 certainly I've gotten feedback coming back from the
13 panel process about this and we can certainly
14 continue to talk about it. But I think the thought
15 is where those two pots of money are merged and they
16 should not be.

17 And then I have another question. And I
18 want to say that I know that you are not yet, as an
19 agency, fully engaged in this institution, but the
20 9/11 museum having just opened. A powerful museum,
21 lots of folks talking about. Now a lot of folks talk
22 about the entrance fee. Now as we all know, that
23 institution is not receiving any federal funding
24 whatsoever, which is a disgrace. And they do have
25 reduced rates for school children. But even at those

2 reduced rates it's a pretty steep ask of a lot of our
3 schools and a lot of our students. And I've seen the
4 museum as have many people. I know Chair Ferreras
5 has as well. It's incredibly important that there be
6 access particularly to school children. So knowing
7 that they do not yet receive funding, I wonder if you
8 have given any thought to how we can work to make
9 sure that that museum is more accessible to school
10 children and in particular in the five boroughs. And
11 what that involves. And I want to say, and I think
12 we all agree, that museum should be receiving
13 significant federal funding to allow for so many
14 things to happen there. But in the absence of that,
15 until it happens, are you thinking yet about how to
16 make that experience available to New York City
17 school children and how could DCLA help?

18 COMMISSIONER FINKELPEARL: I mean I think
19 that's a tough question. Because it's not an
20 institution that we're funding. The institutions,
21 our brothers and sisters in the cultural institutions
22 group know that we do push for free and reduced
23 admission. The schools get special access and as you
24 saw 1.8 million visits. So the thing is that the
25 leverage point for the city owned institutions or the

2 city funded institutions is quite different. But I
3 mean I have met the Director. I'm happy to go
4 further in talks. I agree with you 100%. It's a
5 very powerful..., and it's part of New York City
6 history that needs to be made accessible.

7 CHAIRPERSON FERRERAS: And I know that the
8 Minority Leader and I had had a discussion because
9 went into the museum and I think for this year they
10 may have received a grant to allow for more students
11 to come for free. However, its one year and it's
12 really an opportunity that I think every young
13 person, as Chair Van Bramer just mentioned. It
14 shouldn't be exclusive because of the cost.

15 COMMISSIONER FINKELPEARL: And I couldn't
16 agree more and I look forward to working with you.

17 CO-CHAIRPERSON VAN BRAMER: Thank you. I
18 just think all of us as a city need to have this
19 discussion because it is so incredibly important.
20 And I think even at a reduced rate of \$14 or \$12 per
21 student which is some of the numbers that I heard.
22 And I do want to actually say the work that many in
23 the cultural institutions group do is staggering when
24 it comes to this. I was just at the Museum of
25 Natural History last week and I believe 500,000

2 school children a year go through that museum for
3 free. Which is really what we should be trying to
4 accomplish.

5 COMMISSIONER FINKELPEARL: And by the way
6 that as I said, and that document that you saw, that
7 idea has been there since the 1870s. That's
8 something that the city. It's in that document if
9 you want to take a look.

10 CO-CHAIRPERSON VAN BRAMER: Thank you,
11 Julissa and I are both going to frame it a put it in
12 our office.

13 CHAIRPERSON FERRERAS: Maybe we can work
14 with you to frame it.

15 COMMISSIONER FINKELPEARL: Yes. We can
16 work with Natural History to get some extra copies.

17 CO-CHAIRPERSON VAN BRAMER: I want to ask a
18 little bit about the \$23 million that's been
19 allocated by the administration which is a terrific
20 success for everyone involved. Including the council
21 which called for this in our budget response. Are
22 you working..., does DCLA have a role to play in this
23 with the Department of Education. Obviously, if so
24 how will you we working with them on this particular
25 piece.

2 COMMISSIONER FINKELPEARL: I mean it's very
3 preliminary. One of the first meetings I had was
4 with Chancellor Ferenia. There's a staff member on
5 my staff who's designated to be the liaison to the
6 department of education for these new educational
7 initiatives. Beyond that there's very little to say.
8 We are..., it's a very important role that we feel we
9 can play because I think that there is such
10 incredible arts education providers in the cultural
11 community. There are already proposals at hand,
12 which I don't want mention which groups, to partner
13 with the Department of Education. To work on
14 alternative certification which gets teachers, you
15 know, into schools as they are getting their
16 certification, which is something that gets things up
17 and running much more quickly. But that is something
18 that has to be done carefully with our partners as
19 obviously its money at the Department of Education,
20 not in the DCLA budget. But it is very high on our
21 mind. And we want to expedite..., it's not just a
22 matter of spending \$23 million on arts programming.
23 Its quality programming and it's the right of every
24 student in New York City to have that educational
25 experience.

2 CO-CHAIRPERSON VAN BRAMER: I couldn't
3 agree more. I think it's a very, very exciting time
4 and I just think that the more you and DCLA is
5 involved in things when it comes to culture and the
6 arts, the better off we'll all be. Working with our
7 terrific Chancellor, of course.

8 COMMISSIONER FINKELPEARL: So this was the
9 first thing the mayor said to me, was about arts in
10 the schools. And he expects me to be involved as
11 Commissioner, it was actually before he hired me.
12 That he was telling me that this is a major part of
13 the job for the Commissioner of Cultural Affairs.
14 And it embrace that 100%.

15 CO-CHAIRPERSON VAN BRAMER: That's
16 terrific. And I know that other members have
17 questions, but I just want to say thank you to
18 everyone in the room, in our cultural community that
19 provides a really life enhancing moments. And we
20 talk a lot about quantifying the value of the arts,
21 but as the mayor said, your very appointment, it's
22 really about enriching the soul of all of New York
23 and that happens every day because of all of the
24 people in this room. And you're going to be an
25 amazing shepherd of this flock, so to speak. So I

2 look forward to working with you Commissioner Finke
3 pearl.

4 COMMISSIONER FINKELPEARL: Likewise. Thank
5 you very much.

6 CHAIRPERSON FERRERAS: You also established
7 a very good tone here. About the outreach and
8 reaching out to the other boroughs. So I'm really
9 excited to continue to work that. We've been joined
10 by Council Members Gibson, Constantinides, Levine,
11 Levin, Rodriguez and Weprin. Now we will have
12 Council Member Levine followed by Council Member
13 Levin.

14 COUNCIL MEMBER LEVINE: Thanks to both our
15 chairs for your leadership today. And welcome
16 Commissioner. I'm very jealous of Chair Ferreras and
17 Chair Van Bramer because they've known you for many
18 years and I'm meeting you for the first time. Though
19 I will say, Chair Van Bramer that this is the only
20 business politics in which someone who is in their
21 mid-forties can still be considered young. So you
22 and I can claim that title for a little longer.

23 I'm really happy to be working with you
24 Commissioner. And I was thrilled to see in your
25 opening statement that you immediately draw on your

2 own personal experience to express concern for the
3 rising cost of living in New York City and how that's
4 impacting artists directly. The cost of housing is
5 the most obvious and dramatic challenge, but not the
6 only one. Artists face financial challenges on many
7 fronts. Obtaining a loan for example or a mortgage.
8 If you are someone who has non-consistent revenue,
9 revenue or income from many sources. Income that
10 tends to come in in big lump sums. Those are all
11 things which disadvantage you at the time you're
12 seeking a bank loan. It's a big problem. Obtaining
13 medical insurance as well. These are major
14 impediments to artists making ends meet here in New
15 York City. To say nothing of the cost of studio
16 space, performance venues, and you know ironically in
17 decades past, we arguably did more when the crisis
18 had not yet reached the current levels. For example,
19 we rezoned SoHo in a way that permanently preserved I
20 think 200 loft space for artists. What a wonderful
21 way to keep artists living in the heart of the city.
22 And I think if we don't take action we're not only
23 going to be impacting the artists themselves, but we
24 risk our status as a cultural capital. If we become
25 a city where only Broadway starts and people with

2 agents can afford to live then the art scene here, it
3 loses its soul at that point. And I know you agree
4 with this, but I'd just love to hear your thoughts on
5 what we can do to attack this crisis?

6 COMMISSIONER FINKELPEARL: I think for one
7 thing when you describe the issues facing artists.
8 Those are issues facing low income individuals
9 throughout the city. And one of the things that I
10 think is quite interesting is some of the artists
11 I've been talking to are interested in sort of
12 understanding their interests as being quite similar
13 to those of other. So you know housing is a major
14 priority of this administration. Housing can be
15 artist housing, but if generally speaking there's
16 more housing that's affordable to people of moderate
17 income that will be good for artists. I will say
18 that one of the things we're actively involved in is
19 funding the building of studio space. And there's a
20 bunch of programs funded by DCLA right now. And I
21 really intend to continue that. You know it's one
22 thing for an artist to be, you know, sharing
23 roommates, you know, in a small apartment, but if
24 they don't have a studio space, if they don't have a
25 performance space, then they can't do their work.

2 And I think that it's also less complicated in a way
3 to promote the building of studio space than
4 designating particular housing for artists. You see
5 what I'm saying, is that there's a lot of housing
6 being built and that's being a major administration
7 priority. We can help artists by zeroing in on the
8 specific things that they need. Which are then not
9 excluding other people from using them. Only artists
10 want studio space.

11 COUNCIL MEMBER LEVINE: But we can create
12 artists districts as well. Right? These have been
13 effective and bring so much richness to communities.
14 And I think we need to do a lot more, especially at a
15 time when we're going to be rezoning huge swaths of
16 the city. The fact that in the previous round of
17 rezoning's in the last decade in which we rezoned
18 something like 40% of the city. We didn't think
19 explicitly about artists enough.

20 COMMISSIONER FINKELPEARL: I couldn't agree
21 with you more.

22 COUNCL MEMBER LEVINE: And has your agency
23 thought about financing mechanisms to support artist
24 housing to help overcome the hurdles of attaining a
25 bank loan for example.

2 COMMISSIONER FINKELPEARL: I do not believe
3 we have addressed that at the agency. We can think
4 about it.

5 COUNCIL MEMBER LEVINE: Would that be in
6 your purview potentially? Something to think, about.
7 There's a policy where...

8 [Interpose]

9 COMMISSIONER FINKELPEARL: My lawyer over
10 here is questioning whether that would be in our
11 purview.

12 COUNCIL MEMBER LEVINE: I'd encourage you
13 to think about it.

14 COMMISSIONER FINKELPEARL: Okay yes.

15 COUNCIL MEMBER LEVINE: There's a proposal
16 that a colleague of ours, Council Member Kallos has
17 been talking a lot about, which is to make government
18 owned space and government owned buildings more
19 readily available for use by artists for studio and
20 performance. Have you thought about this? And do
21 you think this is practical?

22 COMMISSIONER FINKELPEARL: Yes absolutely.
23 And we're sort of actively involved in some version
24 of that already. That sounds very compatible with
25

2 stuff that's already underway and I'd love to hear
3 more about that.

4 COUNCIL MEMBER LEVINE: Well, I look
5 forward to working with you on these issues. Thank
6 you.

7 COMMISSIONER FINKELPEARL: Thank you so
8 much.

9 CHAIRPERSON FERRERAS: Thank you Council
10 Member Levine..., Council Member Levin. Now we will
11 have Council Member Levine.

12 COUNCIL MEMBER LEVIN: Thank you very much
13 Madam Chair, Mr. Chair, and Commissioner nice to see
14 you. So I'm glad to hear your testimony today and
15 I'm thrilled at the prospective that you are bringing
16 to DCA. It's very exciting and as you may know I
17 represent some of the most arts heavy district in the
18 city. I represent Greenpoint and Williamsburg,
19 Downtown Brooklyn, DUMBO, areas that not only have a
20 lot of artists, but have a lot of gallery space and a
21 lot of studio space as well. And, just following up
22 kind of on Council Member Levine's points, I think
23 that the crisis that we're seeing is in affordability
24 across the board. One area that I hear from friends
25 of mine that are artists and whether it's musicians

2 or painters or sculptors, is the need for affordable
3 studio space. Have you started think about how to
4 create more space? Organizations that you might be
5 working with, not-for-profits for example.

6 COMMISSIONER FINKELPEARL: Yes. First of
7 all I mean I recognize out at the Queens Museum one
8 of the things we did in our expansion was build
9 studios into the building. So it was a high
10 priority. It's an understood need. So there's a
11 program, are you familiar with Space Works?

12 COUNCIL MEMBER LEVIN: Yes.

13 COMMISSIONER FINKELPEARL: SO that's
14 something that we've been actively involved in.
15 They're building low cost studio spaces all over the
16 city. The question that comes to mind is scale.
17 Like you said, what is the nature of the scale of the
18 problem? You know, it's hard to estimate how many
19 artists there are exactly in New York City. I've
20 heard 50,000, I've heard 60, 70 whatever. Visual
21 artists in New York City. It's hard to estimate I
22 don't know if anyone has a good estimate of that. If
23 that is the need, then to begin to address the need
24 with you know the number of studios we're capable of
25 building is a big concern for me. But I do think

2 that you know this is something that's already a
3 priority of this agency and will continue to be.

4 COUNCIL MEMBER LEVIN: Is there any thought
5 of how DCA could work with other agencies, for
6 example that they can be supportive, or incorporating
7 arts into projects of those agencies whether it's
8 DEP, or something like that. Or large scale with
9 DCAS. Or coordinating with other agencies about
10 space and/or projects. And also, looking to see how
11 arts can be brought into the Ulert process, which is
12 our process by which we rezone in this city.

13 COMMISSIONER FINKELPEARL: So I'm just sort
14 of doing my rounds meeting the other commissioners.
15 And I have brought this up repeatedly. I think that
16 there is you know certainly possibilities of
17 integrating the arts into all different agencies. I
18 don't know if you know that the Department of
19 Sanitation has had an artisan residence for 35 years.
20 Absolutely brilliant artists. As she's kind of a
21 feminist, post-feminist artist. Internationally
22 known. If sanitation can make the commitment to
23 having artists in residence, I believe other agencies
24 can do so. And I've been talking to people. I don't
25 have any particular results yet. But I do know that

2 integrating and working across agencies is also a big
3 administration priority. And I think that the
4 possibility for the arts is amplified by these cross
5 agency collaborations.

6 COUNCIL MEMBER LEVIN: And I think of in my
7 district that I have the Newtown Creek Wastewater
8 Treatment Facility which, you know, has these
9 beautiful Vito Acconci Sculpture and Trakas-designed
10 Nature Walk and DEP did a very good job of
11 incorporating two...

12 COMMISSIONER FINKELPEARL: But that was a
13 collaboration with our agency. That's a percent for
14 our collaboration which believe it or not was
15 initiated when I was at the...

16 [Crosstalk]

17 COMMISSIONER FINKELPEARL: I remember those
18 meetings. So 20 years later you have a wonderful
19 project.

20 COUNCIL MEMBER LEVIN: Majority is still
21 there on top of the nature walk likely and I'm sure
22 that is design is adhered to so.

23 COMMISSIONER FINKELPEARL: Yes, but I mean
24 that particular example, it's a good example, that I
25 mean again, it's the last place you'd think of the

2 arts being at a sewage treatment plant. But it's
3 there and it works. And again, if DEP can do it at a
4 sewage treatment plant, sanitation can have an artist
5 in residence, there's a lot of potential.

6 COUNCIL MEMBER LEVIN: And my last question
7 is Chair Van Bramer and I in the last session started
8 working on a cultural plan bill that we had a
9 productive hearing on and we've gone back and we've
10 tried to amend some of the language and address some
11 of the issues and concerns that have been brought up
12 by various organizations. Is there a willingness on
13 the part of DCA to be a partner with that? It's
14 something that we think there's a great potential for
15 New York City and we're the largest in the country
16 and we don't have one as of yet and it would be great
17 to create like a road map.

18 COMMISSIONER FINKELPEARL: So I..., yes
19 absolutely. I'm ready. I'd be game to do that. I'd
20 have to say that my experience with plans is the more
21 specific they are the better. So if we were to make
22 a plan for example, specifically related to
23 affordability for artists. That kind of plan which
24 narrows in. Which can have a very clear policy, you
25 know, response to it. Which could say we can solve

2 and have maybe my..., and look I'll work with you guys.
3 If it's a plan, it's a plan. I've seen Chicago's
4 plan. I understand the value of it. My inclination
5 would be to come back to you and say I think we need
6 to have a couple of plans with experts in particular
7 parts of this to solve individual problems. And that
8 could be the most productive thing. And we could say
9 this is what we've done in this administration to
10 keep this city safe for artists to live. That's an
11 overall plan. Sometimes include everything and
12 doesn't end up pointing to a particular issue.

13 But in any case...,

14 COUNCIL MEMBER LEVIN: I think we have that
15 in mind for chapter five of you know..., but no we look
16 forward to working with you on it and again I think
17 we're thrilled and on behalf of my district we're
18 thrilled that..., with the gusto that you've taken over
19 the job and look forward to your tenure.

20 COMMISSIONER FINKELPEARL: Just to say,
21 when I was at PS 1 Contemporary Arts Center we always
22 thought about the G-Train Corridor, as an arts
23 corridor.

24 COUNCIL MEMBER LEVIN: Absolutely.
25

2 COMMISSIONER FINKELPEARL: So it's actually
3 not designated by borough. It's designated by that.

4 COUNCIL MEMBER LEVIN: Absolutely. I live
5 right on the other side of the bridge, so I'm right
6 there. Thanks.

7 CO-CHAIRPERSON VAN BRAMER: I just wanted
8 to add Council Member Levin, when the Commissioner
9 and I met for the first time, as in his role as
10 commissioner we talked very much about the plan and
11 the commissioner had some really interesting
12 thoughts, including possible road trips and things to
13 see what other places are doing. So we can
14 definitely follow-up on that discussion. But I was
15 very pleased with the Commissioner's openness and his
16 ideas on the plan.

17 COMMISSIONER FINKELPEARL: Specifically,
18 Chicago is a place to visit. There's stuff going on
19 there. And one of the things I felt like, hope
20 doesn't happen while I'm here in this job, is that
21 city government doesn't like to look outside of
22 itself in New York. There's nothing we can learn
23 from other cities. That is just patently not true.

24 CO-CHAIRPERSON VAN BRAMER: Yes I agree.
25 So then road trip this summer?

2 CHAIRPERSON FERRERAS: I'm in.

3 [Laughing]

4 CHAIRPERSON FERRERAS: Council Member

5 Rodriguez.

6 COUNCIL MEMBER RODRIGUEZ: Thank you

7 chairs. In pace to even though I can raise about it.

8 In pace to when you say that when you first met with

9 the mayor you talked about your priorities. And you

10 both were excited the idea that art really is for

11 everyone. Right?

12 COMMISSIONER FINKELPEARL: Yes.

13 COUNCIL MEMBER RODRIGUEZ: And by saying

14 that we recognize that art has not been for everyone

15 in New York City. Right?

16 COMMISSIONER FINKELPEARL: I think the

17 thing is that there is..., it's an evolving situation.

18 That there has been an increasing democratization of

19 art. For example, before the 70s the Cultural

20 Institution Group did not include, El Museo del

21 Barrio, The Studio Museum in Harlem, Queens Museum,

22 you know, all the..., a lot of museums in the borough.

23 So, I would say that it's an evolving process.

24 COUNCIL MEMBER RODRIGUEZ: Well I would say

25 that I have a different opinion. I know that most of

2 the people of color, they wouldn't say that it is
3 something that is evolving. I think it's more..., is
4 it true? I think that what you say is the reality
5 that art has not been for everyone in New York City.
6 Can we agree with that? Because if not, then we will
7 be trying to deal with a situation where first of all
8 art and music come with a privilege over a child
9 coming from a family with a parent already are
10 empowered have the resources, have the understanding.
11 So as for that child in the art and music and
12 dancing. Everything from the date he or she was
13 born. So if don't recognize then it would be
14 business as usual.

15 COMMISSIONER FINKELPEARL: I can say that I
16 am prepared to work as hard as I can in this job to
17 democratize the access to art. To make sure that art
18 is in every community. And I do think that there are
19 communities that have less cultural resources in this
20 city. But I also want to say that there is a need
21 and desire for art in all communities outside of
22 government funding. And I think that that's
23 something we need to do a better job in understanding
24 how to get the access or the resources to everybody.
25 And one of the examples that I've given is that, you

2 know there's a big Sri Lankan community in Staten
3 Island. And I mention this is on the radio the day I
4 was appointed. And I bet you they have a dance
5 group. Right?

6 COUNCIL MEMBER RODRIGUEZ: I just think
7 that first of all that you know someone like you that
8 had an important big profile, I have no doubt you'll
9 make an important contribution. But we have to
10 realize where we are. And I think that when we
11 elected a mayor and brought in basically as a mandate
12 saying there's an inequality that we have in New York
13 City. We have communities that they are decades
14 behind. And this is not only about democratizing.
15 It's about providing real opportunity. This is about
16 being sure that we have a full ten year plan to say,
17 we need to bring art to these communities and we
18 bring those communities to the art places. Because
19 if you go to the Lincoln Center or to Carnegie Hall,
20 see all those performers you will see that, you know,
21 how can a working class parent say I can buy a \$200
22 ticket to take my child to see a show on Broadway.
23 So I think that my colleagues more, I identify with
24 your vision but I want all of us to understand that
25 we been so behind. And there's a community..., there's

2 children that they cannot be waiting anymore. That
3 when you go in and enjoy a good performance you will
4 see the lack of diversity. In many of those
5 performances. So I just hope that in your leadership
6 we can be proud to say we not only celebrate what
7 Rosa Parks did, what Martin Luther King did in the
8 past. This generation has a great opportunity to say
9 in our time we were able to provide every single
10 child an opportunity to know what it is to enjoy a
11 Broadway show because that's not happening. And
12 unless you understand that that's where we are as a
13 city, 20 years from now the new leadership, they will
14 be saying we will try to democratize it. And at the
15 end of the day we need to persuade those New Yorkers
16 in power to understand that this situation is worse
17 than what we imagined.

18 COMMISSIONER FINKELPEARL: I think that I
19 agree with your values 100% and I look forward to
20 working with you and I can't deny what you said.

21 CHAIRPERSON FERRERAS: Thank you
22 Commissioner. Thank you for your testimony. Clearly
23 we've addressed a lot of issues that are important to
24 this council. We may have some follow-up questions.
25 I'd like to get them to you and if you can get them

2 to me as soon as possible so we can negotiate with
3 the proper answers. I'd appreciate it.

4 COMMISSIONER FINKELPEARL: I will try to be
5 as quickly..., one of the things I'm going to try to do
6 is get back to people immediately.

7 CHAIRPERSON FERRERAS: You can start with
8 us. If you start with us we'll let everyone know. I
9 appreciate it again. It's about getting culture to
10 the communities that don't have it, but also getting
11 the communities that don't have it into the cultural
12 institutions and visiting those very important
13 facilities. Thank you so much. We are going to take
14 a five minute break before we begin with the School
15 Construction Authority.

16 [Pause]

17 CHAIRPERSON FERRERAS: We will now resume
18 the council's hearings on the mayor's executive
19 budget FY 2015. The Finance Committee has been
20 joined by the Education Committee, Chaired by my
21 colleague Council Member Danny Dromm, to hear from
22 the Scholl Construction Authority. Before we hear
23 from the CSA I will turn the mike over to my co-
24 chair, Council Member Danny Dromm for his opening
25 statement.

2 CO-CHAIRPERSON DROMM: Thank you very much
3 Madam Chair. Good morning, or good afternoon and
4 welcome to the city council's hearing on the fiscal
5 2015 executive capital budget for the Department of
6 Education. And the fiscal year 2015 to 2019 five
7 year capital plan that will be executed by the school
8 construction authority. The fiscal year 2010 to 2014
9 capital plan will end at the end of this fiscal year
10 and the February plan is the DOE's proposal for the
11 next five year plan that will begin on July 1st. The
12 February plan totals \$12.8 billion over five years.
13 It includes \$800 million that is contingent upon the
14 Smart Schools Bond Act which was included in the
15 inactive state budget to fund technology in schools,
16 class size reduction and capital projects associated
17 with the expansion of Universal Pre-Kindergarten.

18 The February Plan allocates \$4.4 billion
19 for capacity to construct 39,560 new seats. Of this
20 amount \$3.3 billion is scheduled in the new capacity
21 program to build 31,754 seats. \$210 million is to
22 build roughly 2,100 pre-kindergarten seats and \$490
23 million is for a class size reduction program that
24 would add 4,900 seats. Which would be targeted for
25 class size reduction at the school level. At the

2 preliminary budget hearing many council members
3 question the DOE and the SCA on how there plan for
4 targeted class size reduction would be implemented.
5 And I hope the administration has an update for us
6 today. I also look forward to hearing an update on
7 the capital plan for full-day UPK expansion. Now
8 that the expansion process is well underway. I am
9 guessing that the DOE may have more refined
10 projections of number of seats it needs to create in
11 public schools as well as the amount of funding that
12 must be set aside for facility restructuring to add
13 UPK seats in schools. If the needs have changed it
14 would be important for the council to be aware of
15 these changes and the plans should be updated at
16 adoption to reflect them.

17 In addition to capacity, the February plan
18 has a capital investment category totaling \$4.94
19 billion. These funds are for the capital improvement
20 projects such as technology, exteriors and the
21 removal of transportable classroom units or TCUs.
22 Under the February plan, the DOE set aside \$480
23 million to fund the removal of all TCUs citywide.
24 According to the most recent report on TCUs there
25 were 352 TCUs last school year serving 7,158

2 students. Many of these temporary "temporary",
3 classrooms have been in use for decades and the DOE
4 has planned the removal for years. We know that the
5 issue is not the availability of funding. Rather it
6 is the DOE's ability to find permanent sites for the
7 seats currently located in TCUs. This challenge has
8 proved especially difficult in certain districts that
9 are severely overcrowded. I would like to know the
10 details of how the SCA plans to remove these TCUs and
11 what they plan to do this time to actually accomplish
12 the goal.

13 There are many other issues that I am sure
14 will come down today from other committee members and
15 myself and I look forward to the discussion with the
16 SCA and the DOE after their testimony. I would like
17 to remind my colleagues that we are here to discuss
18 the DOE's capital budget and five year plan. So I
19 ask that you please avoid specific questions about
20 individual schools and projects. I'd like to thank
21 Kathleen Grimm, Deputy Chancellor at the DOE. And
22 Lorraine Grillo, President of the SCA for coming to
23 testify before the committees today. And I am going
24 to swear them in. So if you would raise your right
25 hand. Do you solemnly swear or affirm that to tell

2 the truth, the whole truth and nothing but the truth.

3 And to answer council members questions honestly?

4 [Crosstalk]

5 CO-CHAIRPERSON DROMM: Thank you very much.

6 CHAIRPERSON FERRERAS: You may begin your
7 testimony.

8 DEPUTY CHANCELLOR GRIMM: Thank you very
9 much. Good afternoon Chairs Ferreras and Dromm and
10 members of the Finance and Education Committees. As
11 you said my name is Kathleen Grimm, Deputy Chancellor
12 for Operations at the Department and I am joined by
13 Lorraine Grillo, our President and Chief Executive
14 Officer of the School Construction Authority and we
15 are both pleased to be here today to discuss the
16 proposed five year capital plan for our schools. The
17 proposed \$12.8 billion plan will create tens of
18 thousands of new seats in areas projected for
19 enrollment growth and directly addressing
20 overcrowding and this administration's goal of
21 creating additional high quality full-day free
22 kindergarten seats. The proposed plan also targets
23 the reduction of class size and much needed
24 improvements for our infrastructure. And I would
25 like to say that it is because of the success of the

2 two earlier plans, a great credit goes to Lorraine
3 her team but also to this body and to the state
4 legislature for the financing of the prior two plans
5 that we are at a point where we can highlight some
6 interesting projects having to do with accessibility,
7 our fields, our bathrooms that we weren't able to
8 address in prior years. As you know, the plan is
9 funded by state and city tax levy. And the \$800
10 million in funding is contingent upon proceeds and
11 the success of the passage of the New York State
12 Smart Schools Bond Act.

13 As you are aware we testified before the
14 education committee regarding the capital plan last
15 March. While there are no changes from the proposed
16 plan presented we do welcome the opportunity to
17 revisit that testimony. Particularly since members
18 of the Finance Committee did not participate in that
19 hearing. We are currently in the final year of our
20 2010-2014 capital plan. The new proposed plan builds
21 on the investments of those two plans over \$25
22 billion. And the resulting creation of 104,000 new
23 seats since 2004. And as I said we are very grateful
24 to the council for its strong support and its
25 generous funding for our schools.

2 As many of you know, we developed an annual
3 amendment process beginning with the fiscal year
4 2005-09 plan. Regularly reviewing our capital plan
5 allows us to identify emerging needs quickly. And
6 gives us the opportunity to make changes as
7 necessary.

8 To track changing needs we conduct an
9 annual building condition assessment survey, BCAS.
10 That's a survey for which we sent architects and
11 engineers to evaluate our 1,200 plus buildings. We
12 also update enrollment projections annually. These
13 projections incorporate data on birth rates,
14 immigration rates, and migration rates from various
15 city agencies. Additional agencies also provide
16 statistics on housing starts and rezoning efforts.
17 Using a broad range of resources provides a complete
18 view of potential student demand. And annual updates
19 allow us to make timely adjustments when there is a
20 sustained increase in student population in one part
21 of the city. Or a decline in another. In addition
22 to evaluating our school buildings and student
23 population, public feedback plays a crucial role in
24 our capital planning process.

2 Each year we undertake a public review with
3 community education councils, the city council, other
4 elected officials and community groups. We offer
5 every CEC in the city the opportunity to conduct a
6 public hearing on the plan. And we partner with
7 individual council members and CECs to identify local
8 needs. Your insights in this process are essential.
9 And we look forward to our continued partnership.
10 The plan as proposed was approved by the panel for
11 educational policy in March. And will of course be
12 considered for adoption by the council as part of the
13 city's budget.

14 I'd like to highlight..., share with you some
15 highlights of the plan. The proposal includes \$4.4
16 billion for capacity. \$4.9 billion for capital
17 investment. And \$3.5 billion for mandated programs.
18 The proposed plan creates approximately 39,500 seats
19 which address overcrowding as well as two new
20 administration priorities. Our Pre-K expansion and a
21 class size reduction initiative. Of the \$4.4 billion
22 allocated to capacity, \$3.3 billion is dedicated to
23 creating approximately 33,000 seats within school
24 districts which are experiencing the most critical
25 existing and projected overcrowding. A portion of

2 the 33,000 seats were funded and not started in the
3 current plan. And a total of 800 seats are funded
4 for design only in this proposed plan. Funding for
5 construction of these 800 seats will be included in
6 the next five year plan. And a breakdown of new
7 seats by sub-district is outlined in the table which
8 is attached to this testimony.

9 \$210 million has been allocated for a vital
10 increase in the number of Pre-K seats in new
11 elementary school buildings being constructed. As
12 well as supporting additional leases or new space for
13 stand-alone Pre-K centers. In addition, \$490 million
14 is allocated to address class size reduction and \$400
15 million to replace facilities where leases expire
16 during this plan. Nearly 70% of the \$4.9 billion
17 capital investment allocation will address the
18 buildings identified in the annual building survey,
19 the BCAS survey as most in need of repair. Such as
20 roofs and structural repairs. Safeguarding our
21 buildings against water infiltration and other
22 facility projects. The capital investment category
23 also includes funding for upgrades to fire alarms,
24 public address systems, and as mentioned the removal
25

2 of transportable classroom units, commonly known as
3 TCUs.

4 The remaining nearly 30% or \$1.6 billion
5 will go toward upgrading instructional spaces in
6 existing buildings. Such as the restructuring of
7 classroom for Pre-K use, upgrades to physical fitness
8 rooms, libraries, middle school science labs,
9 bathrooms, auditoriums and technical upgrades.

10 I'd like to speak more about two of these
11 areas. In previous hearings many members of the
12 council have asked about bathroom upgrades and spoken
13 about the popularity of Reso A funded bathroom
14 upgrade projects. And while our schools all have
15 functional bathrooms. In this proposed plan we've
16 allocated \$50 million to a pilot program to provide
17 bathroom upgrades to improve the attractiveness of
18 our school bathrooms. In the prior capital plan
19 insuring all high school students had access to a
20 science lab was a priority and we are happy to report
21 we have succeeded in this goal. We are now able to
22 turn our focus to middle school students. We have
23 allocated \$50 million to upgrade middle school
24 science labs over the next five years.

2 In order for our students to become college
3 and career ready in a digital and information age.

4 We will make certain that technology upgrades remain
5 a priority in the proposed plan. We are committed to
6 bridging any existing gaps in technology in our
7 schools. Specifically approximately \$505 million of
8 technology spending under this plan will build on our
9 school buildings core technology infrastructure.

10 This funding allows us to continue to transform our
11 school environments from industrial age to
12 information age. Schools where learnings information
13 ages schools where learning can be customized to each
14 child's unique needs. Over the next five years
15 essential upgrades and incorporation of next
16 generation broadband, wireless and learning
17 technologies. Our plan for all school buildings.

18 Additionally \$145 million will be invested
19 in upgrading Legacy systems such as student
20 information systems, improving enterprise level
21 learning platforms, developing new data systems, and
22 upgrading business operation systems that support our
23 schools. In part funding for the programs in this
24 category is also dependent upon receipt of proceeds
25 from the New York State Smart Schools Bond Act.

2 In our last category, mandatory programs.
3 The total cost to support the city's effort to remove
4 and replace all PCB containing lighting fixtures
5 throughout the entire school system is \$1 billion.
6 About half of which is covered in the current plan.
7 The proposed five year capital plan allocates \$480
8 million to replace the remaining lighting fixtures in
9 our schools by December 2016. The mandated program
10 category also includes approximately \$750 million for
11 boiler conversions in approximately 125 buildings
12 which currently use #4 oil. The remaining funds are
13 assigned to cover other required costs, including
14 insurance and completion of projects from the current
15 plan.

16 We understand that the public school system
17 as a whole continues to experience pockets of
18 overcrowding. And we are working to address these
19 concerns through new school construction as well as
20 other tools that are at our disposal. We remain
21 focused on remedying these issues and will continue
22 to rely on your feedback and support as we do so. As
23 part of this administration's commitment to collect
24 feedback from school communities. The department has
25 established a blue book revisions working group.

2 Formed in response to the many concerns raised by
3 CECs, parents, advocates and elected officials. The
4 working group has already met several times and we
5 are excited to implement changes and recommendations
6 based on the group's feedback. Some changes will be
7 evident in the 2013-14 blue book and additional
8 changes will be made for the following year.

9 Our annual capital planning process has
10 already benefitted significantly from your input.
11 And our students, of course have benefitted from your
12 generous support of capital projects. With continued
13 collaboration and tens of thousands of seats slated
14 to come on in the next five to seven years, we remain
15 confident that the expansion and enhancement of
16 school buildings across the five boroughs will
17 improve the educational experience for the city's 1.1
18 million school children as well as for the teachers
19 and staff who serve them.

20 I want to thank you again. And I now turn
21 to Lorraine Grillo who will walk you through the
22 specifics of the plan. Lorraine.

23 PRESIDENT GRILLO: Thank you Deputy
24 Chancellor. Thank you members of the committees and
25 the chairs. I'm going to go through this rather

2 quickly because I think most of you have seen this
3 already and I just want to remind everybody and go
4 through.

5 This proposed plan is for \$12.8 billion.
6 As the Deputy Chancellor mentioned, \$800 million of
7 that is a part of the New York State Smart Schools
8 Bond Act. And that's contingent on a referendum.

9 This is really on par with the last previous two
10 plans that we were able to carry out successfully.

11 The highlights of the plan as the Deputy Chancellor
12 mentioned, \$210 million for the creation of

13 approximately 2,100 new Pre-K seats. \$310 million
14 for restructuring of existing buildings for the

15 creation of approximately 3,100 new Pre-K seats.

16 Class size reduction allocation of \$490 million.

17 Funds for the removal of all transportable units.

18 And insuring that all middle school students have

19 access to science facilities. Again, the plan is

20 broken into three categories. Capacity \$4.4, capital

21 investment \$4.9, \$3.5 in mandated programs.

22 In capacity it is allocated for 33,000 new

23 seats. The vast majority of those are in the PSIS

24 category, 28,000 of those and 4 ISHS school buildings

25 of about 3,100 seats. This includes a rollover of

2 approximately 4,000 seats from the current plan. And
3 it basically keeps the creation of new seats at the
4 same level as it has been over the last two plans.
5 In the capacity program, as we said \$3.3 billion for
6 new capacity. That's 33,000 seats. \$210 million for
7 Pre-K. \$490 million for 4,900 seats in the category
8 of class size reduction. And then \$400 million for
9 facility replacements. We currently have 70 leases
10 expiring in upcoming plan and we have to prepare
11 ourselves for that.

12 In the capital investment category \$3.3
13 billion in capital improvements. As the Deputy
14 Chancellor mentioned this is based on our BCAS
15 surveys which we do every year. \$480 million for the
16 removal of transportable classroom units. And \$130
17 million in athletic field upgrades. In addition to
18 that as the Deputy Chancellor mentioned we have been
19 successful over the last two plans and we are able to
20 do some enhancements to our existing building,
21 restructuring of \$525 million which includes as we
22 mentioned earlier \$310 million for restructuring pre-
23 k classrooms. \$100 million in safety enhancements.
24 Middle school science labs of \$50 million. \$100
25 million to provide accessible facilities throughout

2 the city. \$135 million for physical fitness,
3 libraries and auditorium upgrades. And the pilot
4 program for bathroom upgrades of \$50 million. It
5 also includes \$650 million for technology.

6 Under mandated. As we mentioned the PCB
7 lighting replacements \$480 million. \$750 million for
8 boiler conversions. \$650 million for our wrap up
9 insurance program. Our owner controlled insurance
10 program. And \$650 million for projects that began in
11 the current plan that will be completed in the next
12 plan. And of course, you know that we've gone
13 through our proposed release of the plan in November.
14 We've met with community education councils
15 throughout the city. We issued the updated plan in
16 February and brought it to the panel for educational
17 policy in March where they approved it. And now we
18 are hoping for the June adoption by the city council.
19 And then as I said, and I try to do every time. To
20 show you some of the extraordinary work that the team
21 at the SCA does. And we're happy to answer any
22 questions that the council has.

23 CHAIRPERSON FERRERAS: Thank you for your
24 testimony. I want to first coming from a district in
25 particular shared by the co-chair of over

2 crowdedness. You can only imagine how the
3 transportable conversations are very frustrating for
4 us and to have with constituents and parents that are
5 concerned. And why isn't my child in the building
6 and why is he out of the building. And we've had
7 these conversations with you one-on-one. But I want
8 to really speak about and I'm really excited to hear
9 your testimony that there is a plan to have the units
10 addressed. However, in the 2005-2009 plan there was
11 also a commitment to have these addressed. So I want
12 to hear why there's a difference now and why this is
13 going to happen now as opposed to the last plan.

14 DEPUTY CHANCELLOR GRIMM: Well I think
15 there are two reasons. One is \$490 million. In that
16 first plan, we looked at overcrowding on a district
17 wide basis. And what we projected, not easily, was
18 that if we built the seats that were projected,
19 because remember that was the first plan that went to
20 \$13 billion from \$4. That if we built all the seats
21 we wouldn't need the TCUs anymore. The trouble is
22 what we learned, in that first plan. Was that the
23 seats weren't always where the children were in a
24 district. We now look at a sub-district level so
25 that we can avoid that problem. Also in that first

2 plan we didn't actually set aside funding to remove
3 these TCUs. And they are what \$1.5 million apiece.
4 Right Lorraine?

5 [Background talk]

6 DEPUTY CHANCELLOR GRIMM: That's why we put
7 assigned here. \$490 million. Now that doesn't mean
8 it's going to be an easy plan. We're obviously
9 picking the low hanging fruit to begin with. But it
10 is a five year plan. So we feel confident we have
11 time. We are scheduling, for example, where we know
12 where we are building buildings and additions. When
13 we'll be able to remove those TCU's, I will tell you
14 we still have some TCUs that the sub-committee is
15 look at. Where we don't have an answer yet, but we
16 have some time to figure out what to do with the
17 children so that we will be able to remove all of
18 these TCU. It's more than just construction. You
19 know, we're going to involve several areas of the
20 department. I'll give you an example. We had a
21 situation in Queens, Richmond Hill High School, where
22 the 9th graders were scheduled to go into the TCUs.
23 And we sent the campus squad out to that school. And
24 that is a group of senior level people made up of
25 both instructional people and space planning people.

2 And we were able to come up with a plan much of which
3 as through programming that allows us this September,
4 not to have any of the children in those TCUs. Now
5 some of them may still be used for dance class, or a
6 cluster room activity. But no child will go to
7 school in a TCU in that school. And I'm very proud
8 of that. And I am convinced that given enough time
9 over the next five years we'll be able to achieve
10 that for all of the TCUs in the system.

11 CHAIRPERSON FERRERAS: So the ones that are
12 in queue. Or in your plan to address. I know we
13 talked about PS92 and they are one of the schools
14 that are going to be transitioning out of TCUs.
15 However, all that does is make all the other schools
16 jealous. And all the parents want to do the same
17 thing. And why isn't it happening in their schools.
18 So, I know that in the past when we've had this
19 conversation. There's an issue of capacity and where
20 we put those young people that are assigned to the
21 TCUs. Where do you place them? So how are you
22 addressing in your plan where you place them?
23 Because I'm looking at a district that we share also
24 with Council Member Crowley where even the need..., the
25 additional..., we have unfunded need. So how do you

2 make..., or how can you address those school districts
3 that fall under this catch. How do we see a light at
4 the end of the tunnel if we have unfunded needs but
5 we also have TCUs.

6 DEPUTY CHANCELLOR GRIMM: That is part of
7 the challenge. And I'm not saying we're going to
8 have a whole plan in place by September. We won't.
9 We will have a plan in place for what we can remove
10 next year. What we know we can remove in the coming
11 years as planned additions and buildings come online.
12 But we have to work together to figure out what to do
13 in those areas of great overcrowding. Where we
14 aren't even meeting the need that we see with the
15 TCUs. The plan is not finished yet.

16 CHAIRPERSON FERRERAS: Okay. Well you
17 know, we're obviously going to be partners with you
18 in that process.

19 DEPUTY CHANCELLOR GRIMM: We appreciate
20 that.

21 CHAIRPERSON FERRERAS: And we definitely
22 need to find solutions to this very challenging
23 issue.

24 DEPUTY CHANCELLOR GRIMM: No question.
25

2 CHAIRPERSON FERRERAS: So I want to talk
3 about in the February plan includes \$50 million to
4 the bathroom renovations and we put that in the
5 council response so we really appreciate you kind of
6 being included. And I know that you submitted to us,
7 the 127 bathrooms that will benefit from this
8 allocation. Can you walk me through how these
9 schools and bathrooms were selected for this list?

10 DEPUTY CHANCELLOR GRIMM: They were
11 selected by the Deputy Field Directors. In other
12 words these are the people who out there monitoring
13 the physical conditions of the schools and were
14 working overseeing the custodians. And these are the
15 people closest and they, we felt had the best sense
16 of what buildings would benefit from a spruce up.

17 CHAIRPERSON FERRERAS: So I have two
18 questions that kind of..., some spruce ups, right,
19 don't require as much capital investments as what was
20 triggered here for capital funding which was the
21 35,000. So how do you address the spruce ups that
22 aren't necessarily that costly.

23 DEPUTY CHANCELLOR GRIMM: Well, heretofore,
24 what we had done, was called a complete gut of a
25 bathroom. And frankly what we observed from our

2 colleagues in charter schools is that they manage to
3 do it not quite as elaborately as that, but the
4 bathroom came out looking swell. So we decided well,
5 maybe we can learn something here and that's why we
6 set aside this money as a pilot to see how this goes.

7 CHAIRPERSON FERRERAS: Great. So the other
8 issue that we have with bathrooms, although we're
9 really excited for the renovations. Is the fact that
10 in some of our overcrowded schools is that there
11 aren't enough stalls, and there's not enough bathroom
12 space to meet the new demand. These buildings in
13 many cases, and I don't have to tell you this. But
14 these building in many cases aren't necessarily...,
15 we're over capacity. So are any of these dollars...,
16 or are you thinking about options or creative ways in
17 either expanding certain bathrooms or...

18 DEPUTY CHANCELLOR GRIMM: Not the pilot
19 money. It would involve the facility money that we
20 have set aside to enhance current buildings. A big
21 chunk of that money is going to pre-k but there is
22 other available money..., oh no this is the money under
23 the bond act that would be available.

24

25

2 CHAIRPERSON FERRERAS: So is this something
3 that you're doing that you're actively thinking
4 about.

5 DEPUTY CHANCELLOR GRIMM: We're not doing
6 it yet. First of all the plan has to be approved.
7 The bond act has to be approved.

8 CHAIRPERSON FERRERAS: Right but you are
9 envisioning. So in your visioning process.

10 PRESIDENT GRILLO: Right. Well as also
11 part of our standard capital investment projects.
12 These types of things are included in that. As you
13 can see in the plan right now, you have two years of
14 those capital investment projects and every year we
15 update that to add another year and as the priorities
16 emerge we'll make those shifts.

17 CHAIRPERSON FERRERAS: Okay. I want to
18 talk about budget transparency. So as we look
19 through the proposed capital plan. One thing that we
20 have a challenge trying to figure out is, who funds
21 what? So is it federal, state or the city. Is there
22 an opportunity in your plan to be able to let the
23 council know? So that if there's a change on a
24 federal level, we know that this may have an impact
25 on the plan. But if we don't know where the monies

2 are coming from it makes it very difficult for our
3 own forecasting or budgeting.

4 DEPUTY CHANCELLOR GRIMM: The money
5 traditionally always came from the city. But two
6 plans ago, we with the council and the administration
7 went to Albany. And Albany basically now funds 50%
8 of the plan. So the money is capital bond money and
9 state money.

10 CHAIRPERSON FERRERAS: Okay. So we have a
11 50/50 split.

12 DEPUTY CHANCELLOR GRIMM: More or less.

13 CHAIRPERSON FERRERAS: Okay and also as a
14 follow-up. It's been very difficult through the plan
15 to identify Hurricane Sandy monies. So is there...
16 where are you articulating where these monies are
17 coming in, if they've been reimbursed. Because this
18 is an issue with us following through on the
19 reimbursement issues that we may have with Hurricane
20 Sandy replacements.

21 DEPUTY CHANCELLOR GRIMM: Well that is a
22 long story. It's..., we have been engaged in
23 discussions along with OMB of course and some other
24 city agencies with FEMA. But Lorraine tells me that
25 we see a light at the end of the tunnel. And that at

2 least by the end of this year the majority of all of
3 the Sandy work projects that are still outstanding
4 will be in contract.

5 CHAIRPERSON FERRERAS: So just for
6 transparency purposes so that we have a clearer
7 location. Is that reflected in the plan?

8 DEPUTY CHANCELLOR GRIMM: No we don't have
9 the money yet. No.

10 CHAIRPERSON FERRERAS: So it's not even
11 tied to a need in the plan?

12 DEPUTY CHANCELLOR GRIMM: Well the need is
13 in the plan. The need is in the plan. The boilers
14 and the, what have you.

15 PRESIDENT GRILLO: Yes.

16 DEPUTY CHANCELLOR GRIMM: The money is not
17 there yet.

18 CHAIRPERSON FERRERAS: Okay well we're
19 trying to find it. And we're trying to figure it out
20 so that we know what we have to go advocate on a
21 federal level for. So we need you to help us bring
22 transparency to this aspect of it.

23 DEPUTY CHANCELLOR GRIMM: We would
24 appreciate that help and we should have OMB at the
25 table with us as well.

2 CHAIRPERSON FERRERAS: I agree. They are
3 going to be here on Friday. So I'm hoping to have
4 this information by then.

5 PRESIDENT GRILLO: And we have the
6 information on the costs and what not. So we can
7 certainly share that.

8 CHAIRPERSON FERRERAS: Okay. And before I
9 pass it over to my co-chair. This is more on for the
10 Finance team and staff here. When they're preparing
11 us council members with information. You put out a
12 report that comes in a PDF form which we appreciate.
13 But as you know, PDF is very hard..., impossible to
14 manipulate. So they have to create additional forms
15 for us to do an analysis. Can we get this
16 information in an excel spreadsheet. SO that we can
17 analyze this. And also, when we're on your site.
18 You can't open two of the reports at the same time.
19 So also making it very difficult to compare.

20 DEPUTY CHANCELLOR GRIMM: We'll have our
21 technical people work with you and we'll figure it
22 out.

23 CHAIRPERSON FERRERAS: Fantastic. Thank
24 you. So Excel and the dual screen. They are very
25 happy. Now to my Co-Chair Dromm.

2 CO-CHAIRPERSON DROMM: Thank you Madam
3 Chair. I have some follow-up questions in regards
4 to...

5 [Interpose]

6 CHAIRPERSON FERRERAS: I'm so sorry. My
7 colleagues, Council Members Reynoso, Rodriguez,
8 Williams, Weprin, Crowley, Chin, Rose, Rosenthal,
9 Maisel and Cumbo. And Deutsch have joined us.

10 CO-CHAIRPERSON DROMM: Thank you very much
11 Madam Chair. I have some follow-up questions in
12 regard to the TCUs. So I've been looking at the New
13 York City School Construction Authority's List of
14 Transportable Classroom Units with enrollment as of
15 September 12. And I notice that in that report there
16 are 47, I think my count is right, or 47 with either
17 a zero or a not applicable on it. Yet those
18 portables are still standing. And so how does that
19 fit into the overall picture of what your plan is to
20 do with the transportables.

21 DEPUTY CHANCELLOR GRIMM: Well first of all
22 I'd like to give you an update to this report. Which
23 we can take care of. When it has zero enrollment, it
24 simply means either it's vacant, which doesn't happen
25 too often. The school is using it for

2 administration. In some cases we have charter
3 schools in TCUs. So our enrollment's not counted.
4 While we should update this for you and we could also
5 give you the list of the TCUs that will be taken out
6 over the coming year.

7 CO-CHAIRPERSON DROMM: Okay. So my
8 question is. Are the ones that have zeroes are they
9 ones that you are going to target to remove first.
10 Or will you be removing others outside of that.

11 DEPUTY CHANCELLOR GRIMM: Those will be the
12 easiest ones.

13 CO-CHAIRPERSON DROMM: Exactly. That's
14 why..., if that's the only plan then we're not going to
15 alleviate the overcrowding per se. But that's why
16 I'm asking this question.

17 DEPUTY CHANCELLOR GRIMM: No. We've
18 identified 45 for removal.

19 CO-CHAIRPERSON DROMM: That has students
20 currently in them?

21 DEPUTY CHANCELLOR GRIMM: Some have
22 students in them, yes.

23 CO-CHAIRPERSON DROMM: Okay. And just in
24 the..., on how you get the number for enrollment.
25 Because while the school I'm going to mention, PS199

2 is Council Member Van Bramer's district actually. It
3 was the school where I taught. And it does make
4 mention of the fact that there two transportables.
5 That's four classrooms. But the enrollment is 90,
6 and I've never known that school to have less than 30
7 to 34 in those rooms. So how is the information
8 about the enrollment in those transportables
9 gathered?

10 DEPUTY CHANCELLOR GRIMM: From the schools.
11 From the principal

12 CO-CHAIRPERSON DROMM: From the principal?
13 So I've texted the principal but I haven't heard
14 back. So maybe by the end of the hearing we'll find
15 out.

16 DEPUTY CHANCELLOR GRIMM: Will you let me
17 know when you do?

18 CO-CHAIRPERSON DROMM: I'm sure he'll
19 appreciate it. Yes.

20 And then I notice at 125 where the fifth
21 grade has been truncated. That you have four
22 transportable units. And only 30 students enrolled.
23 Would you know why that is?

24 DEPUTY CHANCELLOR GRIMM: Well sometimes
25 that's all the overflow the school seems to think it

2 needs. We have a lot of transportables that are like
3 that. That are not fully used.

4 CO-CHAIRPERSON DROMM: But I would assume
5 if you only have 30, you're probably only using one
6 of those rooms. Do you know what the other three
7 rooms are being used for?

8 DEPUTY CHANCELLOR GRIMM: I don't know if
9 it's only one room. I mean, I'd have to refer to the
10 group that's working on this. I don't know, if maybe
11 those are special ed children and there are only 12
12 children in class or six children in a class.

13 CO-CHAIRPERSON DROMM: I see. So they
14 could be at 12 to one class in there as well. Okay.
15 Is there any way to find that out? From any of the
16 reports that you have.

17 DEPUTY CHANCELLOR GRIMM: Sure.

18 CO-CHAIRPERSON DROMM: Yes. So we can find
19 out how they're actually being used.

20 DEPUTY CHANCELLOR GRIMM: Yes.

21 CO-CHAIRPERSON DROMM: In addition to find
22 out if they are being used for professional
23 development or the uses that you mentioned as well.
24 Because that would be very helpful to us all.

2 PRESIDENT GRILLO: I just want to add one
3 thing to that. As you know, we are building an
4 addition to PSI125 in the hope once that addition is
5 finished. We will be able to remove the TCUs.

6 CO-CHAIRPERSON DROMM: And the TCUs are
7 different than the mini-school. Right? So there
8 still remains the mini-school.

9 PRESIDENT GRILLO: No. The mini-school
10 will be demolished this summer.

11 CO-CHAIRPERSON DROMM: Oh okay. So that's
12 going to come down this summer. And then the TCU's
13 after the construction.

14 PRESIDENT GRILLO: That's correct.

15 CO-CHAIRPERSON DROMM: Okay. So another
16 way of addressing capacity issues is looking at
17 reconfiguring schools zones and redistricting. So
18 many suggestions are beginning to come my way about
19 this issue. I know that I've reached out to Deputy
20 Chancellor Grimm on this, but redistricting is
21 supposed to be done..., instead may be done once every
22 ten years, if I'm not mistaken. So the last time we
23 did it was in 94. I don't think we did it in 2004.
24 But we have many situations now in 2014 that really
25 need to be looked at. So I'm wondering if we can

2 look at redistricting in two ways. One, to relieve
3 the overcrowding which is my capital question. But
4 also to bring lines into communities that are
5 separated.

6 DEPUTY CHANCELLOR GRIMM: We are looking at
7 it. And I want to insure you that our lawyers tell
8 us that it can only be done every ten years but it
9 doesn't have to be done in the tenth year. So for
10 example we can study and of course get input from
11 people such as yourselves. And make decisions about
12 how and what we're going to do about that. But we
13 are certainly looking at it.

14 CO-CHAIRPERSON DROMM: Is there a plan
15 moving forward regarding that? Like a timeline for
16 yourselves, at this point. Do you plan to tackle
17 that next year, or...?

18 DEPUTY CHANCELLOR GRIMM: Not as yet. I
19 don't know if the Chancellor plans on tackling it in
20 the summer or in the fall. But it is on the agenda
21 for this calendar year to begin looking at it.

22 CO-CHAIRPERSON DROMM: So it is on the
23 agenda for this calendar year?

24 DEPUTY CHANCELLOR GRIMM: Yes.
25

2 CO-CHAIRPERSON DROMM: Okay. That's good
3 to know. And I want to ask a question that is
4 probably popular among my colleagues as well. Which
5 is many of them would like to be able to give
6 principals capital dollars for electronic computer
7 tablets. Which are not eligible. And actually I've
8 brought this issue to the attention of the
9 comptroller as well. So I'm wondering if you have
10 entered into any discussions with him to be able to
11 use capital dollars for those purposes.

12 DEPUTY CHANCELLOR GRIMM: We have not but
13 we'll happily stand with you on that. Several years
14 ago there was an issue about lap tops. And through
15 efforts of the council I think we were successful in
16 getting capital funding for them.

17 CO-CHAIRPERSON DROMM: So in many cases,
18 especially with special education students. These
19 tablets are vitally important to their instruction.
20 So I would like to put some urgency on this and see
21 if we can't get this settled. Because many of my
22 colleagues are very interested in perhaps providing
23 some capital dollars this budget cycle to make that
24 happen. I don't know what..., can you tell me what the
25

2 process was the last time to get them, to get the
3 comptroller's office to go along.

4 DEPUTY CHANCELLOR GRIMM: We will reach out
5 to OMB. That's the process map for us. Because both
6 OMB and the city comptroller have to approve this.

7 CO-CHAIRPERSON DROMM: So is that a long
8 process. I mean, is that going to be possible to be
9 able to do it this year?

10 DEPUTY CHANCELLOR GRIMM: I don't know. It
11 was a long process the last time.

12 CO-CHAIRPERSON DROMM: Okay. But you're
13 going to move forward on that?

14 DEPUTY CHANCELLOR GRIMM: Yes. I urge you
15 to move forward on it too.

16 CO-CHAIRPERSON DROMM: Alright. And just
17 my last question before I turn it over to my
18 colleagues. You know, I've read some press reports
19 about the CBECs, Community Based Early Childhood
20 Education Centers, as we're calling them now. But a
21 number of them have active infractions from the
22 Department of Buildings. So can you describe to me
23 what the plan is to deal with that? And can capital
24 funds be used to address some of those concerns. Or
25 what is the relationship there.

2 DEPUTY CHANCELLOR GRIMM: Capital funds
3 cannot be used because they are not our spaces. They
4 are not public spaces. Umm, I think I need to get
5 back to you on this because I would like to talk to
6 my colleagues who are in charge of the Pre-K effort.
7 And share what their comments are with you.

8 CO-CHAIRPERSON DROMM: I'm sure you saw
9 those same press stories and so are you working on a
10 plan now to be able to deal with some of those
11 issues.

12 DEPUTY CHANCELLOR GRIMM: I'm sure they
13 are. It's just I'm not the best person to tell you
14 what those plans are.

15 CO-CHAIRPERSON DROMM: Okay. Alright, so
16 I'm going to turn it over to my colleagues and the
17 first question will be from Council Member Antonio
18 Reynoso. And we've also been joined by Council
19 Member Inez Barron from Brooklyn.

20 COUNCIL MEMBER ANTONIO REYNOSO: Thank you
21 chair. And thank you to the panel for being here.
22 It's a long time we've been working together. I'm
23 extremely grateful for the work that you do.
24 Especially in addressing the issue with 24 or in
25 Ridgewood, Queens. And being able to build some new

2 infrastructure there. I do want to speak to the UPK
3 expansion. It seems like there's 2,100 seats and we
4 have \$210 million for it. Which means we're
5 budgeting at about \$100,000 a child per seat. If a
6 location is found where we can have up to, let's say
7 five classrooms. And in those classrooms they're
8 ready to go. What I'm gathering here is that SCA
9 would be willing to invest up to \$100,000 a child to
10 make sure that those..., that facility is suitable for
11 these children. Am I correct? More or less?

12 PRESIDENT GRILLO: You are Council Member.
13 What this means..., this is really..., this is really an
14 average. So we have been out looking at, I think so
15 far, about 85 sites. And some of them are in much
16 better condition than others. So there might be one
17 that is \$100,000 per child. And another that's
18 \$50,000 per child. But this is the average that
19 we're using with budgeting.

20 COUNCIL MEMBER REYNOSO: Okay. So are you
21 also making an assessment of need? On where these
22 Pre-K slots are needed. And available space within
23 those areas of need.

24 PRESIDENT GRILLO: Absolutely. Absolutely.
25

2 COUNCIL MEMBER REYNOSO: So I think I
3 mentioned..., and I want to stay from being specific to
4 any projects. But I think we've had conversations
5 about a guess, a Pre-K desert, in my district,
6 District 34. And opportunity for facilities that are
7 located within that desert and the partnership that
8 we hope to have with SCA in being able to figure
9 something out and that not happening yet. And given
10 that we are getting to the deadline here. I just
11 want to speak to what SCA is doing with its capital
12 dollars or the potential capital dollars for
13 development of space to be able to secure
14 opportunities in these, you know, UPK deserts.

15 PRESIDENT GRILLO: Absolutely. Council
16 Member the sites that we're looking at now are for a
17 September 2015 opening. We're not talking about this
18 September coming up. Because as the Deputy
19 Chancellor mentioned we have to have our budget
20 approved. So we're not there yet. But we are
21 looking at sites throughout the city. In those
22 overcrowded areas. And we value our partnership with
23 the council to identify locations when they can find
24 them.

2 COUNCIL MEMBER REYNOSO: What about..., so
3 unfortunately the September date doesn't align itself
4 with our budget which is June 30th, which is the
5 ending date. So if we want to partner, let's say
6 with the Department of education to bring a facility
7 up to snuff or up to code, or to a condition where it
8 can actually house these UPK children. We can't
9 necessarily to that because of the timeline
10 difference. And that's I guess, what I'm getting to.
11 Is that June 30th is very important for us and where
12 is SCA and the DOE in collaborating with us to try to
13 see if there's an opportunity for us to make
14 something happen together.

15 DEPUTY CHANCELLOR GRIMM: Let's not confuse
16 two things. We're here to talk about the capital
17 budget and as Lorraine said all of the SCA's effort
18 would be directed towards September 2015. That was
19 always the plan. The department has its own plan in
20 terms of September 2014. Having to do with DOE seats
21 and having to do with CBEC seats. I think that's the
22 term now. And the Chair asked earlier about what our
23 plans for those outside entities. We are not able to
24 use any capital dollars to assist there. But I can
25

2 get back to all of you on what the plan is for those
3 CBOs or CBECs this September.

4 COUNCIL MEMBER REYNOSO: And the last
5 question is going to be..., when space is not available
6 I know that by law the tradition of these schools
7 need to have certain amount of physical activity that
8 they take on. For some schools they almost have no
9 space, or very little space to be able to provide
10 that. In some cases in my district we have
11 lunchrooms and gyms in the same area. And they're
12 both inadequate, for either use. Are there
13 opportunities for temporary space for recreation?
14 Like I know no one wants TCUs to put kids into teach.
15 But do we have an opportunity to have..., and what I'm
16 saying a temporary gym outdoors and figuring out a
17 plan. Or is that a discussion we can start having?
18 Because some of these schools are really in need.
19 Especially PS18.

20 DEPUTY CHANCELLOR GRIMM: You should share
21 with us any schools where you feel that's a problem.
22 Almost all of our schools have, either have or have
23 access to a gym or an exercise room or a playground.
24 And if you have schools that you don't think have any
25

2 access. If you share that with us, we'll follow-up
3 on that.

4 COUNCIL MEMBER REYNOSO: Thank you very
5 much.

6 DEPUTY CHANCELLOR GRIMM: And we do have
7 money in the plan for playground work, and auditorium
8 upgrades and that sort of thing. But you sound like
9 you're talking about schools that don't have
10 anything. And I would be interested in knowing that.

11 COUNCIL MEMBER REYNOSO: Okay. Thank you I
12 appreciate that. Thank you Chairs. Thank you.

13 CO-CHAIRPERSON DROMM: Thank you Council
14 Member Reynoso. Council Member Crowley.

15 COUNCIL MEMBER CROWLEY: Thank you to our
16 co-chairs. Good afternoon. I am reviewing the five
17 year capital plan. I'm curious to know about a
18 school that I have been told that's in my district,
19 in School District 24, which is still, I believe the
20 most overcrowded school district in the city. That
21 there was an extension being put on ISPS 49.

22 Although it's not in the plan. Is that happening?

23 Are we funding it in this five year capital plan?

24 Okay. So this is an incomplete plan that we're
25 looking at today. Turn on your mike.

2 PRESIDENT GRILLO: I apologize. The
3 capital plan shows projects for District 24. It just
4 does not identify that particular school yet,
5 because...

6 [Interpose]

7 COUNCIL MEMBER CROWLEY: Are the accurate
8 number of seats within your plan here?

9 PRESIDENT GRILLO: Yes.

10 COUNCIL MEMBER CROWLEY: Okay. Good. But
11 I have a complaint to make about communication with
12 your office. We've always been asking for more seats
13 in the district. That particular school I had money
14 in for a community garden for the school and we
15 requested that that money be put on hold for an
16 evaluation of an extension and we continuously asked
17 School Construction Authority for updates. We must
18 have at least ten email exchanges from my office to
19 your office. We learned about the approval of the
20 extension at a community education meeting. We're
21 surprised that we had to learn it publically like
22 everybody else when we are..., certainly me as an
23 elected voting on your capital budget. So what is
24 your policy in working with elected officials when
25 they reach out for updates? Because we asked to be a

2 part of the meeting that you had at the school
3 evaluating. And I know you were going out in
4 October. We asked to be at that. But we were not
5 invited. We continuously asked. And it wasn't until
6 February that we found out publically, but there has
7 to be at least ten different email exchanges asking
8 for updates.

9 PRESIDENT GRILLO: Sure I'm happy to answer
10 that. First of all, our evaluation really includes a
11 feasibility study. So we send out our engineers to
12 look at the site itself. To see what it could
13 accommodate. It's not something that I would even go
14 to, because this is really a technical meeting that
15 goes out to the school. Beyond that, and this is
16 really very true. Our particular person who liaisons
17 in Queens, left us several months ago. So I
18 apologize if you didn't get that information
19 directly. We do have a new person on staff who
20 should be communicating regularly with your office.
21 That's the best I can say because I will tell you
22 typically we have a great communication with members
23 of the city council. And we do appreciate your
24 advocacy.

2 DEPUTY CHANCELLOR GRIMM: Councilwoman.

3 May I ask in the future if that happens would you
4 please call Lorraine or me directly?

5 COUNCIL MEMBER CROWLEY: I didn't know that
6 a big announcement was coming out until my office was
7 at the meeting. So just in the future I would
8 appreciate the heads up. But we are very happy that
9 an extension will happen as it is so sorely needed.

10 I have a question about some of these schools that
11 have been outlined in Queens. I have more of a focus
12 just because that's the area I represent. But some
13 of these retrofits or extensions, has come to my
14 attention as Chair of the Fire Committee, that
15 sprinklers have not been put in these schools. Is
16 this true? And if so, why does the School
17 Construction Authority not put..., there are a number
18 of parochial schools that one of them is going to be
19 Epic High School for special need students. I'm told
20 that that particular building does not have a
21 sprinkler system.

22 PRESIDENT GRILLO: Right. From what I have
23 been told. The fire department does not require
24 sprinkler systems in these buildings. And so we meet
25 all the requirements.

2 COUNCIL MEMBER CROWLEY: The buildings
3 built today it would. It's just that it's an old
4 building. So it's grandfathered in. But you don't
5 go the extra mile? And have buildings that you're
6 purchasing and renovating meet current code if they
7 were build new.

8 PRESIDENT GRILLO: We do meet current code.

9 COUNCIL MEMBER CROWLEY: If they were built
10 new they would have sprinklers in them.

11 PRESIDENT GRILLO: Right.

12 COUNCIL MEMBER CROWLEY: But these ones
13 that you're renovating, you're not putting sprinklers
14 in them.

15 PRESIDENT GRILLO: It has an existing
16 certificate of occupancy. And if we don't change
17 that...

18 [Interpose]

19 COUNCIL MEMBER CROWLEY: I just want to
20 make sure that whatever schools are putting a
21 significant investment in that they're the safest
22 possible schools that they can be. Especially
23 special needs schools. Where kids may be in
24 wheelchairs or dependent on others for help in a
25

2 situation where there might be a fire or an emergency
3 evacuation.

4 DEPUTY CHANCELLOR GRIMM: We'll take a look
5 at it.

6 COUNCIL MEMBER CROWLEY: I implore you to
7 reconsider and as you're doing the renovations,
8 consider putting in sprinklers.

9 CHAIRPERSON FERRERAS: Thank you Council
10 Member Crowley. We have been joined by Council
11 Members Treyger and Levin. And now we will hear from
12 Council Member Rosenthal followed by Council Member
13 Cumbo.

14 COUNCIL MEMBER ROSENTHAL: Thank you chairs
15 for holding this hearing. Welcome. Good to see you
16 ladies. We've had some really amazing successes. I
17 know we're not supposed to talk about our own
18 district. But we've had some great successes. And
19 thank you for that. I'd like to follow-up a little
20 bit later on that one.

21 But one thing that jumped out at me from
22 your plan is this notion of the wrap-around insurance
23 costs, \$650 million. Is that \$650, an increase? And
24 what's the base. What's the amount that's already in
25 the budget?

2 PRESIDENT GRILLO: It is an increase and
3 part of the reason it is an increase is that
4 insurance companies generally have stopped or pulled
5 back from insuring large projects and large programs
6 in New York. Based upon the scaffold law.

7 COUNCIL MEMBER ROSENTHAL: So what's the
8 base? Where does the \$650 million on top of..., what
9 was your budget amount?

10 PRESIDENT GRILLO: Well each year. Oh what
11 was last year versus..., it was about \$500 million and
12 this is \$650 million.

13 COUNCIL MEMBER ROSENTHAL: So it more than
14 doubled.

15 PRESIDENT GRILLO: No, no.

16 COUNCIL MEMBER ROSENTHAL: Sorry.

17 PRESIDENT GRILLO: It was \$500 million for
18 the last five year plan. And this is \$650 million.

19 COUNCIL MEMBER ROSENTHAL: So it's an
20 increase of \$150 million?

21 PRESIDENT GRILLO: Correct.

22 COUNCIL MEMBER ROSENTHAL: And the buying
23 power of SCA isn't helping you there?

24 PRESIDENT GRILLO: Again, we put out an RFP
25 for our insurance program and we had one respondent.

2 COUNCIL MEMBER ROSENTHAL: Wow.

3 PRESIDENT GRILLO: Yes.

4 COUNCIL MEMBER ROSENTHAL: Could we talk
5 about that in the Contracts Committee sometime?

6 PRESIDENT GRILLO: I would love to.

7 COUNCIL MEMBER ROSENTHAL: Great. And
8 since it's the state's scaffolding law, can we talk
9 about them indemnifying the city for the increase in
10 cost.

11 PRESIDENT GRILLO: I would love that.

12 COUNCIL MEMBER ROSENTHAL: Wouldn't that be
13 sweet? Let the state take the hit. Okay. PCBs.
14 When we were talking about PCBs. Only because I'm
15 from District 3 where a lot of these issues started.
16 I know there were other schools that were impacted as
17 well. There were..., it was my understanding that
18 there were contractors who were willing to change out
19 the lights for the city for free if they could have a
20 piece of the energy savings. And I don't know if
21 that was myth or reality, but there were at that time
22 quite a few discussions about that. And I'm
23 wondering as you implement the replacements of the
24 PCBs whether or not you're seeing any savings on the
25 energy side.

2 PRESIDENT GRILLO: We actually took those
3 suggestions and we began what we call these energy
4 service companies. We did our RPF, went through a
5 process. We had I believe five companies that were
6 willing to do this. And interestingly enough the
7 payback which they believed was going to be a five to
8 seven year payback, was 75 years.

9 COUNCIL MEMBER ROSENTHAL: Seventy five?
10 That's longer than five to seven.

11 PRESIDENT GRILLO: The issue here was. I
12 believe that there was a general feeling that the
13 payback was going to be so much more than it was. We
14 have certain standards that we follow at the SCA.
15 Having to do with asbestos abatement, and the way in
16 which we do our work after school hours and those
17 kinds of things. That these companies...

18 COUNCIL MEMBER ROSENTHAL: Those pesky
19 students.

20 PRESIDENT GRILLO: Yeh. So these kinds of
21 things really were not considered by these companies.
22 So it really did not save any money. We were able to
23 do them our typical bid out projects. Much easier,
24 quicker and for less money.

2 COUNCIL MEMBER ROSENTHAL: So you're
3 expecting to fulfill the promise of what, three
4 years?

5 PRESIDENT GRILLO: Absolutely.

6 COUNCIL MEMBER ROSENTHAL: Five years
7 instead of ten. Or three years instead of ten.

8 DEPUTY CHANCELLOR GRIMM: Five years
9 instead of ten. December 31, 2016. And that will be
10 of course, in response to a settlement that is court
11 monitored. So.

12 COUNCIL MEMBER ROSENTHAL: Right. So any
13 savings whatsoever in the energy plan? 175th? Are
14 you putting any of that in the budget?

15 PRESIDENT GRILLO: Well our operations
16 folks monitor that. So hopefully our school
17 maintenance and operations folks are monitoring those
18 kinds of things.

19 COUNCIL MEMBER ROSENTHAL: Are those
20 indicators that you are really looking at, like a
21 baseline and changes.

22 DEPUTY CHANCELLOR GRIMM: Well actually.
23 This is not the right hearing for this but, we're
24 actually doing a great deal through our
25 sustainability efforts. With working actually with

2 the children in schools to try to reduce the energy
3 usage. And we've been quite successful.

4 COUNCIL MEMBER ROSENTHAL: Congratulations.
5 Thank you.

6 CHAIRPERSON FERRERAS: Thank you Council
7 Member Rosenthal. And I just want everyone to know
8 that I am trying to address the air-conditioning
9 issue. The heat was on for the first portion, the
10 first agency. We've now turned on the air-
11 conditioner. Maybe we need to get you downstairs.
12 You make this whole system work.

13 [Background talk]

14 CHAIRPERSON FERRERAS: So please bear with
15 us. The air conditioning is just being kicked up
16 now. We will now have Council Member Cumbo followed
17 by Council Member Chin.

18 COUNCIL MEMBER CUMBO: Thank you to our co-
19 chairs. Thank you and welcome back. I wanted to ask
20 a question, in your testimony you stated that to
21 track changing needs we conduct an annual building
22 condition assessment survey in which we send
23 architects and engineers to evaluate our 1,200 plus
24 school buildings. What I wanted to know from that
25 assessment, which is very important to me is, from

2 that assessment how do you then create the plan for
3 where resources are going to go in terms of
4 improvements. Is it based off of need or is it based
5 off of an equitable distribution of resources
6 throughout the five boroughs. So is it that some
7 communities perhaps could be getting more as a result
8 of the fact that they have more need. Or are some
9 boroughs that have been systemically underserved, are
10 we trying to level the playing field in some ways.

11 DEPUTY CHANCELLOR GRIMM: It's based
12 totally on the needs in the buildings. The BCAS
13 survey results in a grade, if you will, from one to
14 five. A rating. And it's posted on the web if
15 you're interested in following any particular school.
16 And so Lorraine and her team zeroes in on the fives.
17 Because that is the poorest number. One being
18 excellent. And so I think this plan covers all the
19 fives. Does it not?

20 PRESIDENT GRILLO: Yes this plan covers the
21 fives.

22 COUNCIL MEMBER CUMBO: Do you have an
23 understanding at this time in terms of which boroughs
24 at this point are going to be receiving the most
25

2 amount of money, the least amount of money. Do we
3 know where?

4 PRESIDENT GRILLO: There are a couple of
5 things. The plan right now only shows the first two
6 years of those capital improvement projects. And the
7 reason we do that is because every year we do an
8 amendment to the capital plan. Each year we add an
9 additional year, because needs emerge. What might
10 not be a pressing need this year, may turn into one
11 next year. So we have to have that level of
12 flexibility. But all of that information, which
13 districts, which borough. It's all in the capital
14 plan and it's all online.

15 COUNCIL MEMBER CUMBO: Thank you. I wanted
16 to because in my district, the 35th District in
17 Brooklyn NY, are where the majority of the charter
18 schools are located. And wanted to know when a new
19 school is scheduled to open in an existing building,
20 capital work is often necessary to restructure
21 facilities and prepare for the new school to open.
22 When the new school is a charter school, does the DOE
23 pay for capital costs associated with the school's
24 opening? Or are the costs split between the incoming
25 charter and the DOE. And to just to close with that.

2 Will the new state law that requires the DOE to
3 provide space for charter schools or else pay rent,
4 or increase tuition rates, impact the DOE's capacity
5 plan?

6 DEPUTY CHANCELLOR GRIMM: Let me take the
7 first part. The first part has to do with what we
8 call the charter matching program. Which is also
9 state mandated. As a rule, if any school is moving
10 into our building. It's our responsibility to make
11 sure it's wired and to make sure it's clean and
12 adequate for classroom use. Very often charters want
13 to invest their own money in our buildings. If it's
14 major. If it's \$5,000 or more. We have to approve
15 it. And if we approve it, we then must match it.
16 Dollar for dollar, for each of our district schools
17 in the building.

18 COUNCIL MEMBER CUMBO: I'm sorry to
19 interrupt you. So you have to match whatever private
20 investment that the charter school brings forward the
21 DOE has to match that.

22 DEPUTY CHANCELLOR GRIMM: Yes.

23 COUNCIL MEMBER CUMBO: To a certain level
24 or is it capped?

25 DEPUTY CHANCELLOR GRIMM: No.

2 COUNCIL MEMBER CUMBO: So for as much
3 private resources as a charter school entity can
4 bring, the DOE will be responsible for matching it at
5 that same level.

6 DEPUTY CHANCELLOR GRIMM: It will be..., it
7 is our responsibility to provide for each of our
8 district schools, the same amount of money the
9 charter school is spending.

10 [Background talk]

11 DEPUTY CHANCELLOR GRIMM: Pardon?

12 [Background talk]

13 DEPUTY CHANCELLOR GRIMM: Yes. We have to
14 approve it first. If we don't approve it, then the
15 work cannot happen. But we spend about \$20 million a
16 year on that. And it's a great boom to our district
17 schools.

18 COUNCIL MEMBER CUMBO: Is there a concern
19 that as many charter schools have resources to many
20 private entities, that they would be claiming a
21 larger share of capital budget.

22 DEPUTY CHANCELLOR GRIMM: If it became a
23 situation where we would not have sufficient
24 resources to match it, we would not approve their
25 work. They wouldn't be able to spend that money.

2 COUNCIL MEMBER CUMBO: Okay.

3 DEPUTY CHANCELLOR GRIMM: And as to your
4 second question. We're certainly still in the
5 analysis phase but the new charter law will have no
6 effect that we can see at the moment on our capacity.
7 But when we do the next amendment we'll see what the
8 analysis shows and what the impact might be.

9 COUNCIL MEMBER CUMBO: Thank you.

10 CHAIRPERSON FERRERAS: Thank you Council
11 Member Cumbo. We've been joined by Council Members
12 Miller and Garodnick. We will now hear from Council
13 Member Barron, I'm sorry Council Member Chin followed
14 by Council Member Barron.

15 COUNCIL MEMBER CHIN: Thank you chairs.

16 Good afternoon Chancellor and President Grillo. We
17 were very excited about Pre-K expansion. But as you
18 know in certain parts of my district there is no room
19 even for kindergarten. So I hope that you are
20 helping us identify space for new schools, right, so
21 that we can have Pre-K programs. And I know that the
22 reason with CBO I saw that one program, in Lower
23 Manhattan in the financial district was approved. So
24 I think that will help alleviate some of the Pre-K
25 needs. But I think going forward we really need new

2 schools. And we're going to be continuing to work
3 with you on that. And I know that my colleague asked
4 a question earlier. Now, right now we're all looking
5 CBOs to help us fill the needs. So, and you were
6 saying that because they're not public facility you
7 can't use the capital dollars. But there are non-
8 city capital, right. I mean there are groups that
9 apply sort of city for capital funding.

10 DEPUTY CHANCELLOR GRIMM: To us?

11 COUNCIL MEMBER CHIN: To the city. I mean
12 we work with group that applies through the city
13 council. We have city funding, we have non-city. So
14 there are CBOs that come in that..., it's a little bit
15 more difficult. But if we're looking at Pre-K
16 expansion there's got to be some help for these
17 community based organizations to upgrade their space.
18 Or to do what you are doing with the schools.

19 DEPUTY CHANCELLOR GRIMM: I would caution...,
20 I think the same capital rules that cover our capital
21 dollars, cover all city capital dollars. But it's a
22 conversation you could have with OMB. But as I said,
23 I'm not in charge of the Pre-K expansion. Which is
24 now part of the capital planning process, so we will
25

2 have a better response for you when I go back and
3 speak with my colleagues.

4 COUNCIL MEMBER CHIN: Now the other...,
5 okay..., I mean I think we should really get some more
6 information on that because there are a lot of CBO in
7 the community that might be able to help provide more
8 Pre-K program or expand on what they have. Because
9 some of them have just half day program. And if they
10 want to expand into a full day, they might need some
11 help. The other thing is that, are you also looking
12 at leasing space?

13 DEPUTY CHANCELLOR GRIMM: Of course we
14 always look at leasing space. Always.

15 PRESIDENT GRILLO: As I said earlier to
16 this question. We've actually over the last month
17 have looked at 85 different spaces. So we are
18 constantly out there looking at spaces in each of the
19 communities that are overcrowded and have need.

20 COUNCIL MEMBER CHIN: So I mean one of my
21 last question is really on..., I'm glad to hear that
22 bathrooms are on the list. I mean I have one school
23 in my district, which is a high school and an
24 elementary and we've been asking about bathroom
25 renovations. So hopefully they'll get some attention

2 this time. But the other thing is on the tiles. You
3 know, fixing the tiles. And a lot of the schools are
4 old schools and every year we try to put them on top
5 of the list. And I think last year we got tired of
6 waiting and we allocated some funding to do tile
7 repair for the high school. And now we got back, I
8 think from SCA, asking us for more money for asbestos
9 remediation. Because they found asbestos in the
10 tile. But that really is..., I mean what is SCA's plan
11 in terms of really doing tile repair. Because most
12 likely they probably would have asbestos because a
13 lot of these buildings are really old.

14 PRESIDENT GRILLO: Well again, as we talked
15 about this particular pilot program that we have to
16 do these enhancements in the bathrooms. We've put in
17 a certain amount of funding. Some schools will need
18 tile repair. Some schools will have asbestos. Some
19 will not have asbestos. So the hope is that we can
20 do as much as we possibly can for the amount of money
21 that we have right now. You know, unfortunately
22 certain schools were built in a certain time or era,
23 and that everything you touch will have asbestos.

24 COUNCIL MEMBER CHIN: But once you found
25 asbestos, like, isn't it the responsibility of SCA to

2 fix it? Because you're coming back to the city
3 council and asking us for the funding to fix the
4 abatement.

5 PRESIDENT GRILLO: This particular project
6 was not in the plan. And so if we do that and
7 enhance your project, we have to take that money from
8 another project. So it's very difficult..., it's a
9 difficult choice.

10 COUNCIL MEMBER CHIN: So we'll have another
11 conversation about it. Thank you Chair.

12 CHAIRPERSON FERRERAS: Thank you Council
13 Member. And we will also be following up with
14 questions. So we can add that to our list for
15 follow-up.

16 Now we will have Council Member Barron
17 followed by Council Member Treyger.

18 COUNCIL MEMBER BARRON: Thank you to the
19 co-chairs hosting this hearing. And thank you to the
20 panel for coming. First my question is about TCU's.
21 You've allocated \$480 million, is that for this year?

22 DEPUTY CHANCELLOR GRIMM: Five years, it's
23 over a five year plan.

2 COUNCIL MEMBER BARRON: So you anticipate
3 that that will remove all of the transportables and
4 resurface and repair whatever the school yard is.

5 DEPUTY CHANCELLOR GRIMM: It is sufficient
6 funding to cover every single TCU and to recover or
7 repair, whatever, a playground, and parking lot,
8 whatever's there.

9 COUNCIL MEMBER BARRON: I think a week ago
10 when the Education Department was here I asked them
11 if they would come prepared to talk about how they
12 plan to accommodate the students at the East New York
13 Family Academy. They have 12 TCUs which holds about
14 half the school's population. This is a high school.
15 There's no way to move those students in..., into that
16 building. And the building is not your typical
17 school building. It was a YMCA which is a two story
18 building which was accommodated. I think the DOE
19 owns the building. SO what is your plan? I met with
20 the principal and he has had no contact with the DOE
21 to this point.

22 DEPUTY CHANCELLOR GRIMM: As we explained
23 earlier. We have a five year plan to remove all of
24 these TCUs. And frankly what we're doing first is
25 picking the low hanging fruit. We're looking at TCUs

2 that are either empty or being used for
3 administration or other things. We are looking at
4 TCUs where we know we have a capital project in
5 progress so that in a year or two the children will
6 be able to be removed and we can remove those. We
7 have an inter-divisional subcommittee at the
8 department that is looking at every TCU. Because the
9 hard ones are like this one. Where we're in an
10 overcrowded area and where we have children in these
11 TCUs and we have to come up with a plan to place
12 these children elsewhere.

13 COUNCIL MEMBER BARRON: Right. Okay. This
14 is a plan for fiscal year 2015 through 19. And I did
15 not, as I reviewed the plan, see any plans for any
16 new construction in District 19. The mayor has
17 identified East New York as one of the 15..., it's the
18 only one that he has identified of the 15
19 neighborhoods. So what are you doing coordinating
20 with other city agencies to make sure that East New
21 York has the construction, has the site, and has the
22 availability? What are you doing to make sure that
23 East New York has the appropriate schools? There was
24 only one school built in the Gateway area to
25 accommodate what should have been an elementary

2 school. But which got changed to a high school,
3 along with a special needs, along with another
4 school. So there are three schools sharing that one
5 building. Which is a beautiful building. Lovely
6 facility. But in terms of the mayor now saying East
7 New York is the only one of the 15 that's been
8 identified. People are going to come, some with
9 already children, some of course new families coming
10 in. What are you going to do? There's already
11 Gateway 3 phase under construction. Which is going
12 to bring I think 700 new families in. So where's the
13 coordination with the other agencies to identify
14 plans going forward that can accommodate that. So if
15 you could give me the quick answer because I have one
16 more question.

17 DEPUTY CHANCELLOR GRIMM: The quick answer
18 is that Lorraine works very closely with city
19 planning and the Department of Buildings and takes
20 into account any of these housing developments that
21 are going up. So as you know, we amend this plan
22 every year. And whether it's what are we going to do
23 about these TCU's, or is there an increase in housing
24 there. We'll be watching that each year.

2 COUNCIL MEMBER BARRON: The money that
3 you're allocating for middle school science labs.
4 Does that include all middle schools? If not, how
5 were the schools selected?

6 DEPUTY CHANCELLOR GRIMM: We have in the
7 last plan, completely done the high school labs. The
8 intent here is that we'll do all middle school labs.
9 All middle schools will have a science lab.

10 COUNCIL MEMBER BARRON: And lastly, in
11 terms of the charter matching fund. Schools have
12 complained to me that there is no transparency to
13 identify the dollar amount that goes to funding new
14 projects.

15 DEPUTY CHANCELLOR GRIMM: I'm shocked.

16 COUNCIL MEMBER BARRON: So how can we
17 assure that they know?

18 DEPUTY CHANCELLOR GRIMM: If you will give
19 me the names of those principals. I will have
20 someone visit them this week.

21 COUNCIL MEMBER BARRON: Okay. Great. And
22 I have one more question if I could find it on here.
23 If not we have a second round, perhaps and I'll get
24 to it. Thank you.

2 CHAIRPERSON FERRERAS: Thank you Council
3 Member Barron. Council Member Treyger followed by
4 Council Member Levin.

5 COUNCIL MEMBER TREYGER: Thank you chairs.
6 Welcome Deputy Chancellor, welcome President Grillo.
7 Earlier I believe there was testimony that there is a
8 severe shortage of open seats for District 20. And
9 this kind of goes into both SCA and really more DOE
10 and that's why both of you are here. I mentioned
11 this at a previous hearing a few months ago, Deputy
12 Chancellor. There there's a school I.S. 96, Seth
13 Low. Which technically is listed as District 21, but
14 physically it's in the District 20 region. As a
15 matter of fact, across the street from it is a
16 District 20 school. And they have the space to
17 accommodate the growth of District 20. But instead,
18 what was done was they..., last year they rushed
19 through a co-location of success academy. Can you
20 speak to that as far as how does that work when it's
21 physically in District 20's region. It can capture
22 and accommodate the growth of District 20. They have
23 space available there. But rather than do that, they
24 decided to move forward with a co-location.

2 DEPUTY CHANCELLOR GRIMM: I'm not familiar
3 with this one specifically. But I will familiarize
4 myself and happily get back to you.

5 COUNCIL MEMBER TREYGER: Thank you, thank
6 you very much. And I would definitely like to
7 follow-up on that conversation Deputy Chancellor.
8 This might have been raised before but since this is
9 an issue that impacts many neighborhoods that were
10 hurt by the storm. I think last month..., recently I'm
11 sorry. You testified that there's 33 temporary
12 boilers. Is that correct? In schools damaged by
13 Sandy, is that correct?

14 PRESIDENT GRILLO: There are 30 schools
15 that have temporary boilers. 33 schools that have
16 permanent repair or replace for boilers.

17 COUNCIL MEMBER TREYGER: Okay. And what is
18 the timeline on replacing these boilers?

19 PRESIDENT GRILLO: First, the initial eight
20 schools, those projects have been out to bid. Are
21 out to bid right now. And we anticipate the
22 additional 25 will all be out to bid this calendar
23 year.

24 COUNCIL MEMBER TREYGER: Okay, and you can
25 get me all those updated numbers.

2 PRESIDENT GRILLO: Absolutely.

3 COUNCIL MEMBER TREYGER: As far as how many
4 fire alarm system were damaged as a result of Sandy
5 and are not yet operational. And when will they be
6 fixed.

7 PRESIDENT GRILLO: There are seven schools.
8 Each of them is in construction as we speak. And all
9 the construction will be completed by September of
10 2014.

11 COUNCIL MEMBER TREYGER: So seven schools.
12 All will be completed by this September 2014.

13 PRESIDENT GRILLO: Correct.

14 [Background talk]

15 PRESIDENT GRILLO: Well these were the fire
16 alarm systems that were not operational.

17 COUNCIL MEMBER TREYGER: Okay because we
18 had a situation where there was something called a
19 fire watch.

20 PRESIDENT GRILLO: Yes.

21 COUNCIL MEMBER TREYGER: And I have to tell
22 you that was kind of news to folks in the community.
23 And I understand that there might be temporary
24 procedures put in place in the event of a broken fire
25 alarm system. But I think you would agree with me

2 that 18 months is not temporary. And it existed for
3 far too long. And this is an elementary school in
4 Coney Island, Deputy Chancellor.

5 DEPUTY CHANCELLOR GRIMM: Council Member I
6 can only say, that we are thrilled that we are
7 finally getting these completed.

8 COUNCIL MEMBER TREYGER: And I'm very
9 pleased that we are able to work together on
10 expediting these issues. Can you provide an update
11 on..., beyond boilers and fire alarms..., an update on
12 other Sandy related projects in the DOE..., I have
13 visited schools where they've had damage done to
14 their first floor tiling. They've had damage done to
15 their auditorium seating. They have not had all of
16 their materials replaced and reimbursed. Are there
17 any figures or numbers that we have as far as those
18 types of projects?

19 PRESIDENT GRILLO: Again, some of those
20 issues are non-capital. So I really wouldn't have
21 that information. Those projects that do not have...,
22 or those schools that require permanent work but do
23 not have boiler issues, will be included in all of
24 the projects that will be bid out this calendar year.
25 If the projects are capital.

2 COUNCIL MEMBER TREYGER: So for example,
3 just so I'm clear. If there was a gym floor that was
4 damaged. That's with an SCA scope?

5 PRESIDENT GRILLO: Correct.

6 COUNCIL MEMBER TREYGER: Okay.

7 PRESIDENT GRILLO: Wait, damage that cannot
8 be repaired.

9 COUNCIL MEMBER TREYGER: Right.

10 PRESIDENT GRILLO: That has to be replaced.
11 That would be a capital project.

12 COUNCIL MEMBER TREYGER: Okay. If there
13 were storage cabinets.

14 DEPUTY CHANCELLOR GRIMM: That would non-
15 capital. And if you can give me later, specific
16 examples. I'll get back to you with our plan.

17 COUNCIL MEMBER TREYGER: I will gladly
18 follow-up with you. Thank you very much. Thank you
19 chairs.

20 CHAIRPERSON FERRERAS: Thank you Council
21 Member Treyger. We will have Council Member Levin
22 and then we will open up this..., he's not back yet?
23 So we're going to open up to..., she's not here either.
24 I'm going to give it to my co-chair until everybody
25 comes back.

2 CO-CHAIRPERSON DROMM: Thank you. I have a
3 couple of little follow-up questions and other
4 things. Blue book task force and space working
5 group. Two good things that I think are going on.
6 That will affect capacity and class size as well.
7 What are the plans for the task forces moving
8 forward? And when can we expect to see proposals or
9 changes to both the blue book and to the co-location
10 task force.

11 [Background talk]

12 PRESIDENT GRILLO: I'm happy to do the blue
13 book conversation because I do attend that meeting on
14 a regular basis. We've met so far a number of times,
15 I believe three or four times. And we're scheduled
16 to meet again next week. The task force has been
17 working very closely together. Because of the
18 timeframe of the release of the bluebook. We have
19 made some changes cosmetically to what the book will
20 like this particular release. So we have made it
21 more user friendly. We've put the release date up a
22 bit so that it would be more effective to be used.
23 Then we also have a list of items that we are..., that
24 the working group is going to address and then we
25 will take that information and of course work closely

2 with the space committee, who is working on similar
3 things. And come up with consensus. So we expect to
4 see a real difference in the blue book for the next
5 release.

6 CO-CHAIRPERSON DROMM: So President Grillo,
7 will the blue book task force..., does part of the
8 discussion if you can say at this point, include
9 discussions of rooms previously used for things like
10 science or art rooms, gymnasium, small group
11 instruction, etc., part of that discussion. And then
12 part of that discussion will also be with the co-
13 location task force. So that we get an accurate
14 picture.

15 PRESIDENT GRILLO: Absolutely,

16 CO-CHAIRPERSON DROMM: Because of it also
17 is institutional memory. And because this is going
18 on in so many schools for such a long period of time.
19 Sometimes principals in buildings nowadays don't even
20 know that a classroom that they're using was formerly
21 a science room. And is there a method for
22 determining that.

23 PRESIDENT GRILLO: Right. And actually we
24 do have a principal on our task force on our working
25

2 group who has brought up this issue. And we are
3 addressing that as part of our moving forward.

4 COUNCIL MEMBER TREYGER: Okay, good.

5 DEPUTY CHANCELLOR GRIMM: With regard to
6 co-locations, one of the thing we've done is actually
7 the old portfolio management organization has been
8 dismantled. I've assumed some of the responsibility
9 with regard to district planning and enrollment and I
10 would forecast that in the future we'll see a much
11 more cohesive approach among the space planners and
12 the district planners and the enrollment people. In
13 addition the Chancellor has charged us with not
14 making any proposals on co-locations until we have
15 thoroughly gone out to the community and done our
16 work with them and gotten input. And she would like
17 to see that the only co-locations we do in the
18 future, are co-locations that come from the
19 community. And are not imposed on them.

20 COUNCIL MEMBER TREYGER: So for the co-
21 locations that are going into effect this coming
22 year. Will the recommendation that you anticipate to
23 be made be able to be implemented prior to moving
24 into this next school year.

2 DEPUTY CHANCELLOR GRIMM: Well as you'll
3 recall when the Chancellor came in we reviewed
4 everything that had been passed for September 14th.
5 And she eliminated about ten of them because they did
6 not meet her criteria. She doesn't want to see an
7 elementary school in a high school building, for
8 example. So with the remaining co-locations, there
9 are about 25 of them. We have embarked on strenuous
10 community hearings, implementation plans with all of
11 those involved. We have created a campus squad that
12 hopefully will help principals really learn how to
13 work together better in those buildings.

14 CO-CHAIRPERSON DROMM: Okay. Thank you. I
15 think we have Council Member Ferreras.

16 CHAIRPERSON FERRERAS: So I have question
17 and this was actually asked of some other agencies.
18 But in particular, when schools get to the point of
19 overcrowding like some of the ones in my district and
20 that of many of our colleagues. I know that when
21 schools are built, just like a home. You get a
22 certificate of occupancy. So how can we accommodate
23 the growing number of students in our schools? I
24 have to believe that at some point we may be going
25 over the certificate of occupancy. So what's the

2 relationship between the school construction
3 authority and the buildings department? That
4 happens..., because the schools aren't growing but the
5 population is. And I want to preface that by..., I was
6 a Beacon School Director for six years and my office
7 was the broom closet. That was converted into my
8 office. So, I know, I've got to believe that
9 principals are trying to work magic in their
10 buildings.

11 DEPUTY CHANCELLOR GRIMM: Some of them are.

12 CHAIRPERSON FERRERAS: But how are we
13 addressing capacity issues?

14 PRESIDENT GRILLO: First of all, when we
15 build new, obviously we have to go through the
16 process with the Department of Buildings to obtain a
17 temporary certificate of occupancy when every "I" is
18 dotted and "t" is crossed and every single thing is
19 complete including what we call a punch list. Then
20 we apply for a permanent certificate of occupancy.
21 Once that's done the SCA's role is finished. So, you
22 know...,

23 CHAIRPERSON FERRERAS: Right. I understand
24 that in the new construction and in we're taking into
25 consideration..., or I guess whose role is it for the

2 old buildings. The new construction is clearly I
3 understand that process and hopefully we won't have
4 overcrowding issues in the new buildings. But in the
5 older buildings.

6 DEPUTY CHANCELLOR GRIMM: It is my
7 understanding and I will check this. And Lorraine
8 you will check it for me. We are not in violation of
9 our certificate of occupancy in any of our buildings.
10 Remember our most overcrowded buildings tend to be so
11 often are high schools. High schools often go on
12 split sessions. Sometimes when you see overcrowding
13 indications it...

14 [Interpose]

15 CHAIRPERSON FERRERAS: Right, but in our
16 elementary schools we don't have two sessions.

17 DEPUTY CHANCELLOR GRIMM: No no, you don't
18 have over...

19 CHAIRPERSON FERRERAS: And I understand
20 that in our Lemon Tree School we have overcrowding.
21 And you know, an example, and unfortunately I can't
22 speak to every detail of every member here, but an
23 example is PS 19, it's an elementary school that I
24 attended and I know that there are more children
25 attending that school than when I attended school

2 there. That building has not grown in capacity in
3 all other than all the trailers and the mini-
4 buildings that it has. So what I am saying is..., and
5 you know when I go to the auditorium there's a
6 capacity number at the auditorium, there's a capacity
7 number in the cafeteria, there's a capacity number
8 for the building. So if that schools, let's say was
9 ready to accommodate 800 students, and now the
10 attendance is 2,015.

11 DEPUTY CHANCELLOR GRIMM: What does that
12 mean? Let's use PS 19 as an example. Let us go back
13 and do our homework and get back to you on it.

14 CHAIRPERSON FERRERAS: Okay. I would
15 appreciate that.

16 CO-CHAIRPERSON DROMM: Just a little
17 follow-up on that. So our DOE regs and terms of
18 occupancy the same as Department of Health. In other
19 words does Department of Health have a say in terms
20 of the number of children that can be in a
21 kindergarten classroom, for example. Versus what the
22 Department of Buildings says.

23 PRESIDENT GRILLO: Yes. With Pre-K and K,
24 those grades. They do have a say in that. Yes.

2 CO-CHAIRPERSON DROMM: The Department of
3 Health Does right?

4 PRESIDENT GRILLO: Correct.

5 CO-CHAIRPERSON DROMM: Usually lower than
6 what the DOE allowed?

7 PRESIDENT GRILLO: No. We maintain the
8 same numbers. We comply with the Department of
9 Health.

10 DEPUTY CHANCELLOR GRIMM: Pre-K and early
11 childhood.

12 CHAIRPERSON FERRERAS: Thank you very much.
13 So we'll follow-up with you, both committees.

14 DEPUTY CHANCELLOR GRIMM: Thank you all
15 very much.

16 CHAIRPERSON FERRERAS: We've been joined by
17 Council Member Johnson. Now we will hear from
18 Council Member Levine, followed by..., Levin sorry.
19 I've been doing that all day, I'm so sorry. Council
20 Member Levin, followed by Council Member Miller.

21 COUNCIL MEMBER LEVIN: Thank you very much
22 Madam Chair, Chair Dromm. Thank you both for being
23 here. I just have a couple of questions. First I
24 wanted to ask about the new charter law. The new
25 state charter law has provisions that I think have an

2 impact on our building utilization across the system
3 to some regard. Because it's my understanding that
4 the law now says that if a charter..., the New York
5 City Department of Education must have space for a
6 charter school if the charter school has say been
7 given a new charter or expanded their grades, as per
8 SUNY or the Board of Regents in terms of their
9 charter granting agency. And if the Department of
10 Education does not provide them with space within a
11 Department of Education facility or school then the
12 city is required to pay the rent on an alternative
13 facility like a parochial school or something like
14 that. And if they don't do that, and they have to go
15 and pay their own way, then the Department of
16 Education is responsible for an additional 20% over
17 their per pupil funds. Like per student funding. My
18 question is, if a charter school is co-located right
19 now, and wants to expand to a K to 12 and SUNY gives
20 them the charter to do that. And they say they want
21 to do it. They want to expand in their school where
22 they currently are. What does that do in terms of
23 its effect on the pre-existing public school that's
24 in that facility?

2 DEPUTY CHANCELLOR GRIMM: Council Member I
3 must wait until we have finished our analysis on what
4 the law means and then hopefully we will figure out
5 what the answer is to your question and I will share
6 it with you.

7 COUNCIL MEMBER LEVIN: Are we doing a
8 fiscal impact on it. In terms..., because it's going
9 to cost money no matter what. Right?

10 DEPUTY CHANCELLOR GRIMM: Well it is going
11 to cost money no matter what. But these are all our
12 children. And so what we have to figure out is what
13 does the law really say and how are we going to get
14 ourselves positioned to comply with the law.

15 COUNCIL MEMBER LEVIN: Are they going to
16 be..., I can't imagine that they would like kick out a
17 public school. Like if they want to expand to a K to
18 12 and SUNY agrees and gives them the charter to do
19 it. They can't say we want to do it right here and
20 PS 10 there is out of luck.

21 DEPUTY CHANCELLOR GRIMM: As I say. We
22 need to wait until the law is totally analyzed, but
23 I'm sure there'll be much negotiation.

24 COUNCIL MEMBER LEVIN: Okay. Let's see. I
25 wanted to ask about the TCUs. So the plan is that

2 there's money in the capital budget to replace..., to
3 eliminate TCUs. And to do the rehab to the school
4 facilities that...

5 [Interpose]

6 DEPUTY CHANCELLOR GRIMM: What's there,
7 right.

8 COUNCIL MEMBER LEVIN: What about the new
9 seats though. Because TCUs provide seats.

10 DEPUTY CHANCELLOR GRIMM: Correct.

11 COUNCIL MEMBER LEVIN: So what do we do
12 about the..., that will have a net decrease on our
13 overall seat capacity, right. If we're getting rid
14 of TCU. Or are we replacing them with an equal
15 number of seats elsewhere.

16 DEPUTY CHANCELLOR GRIMM: No, there not
17 counted.

18 PRESIDENT GRILLO: We don't count capacity
19 of TCUs. We could the children but we don't count
20 the buildings. So you're not going to lose those
21 seats. What we're doing now is, as the Deputy
22 Chancellor has mentioned we are obviously going for
23 the TCUs that do not have children in them right now.
24 They will be the first to go. The ones that are
25 being used for admin space will be also to go. Then

2 the ones in which, for example, if I am building an
3 addition on a school. Those seats will be replaced.
4 That will add capacity to that school. And then in
5 some cases we are going to have to figure out where
6 these children can be placed.

7 COUNCIL MEMBER LEVIN: Right. Because it's
8 net reduction in class room space. Right.

9 DEPUTY CHANCELLOR GRIMM: Some of them are
10 a great challenge and fortunately it's a multi-year
11 plan and it gives us a little time to figure it out.

12 COUNCIL MEMBER LEVIN: Okay. And then my
13 last question is around just kind of overall average
14 class size. And I wanted to ask about the blue book
15 has a targeted class size for various grades. IS
16 that correct?

17 DEPUTY CHANCELLOR GRIMM: Yes. But also
18 the targeted utilization also includes the aspiration
19 for example that every elementary school has a
20 certain number of cluster rooms. And if they don't
21 it builds us the percentage. And we do that to hold
22 our own feet to the fire. Because every school
23 should have them.

24 COUNCIL MEMBER LEVIN: Does the blue book
25 correspond exactly to the C4E guidelines?

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DEPUTY CHANCELLOR GRIMM: No.

COUNCIL MEMBER LEVIN: It doesn't right.

DEPUTY CHANCELLOR GRIMM: No.

COUNCIL MEMBER LEVIN: And how come.

DEPUTY CHANCELLOR GRIMM: The blue book is reported by principals. And it's the reporting of how they are using their buildings. We do some auditing of those reports and we think by and large they're fairly accurate. But it's not..., it's a snapshot of what is, in the year that it's done. It's not, for example the C4E plan. Remember at the beginning we had a major C4E plan that's been really reduced dramatically because of the \$2.5 billion is still on its way. If it ever gets here.

COUNCIL MEMBER LEVIN: Still.

DEPUTY CHANCELLOR GRIMM: So there really not applies and apples.

COUNCIL MEMBER LEVIN: So the blue book is not aspirational or guideline so much as a picture of what is. IS that correct?

DEPUTY CHANCELLOR GRIMM: With some aspiration in the targeted utilization. You know we carry the two. The historical and the targeted.

3 COUNCIL MEMBER LEVIN: Thank you very much,
4 I appreciate it. Thank you Madam Chair.

5 CHAIRPERSON FERRERAS: Thank you Council
6 Member. Council Member Miller.

7 COUNCIL MEMBER MILLER: Thank you Madam
8 Chair and co-chair. It's good to see you again.
9 It's been a whole week. And we've actually seen a
10 lot of each other. But I do want to digress a moment
11 and speak a little bit about co-locations. You
12 talked about how with new policy we intend to be
13 better. That we will be more compliant and more
14 coordinated within the schools and within the
15 community. And there's no reason to doubt that new
16 policy moving forward will not work. But what impact
17 will it have for those scheduled for September 2014
18 as well as those pre-existing co-located schools.
19 And let me just say, and I know one of the real
20 determined factors were the high schools and the
21 elementary. I have a similar situation that I have
22 witnessed. And we are having some real concern in
23 the district that has already existed. So is there
24 any oversight, and obviously have we been auditing
25 and paying attention to the progress of these schools
in the past.

2 DEPUTY CHANCELLOR GRIMM: Yes. Well two
3 questions. With regard to what's happening in
4 September 14. When the Chancellor came in she
5 reviewed that list or had us review it based on the
6 criteria she had. For example, an elementary school
7 should not be in a high school building. So about
8 ten of them were removed. We have 25 co-locations
9 left. And we have worked very hard at implementation
10 meetings, and public meetings with the community to
11 try to smooth the way for those co-locations. You
12 raise a very interesting point and that's everything
13 that's happened in the past. Where everything is not
14 perfect. And the Chancellor hasn't made up her mind
15 actually. In terms of what to do, other than we have
16 been charged with the responsibility of look at all
17 of them and reporting back to her where we think
18 there are problem. So if afterward you could share
19 your concerns with us I would be happy to have that
20 input.

21 COUNCIL MEMBER MILLER: I thank you. I
22 think the consensus is now that the high school
23 problem..., and it's still relatively small but they
24 need their own space. Because there has been and
25 potentially will continue to be a negative impact on

2 the young children that exist there. But let me say
3 for the record that the forum that was to be held at
4 the co-located, in fact co-located Charter Success
5 Academy School at IS 59. Which that meeting was
6 cancelled and there has not been any subsequent
7 dialogue with community elected from that community
8 there. And we are thoroughly disappointed and
9 waiting, continue to await for that dialogue to
10 happen. For the record.

11 DEPUTY CHANCELLOR GRIMM: I'll follow-up on
12 that and let you know.

13 CHAIRPERSON FERRERAS: Thank you Council
14 Member Miller. We are now part of the second round,
15 so all questions we're hoping to get within three
16 minutes. So we will have Council Member Rosenthal
17 followed by Council Member Cumbo and after this
18 hearing we still have NYCHA. So if my colleagues
19 would want to wrap it up even before your three
20 minutes. I will really appreciate it. Council
21 Member Rosenthal, followed by Council Member Cumbo.

22 COUNCIL MEMBER ROSENTHAL: Thank you. Just
23 real quickly I wanted to ask you about the blue book
24 task force. I actually stepped away for a minute.
25 Did somebody else ask about that already? So, could

2 you just tell us again where are we with the working
3 group and how do we get results?

4 PRESIDENT GRILLO: The working group has
5 been meeting regularly. As a matter of fact we have
6 a meeting next week. We had short term goals as well
7 as long term goals. And our short term goal, because
8 we have to get the blue book ready like almost
9 immediately. Short term goal was to make the blue
10 book more user friendly. More transparent. That was
11 the short term goal. And we've met that goal. We
12 worked with the committee to come up with a format.
13 Really, it's a format change, but we also have a plan
14 with milestones. To really revamp it for the next
15 release of the blue book.

16 COUNCIL MEMBER ROSENTHAL: So specifically,
17 are you using as goals, if we can get into
18 utilization for a minute and capacity. Target goals,
19 historic goals, or the CFE goals.

20 PRESIDENT GRILLO: Target goals.

21 COUNCIL MEMBER ROSENTHAL: Target is CFE,
22 right?

23 PRESIDENT GRILLO: Target is not CFE.
24 Target.

25 DEPUTY CHANCELLOR GRIMM: No it's not.

2 COUNCIL MEMBER ROSENTHAL: It's not quite
3 as good.

4 PRESIDENT GRILLO: No.

5 DEPUTY CHANCELLOR GRIMM: It's different.

6 COUNCIL MEMBER ROSENTHAL: It's the spicy
7 goals.

8 DEPUTY CHANCELLOR GRIMM: The target means,
9 what should this building have? With regard to
10 elementary, it means every elementary school should
11 have "x" number of cluster rooms. And if we don't we
12 add them and that bumps up the enrollment percentage.
13 And we do that to hold own feet to the fire.

14 COUNCIL MEMBER ROSENTHAL: And are you
15 asking principals to look again to do a classroom
16 count. Because I was definitely..., because one of the
17 things that we found in going through the blue book.
18 And this is a number of years ago. Was that the
19 classroom counts were off, and so it looked like
20 there was a lot of capacity when there wasn't.
21 Because, and this is a ridiculous example, but a
22 janitor's closet being counted as a classroom.

23 PRESIDENT GRILLO: Right. That's one of
24 the issues that we are addressing but just to clarify
25 the information on classrooms comes from the

2 principal. Okay, but your issue was well taken in
3 the committee and we are looking at that. As a
4 matter of fact we have a principal who sits on that
5 committee who is very vocal about exactly what you're
6 talking about.

7 COUNCIL MEMBER ROSENTHAL: And do you have
8 somebody..., do you know the schools where the
9 principals might not have time, or capacity to really
10 do that work and do send somebody out there to help
11 them. I mean principals are busy. I'm sure they
12 have a lot on their plate.

13 PRESIDENT GRILLO: Right, Right. But the
14 principal can designate an AP or someone like that to
15 do that count for them.

16 COUNCIL MEMBER ROSENTHAL: Sure. It just...,
17 the reason I ask is because it feels like what I
18 would call the problem schools. The schools that
19 show there's lots of capacity consistently when there
20 isn't. That those..., you probably know about and I'm
21 wondering if you proactively...

22 PRESIDENT GRILLO: We audit the information
23 every year. We will audit a percentage of these
24 surveys every year. To see if in fact that we're
25

2 getting accurate information. And for the most part
3 we are.

4 COUNCIL MEMBER ROSENTHAL: Okay. So can
5 you look at Wadley?

6 PRESIDENT GRILLO: Sure.

7 COUNCIL MEMBER ROSENTHAL: Thank you.

8 CHAIRPERSON FERRERAS: Thank you Council
9 Member Rosenthal. We will now have Council Member
10 Cumbo, followed by Council Member Treyger, then
11 Council Member Barron and then we will have this
12 hearing wrapped up.

13 COUNCIL MEMBER CUMBO: I'll ask my
14 questions very quickly. Wanted to talk about Council
15 Member Cornegy's Avonte's Law. And wanted to know
16 what has the discussion been around securing the
17 doors in the different public schools to make sure
18 that children, particularly with special needs are
19 not exiting the building. And it's not being
20 alerted. I understand that there was a lot of issues
21 around funding and the ability to secure resources to
22 do that. I wanted to know had there been some
23 thoughts about that? Previous to that. And also
24 wanted to know very quickly with this size budget.
25 How much thought are we giving to MWBEs in terms of

2 making sure that minority and woman owned business,
3 construction firms, companies, workers, staff, all of
4 these different individuals are employed through this
5 process. Because this is a massive budget and it
6 would be a shame to see..., it would be criminal really
7 to see that MWBEs are not an active part of this.
8 And my final question relates to the co-locations as
9 it pertains to charter schools. This was touched on
10 by many of the members here, my colleagues. But
11 wanted to know with a charter school, particularly
12 for shared spaces, such as gymnasium and auditorium.
13 And if a charter school utilizes their private
14 resources matched with public dollars for different
15 resources within a shared building. Who has access
16 to those particular facilities such as a gymnasium,
17 such as an auditorium? So my three questions go to
18 Avonte's Law by Council Member Cornegy, MWBEs and co-
19 locations. And really wanting to make sure that all
20 children have access to the resources that are being
21 brought into the school system.

22 DEPUTY CHANCELLOR GRIMM: Okay as to you
23 first one which was Avonte's Law. We are giving it
24 thought and as a matter of fact, that is not capital
25 money. There is a hearing next Thursday where I

2 think we'll go through that very thoroughly. I'm
3 going to let Lorraine answer the second question
4 because the SCA has the best program in the state in
5 this area. Your third question has to do with the
6 matching funds. The matching funds, the money that
7 the school or the charter spends, is for their area.
8 Not for common spaces. Common spaces are common.
9 Every school gets a pro rata time for every common
10 space. And that is worked out by the Building
11 Council and it is documented in what we call the BUP,
12 the Building Utilization Plan.

13 COUNCIL MEMBER CUMBO: So then the charter
14 school space, is the charter space. But the public
15 school space is the public school space and the
16 charter school space. So the young people from the
17 charter schools can actively use all of the common
18 areas. Whereas spaces that the charter school paid
19 for are only for those students. Is that what you're
20 saying?

21 DEPUTY CHANCELLOR GRIMM: The charter
22 spends money in its classrooms, basically or its
23 bathrooms. We match that for the other schools and
24 every principal decides where she wants to spend
25

2 those dollars in her areas. The gym, the cafeteria.
3 Everybody gets to use them. Lorraine.

4 PRESIDENT GRILLO: Yes I'm always happy to
5 talk about the SCA's MWBE program. Because as the
6 Deputy Chancellor has said it has a reputation of
7 being the best in the state. We have an enormous
8 program. A very active program. Every agency
9 throughout the city and the state comes to the SCA
10 for access and help in their own programs. So we're
11 really excited about that. And in addition to the
12 allocation for MWBE, we also have a mentor training
13 program. Which really takes emerging companies and
14 really moves them along into the mainstream of a
15 regular bidding process. They start out as being
16 mentored by construction management experience.
17 Construction management firms. They are given
18 training in business planning and in coordination of
19 trades. All of those other things as well. And then
20 they move from that mentor program into our graduate
21 mentor. Where they're allowed to bid on projects
22 that are up to \$1 million. So, it's really a great
23 pipeline for getting good and well trained MWBE
24 contractors into the mainstream and we've just..., you

2 know, I would be happy to share with you all of the
3 information about that program.

4 COUNCIL MEMBER CUMBO: I'd appreciate that.
5 Thank you very much.

6 CHAIRPERSON FERRERAS: Thank you Council
7 Member Cumbo. We will have Council Member Treyger,
8 followed by Council Member Barron.

9 COUNCL MEMBER TREYGER: Thank you. And
10 this is just a follow-up question. Since there are
11 thirty or more schools with these boilers. How much
12 is the DOE spending per month..., are you renting them?
13 Are they purchased? What is the cost per month on
14 maintaining these boilers?

15 [Background talk]

16 PRESIDENT GRILLO: I don't have that
17 information with me but it's quite a bit of money.

18 COUNCIL MEMBER TREYGER: I would greatly
19 appreciate it. And is that being reimburse.

20 PRESIDENT GRILLO: Yes that is part of the
21 reimbursement from FEMA.

22 COUNCIL MEMBER TREYGER: It's just urgent
23 that we expedite this as fast as possible.

24 PRESIDENT GRILLO: No question.
25

2 COUNCIL MEMBER TREYGER: People complain
3 about the heat here earlier. You should see what
4 it's like in some schools in Coney Island where you
5 can't regulate the heat at all. That impacts
6 instruction.

7 PRESIDENT GRILLO: We agree.

8 COUNCIL MEMBER TREYGER: Deputy Chancellor
9 you mentioned before about these co-locations moving
10 forward. There having these implementation meetings
11 and community hearings and so forth. I actually
12 attended one of them. It was at Cavallaro, I.S. 281.
13 The only issue though is that some stakeholders were
14 not notified and those who were notified found out
15 only a few days before. So I think that we have to
16 look into that notification process. And I'd also
17 argue that the whole point of it was to have that
18 collaborative conversation. Well no one from the
19 charter school staff came. So it was just a
20 principal who could not really speak to anything
21 except to say that he's here and hi. But as far as a
22 collaborative discussion and talk. That really did
23 not happen. So it was really staff from the district
24 public school, I.S. 281 there. Speaking, raising
25

2 concerns, asking questions. And no so much that
3 collaborative back and forth that we were hoping for.

4 DEPUTY CHANCELLOR GRIMM: Thank you for
5 sharing that. It's been a rocky beginning because
6 we're moving so quickly but we hope to smooth the
7 road and not have this happen again. Thank you.

8 COUNCIL MEMBER TREYGER: Thank you very
9 much. And I'll give back the time.

10 CHAIRPERSON FERRERAS: Thank you very much
11 Council Member Treyger. Council Member Barron.

12 COUNCIL MEMBER BARRON: Thank you Madam
13 Chair. A few brief questions. You talked about
14 common space. Where there's schools that have co-
15 locations.

16 DEPUTY CHANCELLOR GRIMM: Yes.

17 COUNCIL MEMBER BARRON: Where will these
18 middle school science labs be located? As we talk
19 about schools that have co-locations.

20 DEPUTY CHANCELLOR GRIMM: Well it depends
21 on each building. Each building will be assessed.
22 Many already have them. Some don't. And it varies I
23 would assume.

24 COUNCIL MEMBER BARRON: My concern is that
25 it will be accessible, more accessible to one than to

2 another. And it's based on the fact that there's a
3 high school. There's a building which has four high-
4 schools co-located in that building. And they have
5 not been able to identify a means of using a brand...,
6 well fully renovated, state of the art, and swimming
7 pool. It's unused. I'd love to show you the
8 pictures. Because the four principals can't get a
9 plan going. And it's been unused for at least two
10 years. If it's not used by the public school...

11 [Crosstalk]

12 DEPUTY CHANCELLOR GRIMM: If you will share
13 the name after the hearing I will send the campus
14 squad out there.

15 COUNCIL MEMBER BARRON: Okay. So I'm
16 concerned that as we put these new science labs in
17 middle schools that principals who are co-located
18 will not have the ability, the desire or the will or
19 the determination to make sure that it's used. And
20 I'm also concerned that it is used equitably by all
21 the students in the building. And then my follow-up
22 question is. You talk about the 33,000 seats and you
23 indicate that there will be four new school buildings
24 with 3,000 seats. Do you know which boroughs they'll

2 be located in? And you say one public school
3 building with 806 seats. Where will that be?

4 PRESIDENT GRILLO: Right. It's actually
5 listed in the plan. All the information about the
6 actual locations in terms of the four ISH seats. I
7 believe there all in Queens except for 300 seats in
8 Staten Island.

9 COUNCIL MEMBER BARRON: Thank you.

10 CHAIRPERSON FERRERAS: Thank you Council
11 Member Barron. And thank you for coming to testify.
12 The committee may have some follow-up questions. We
13 want to get them to you. If you could get them back
14 to expeditiously, so that we can use them during
15 budget negotiations.

16 DEPUTY CHANCELLOR GRIMM: Thank you.

17 CHAIRPERSON FERRERAS: Thank you for your
18 testimony today. We will take a four minute break
19 before beginning with NYCHA.

20 [Pause]

21 CHAIRPERSON FERRERAS: We will now resume
22 the city council's hearings on the mayor's executive
23 budget FY 2015. The Finance Committee has now been
24 joined by the Public Housing Committee chaired by my
25 colleague Council Member Ritchie Torres. To hear

2 from the New York City Housing Authority. In the
3 interest of time I will forego an opening statement
4 and I will turn the mike over to my Co-Chair Ritchie
5 Torres for a statement.

6 CO-CHAIRPERSON TORRES: Thank you Madam
7 Chair for the opportunity to speak. I'm going to
8 dispense with my opening statement and just like
9 compelled to comment on the gruesome stabbing of the
10 six-year old that took place either yesterday or two
11 days ago. It was obviously an act of unspeakable
12 evil. And it's something that had a particular
13 effect on me because I grew up in public housing. I
14 would run out of my apartment to get icies. And to
15 think that there were two children who were stabbed
16 in the elevator is horrifying to me. It's a mother's
17 worst nightmare. It's a community's worst nightmare.
18 And it reminds us of our obligation to keep public
19 housing residents safe. I know that the mayor
20 mentioned that he had a plan for public housing.
21 That he was going to make an announcement in the city
22 council hearing. So I'm curious to know what that
23 plan is.

24 About two months ago I called on both the
25 city council and the mayor to make a citywide

2 investment in the security of public housing. At the
3 moment we have no dedicated stream for security
4 enhancements in public housing. No coordinated
5 funding for CCTB, no coordinated for intercoms, no
6 coordinated funding for lighting upgrades. Nothing.
7 Even though we know that one fifth of all violent
8 crime occurs in public housing, there was no
9 coordinated funding for security enhancements. And I
10 feel that's unacceptable. And I will keep speaking
11 about this until..., even if it kills me. Because I
12 feel like public housing residents are entitled to
13 safety. If you speak to public housing residents
14 they talk about two things. Repairs and cameras.
15 Safety. There was no exception in this city. And so
16 I'm very curious to hear what the plan is to improve
17 security in public housing. You know, how much
18 violence has to occur before we begin to address the
19 widespread plea for greater security for greater
20 cameras. And that's the extent of my remarks.

21 CHAIRPERSON FERRERAS: Thank you Chair
22 Torres. You may begin your testimony.

23 CHAIR OLATOYE: Good afternoon Chairwoman
24 Julissa Ferreras, Chairman Ritchie Torres. Members
25 of the committees on Finance and Public Housing and

2 other distinguished members of the city council. I'm
3 Shola Olatoye, Chair and Chief Executive Officer of
4 the New York City Housing Authority. Joining me
5 today are NYCHA's general managers Cecil House, and
6 NYC Police Department, Chief of Housing, Carlos
7 Gomez. I am pleased to update you on our financial
8 statements for NYCHA's first quarter. Which is
9 January to March and to present to you a re-
10 forecasted estimate for 2014.

11 I would also like to take this opportunity
12 to share with the council our initial progress in
13 becoming a more efficient and responsive agency.
14 This effort represents an important objective for the
15 authority going forward.

16 At the top of my agenda for an improved and
17 transformed NYCHA is my commitment to resetting
18 NYCHA's relationships with stakeholders. Including
19 residents and elected officials. That means more
20 engagement, transparency and communication. This
21 isn't going to happen overnight. It will take time.
22 But I am confident that we have started off on the
23 right foot. As part of my recent listening tour, we
24 visited more than 30 developments in all five
25 boroughs. Hearing from neighbors young and old, some

2 vocal, some less so. Most with strong opinions about
3 the piece of New York City that they call home. To
4 discuss how we can best advocate for those we serve.
5 I met with over 30 elected officials at all levels of
6 government. Including many of you here today. We
7 visited NYCHA employees hard at work at their job
8 sites. Taking care of grounds, running the NYCHA
9 community programs or repairing bathrooms, kitchens,
10 and aging facades. We participated in seven Town
11 Halls to listen and learn from our many partners in
12 these communities.

13 I look forward to updating the council on
14 an action plan based largely on the things that I
15 have learned from these various stakeholders. A plan
16 focused entirely on serving NYCHA's half a million
17 residents. Preserving our nearly 2,600 buildings and
18 334 developments. And maintaining the communities
19 that you represent.

20 Today we're going to discuss numbers that
21 are more than just figures on paper. They translate
22 into the services that impact the homes and quality
23 of life of thousands of families. The people who
24 make up the vibrant backbone of our city. NYCHA's
25 mission is particularly meaningful for me as I've

2 spent my entire career making sure that people in low
3 income and vulnerable communities can afford a home.
4 From my recent work at Enterprise Community Partners
5 to build or preserve more than 44,000 homes, to my
6 efforts in the community development finance sector.
7 I am personally driven by the recognition that
8 providing access to a safe and quality home is one of
9 the surest ways to revitalize neighborhoods.

10 This is also personal for me. And inspired
11 by my late grandmother, Navalos. A domestic all her
12 life, who lived in Brooklyn's Albany Houses for most
13 of my childhood. Her home was an inexpensive and
14 modest anchor in our large extended family.

15 But before I begin I'd like to turn our
16 attention..., your attention to the tragic events and
17 issues that are present and on everyone's minds.
18 It's hard for anyone to fathom the horrific incident
19 that occurred this weekend in East New York,
20 Brooklyn, myself included. Our thoughts are with the
21 grieving families of P.J. Avitto and Mikayla Capers,
22 who were devastated by this senseless crime. As a
23 New Yorker, as a mother of two young boys. It's hard
24 to find the words to describe the impact of such a
25 heinous incident other than to say its two victims

2 too many. Everyone deserves to feel safe in their
3 homes and I'd like to highlight some of the work we
4 are doing along with our partners to support this
5 very important mission.

6 We work with all of our stakeholders
7 especially NYCHA residents, the NYPD, the district
8 attorney's office, community based organizations, the
9 city council and other city and state agencies to
10 address safety and security issues through a
11 collaborative approach. In this vein we resurrected
12 NYCHA's safety and security task force which was
13 formed in 2009 in collaboration with a core group of
14 stakeholders such as residents. The citywide council
15 of presidents, NYCHA senior management and NYPD's
16 senior leadership. The task force which met most
17 recently in April and will meet again this week,
18 works to strengthen relationships among community
19 stakeholders and engage residents to more proactively
20 address violence in their communities. It produced a
21 detailed report which describes our efforts to
22 improve physical security infrastructure, deter crime
23 and discourage and remedy evidence of disorder. Such
24 as broken doors and other vandalism that can lead to
25 more serious crime. For instance the task force's

2 recommendations guide are layered access approach to
3 building security. Going forward it will also focus
4 on helping residents get better prepared for
5 emergencies? The task force has successfully
6 obtained funding and support from the Office of the
7 Mayor, the Office of the Special Narcotics
8 Prosecutor, the New York City Department of Youth and
9 community development, and the New York County
10 District Attorney's Community Affairs Unit.

11 Chief Gomez is here to answer any and all
12 public safety and crime prevention questions. In
13 conjunction with NYPD, NYCHA residents who are
14 willing to cooperate in the prosecution of certain
15 criminal cases are transferred to a new location.
16 NYCHA works with the New York County District
17 Attorney's Office on a variety of crime reduction
18 strategies. Including the prosecution of gang cases.
19 And through a violence reduction sports program
20 called Saturday Night Lights. Which reaches hundreds
21 of NYCHA youth at Polo Ground Towers in Harlem and
22 the Johnson, Lillian Wald, Corsi and Frederick Samuel
23 Houses. District Attorney, Cy Vance's office has
24 made asset forfeiture funds available to NYCHA to
25 enhance the security and quality of life at select

2 developments in Manhattan. To maximize the return on
3 this investment, NYCHA is conducting a physical
4 security assessment at these developments. As part
5 of this assessment, a crime prevention through
6 environmental design expert will develop
7 recommendations for physical layout changes that will
8 increase resident's security. We conduct various
9 recreational activities and mentorship programs with
10 the DA's office and the NYPD. Including the NYPD's
11 Explorer and Cadet Programs. The DA's office also
12 works with us on relocating intimidated witnesses
13 living in NYCHA developments.

14 Partners in the non-profit and public
15 sectors enable us to work toward reducing crime. We
16 partner with Cure Violence organizations that assist
17 high risk individuals at 12 NYCHA developments in all
18 five boroughs. Including Boulevard, St. Nicholas,
19 Adams, Baisley Park and Stapleton Houses for
20 instance. Through a grant from the New York
21 Community Trust we collaborate with these
22 organizations on education, campaigns, community
23 mobilization events and youth empowerment workshops.

24 As part of a new collaboration we are
25 working the mayor's office to combat domestic

2 violence on greater coordination and sharing of
3 information as well as community outreach to NYCHA's
4 residents. We also partner with them to provide
5 training for NYCHA staff on identifying domestic
6 violence. Our re-vamped resident watch program in
7 which residents volunteer to provide patrols in their
8 developments. Helps to deter crime. Such as
9 loitering and vandalism.

10 To improve the physical or built
11 environment of our developments, we have installed
12 nearly 11,000 security surveillance cameras at more
13 than 1,000 buildings, in nearly 200 developments
14 since 1997. 3,879 of those cameras were installed at
15 500 buildings since 2012, with city council funding.
16 Cameras enhance security for many families. More
17 than 272,000 residents live in developments where
18 cameras are installed. We also installed layered
19 access controls, which means new intercoms and front
20 door key fobs and hardware at 63 buildings across 26
21 developments. Enhancing security for more than
22 23,000 residents.

23 We expect to invest approximately \$27
24 million this year for cameras at 49 developments.
25 Over the past two months we conducted 46 CCTV

2 information sessions and dozens of meetings in all of
3 the boroughs that received CCT Funding, to engage
4 residents in the CCTV process. This involved
5 briefing residents on the plans, performing walk-
6 throughs of camera locations, and asking for resident
7 input and improvement of the projects.

8 These steps will enable us to complete all
9 projects funded in fiscal years 2013 and 2014. We
10 just got approvals from the New York City Office of
11 Management and Budget for these upcoming projects.
12 However because installation and construction
13 requires approximately nine months and will commence
14 in July, some projects will not be completed until
15 the first quarter of next year. Since 2009 we
16 completed six security enhancing lighting improvement
17 projects, totaling about \$14 million. We are
18 currently investing more than \$9 million in another
19 10 lighting projects. More than 40,000 residents
20 will benefit from this work.

21 The city council's assistance and
22 leadership has been vital to bringing these lighting
23 and CCTV projects to fruition, from project design to
24 funding. At Sack Wern Houses in the Bronx an 81-year
25 old resident who has lived there for more than half a

2 century told me simply and directly, I just my home
3 to be clean and safe. Clean and safe. That's what
4 we all want. That's how we want to live. And that's
5 exactly what NYCHA's employees get up each morning to
6 provide. A decent safe home for the New Yorkers who
7 depend on us.

8 Let me now bring you back to our budget.
9 As you may recall NYCHA's operating budget manages
10 two major programs. Public Housing and grants that
11 support all public housing activities. And the
12 Housing Choice Voucher Program, known as Section 8
13 which includes all activities in the administration
14 of NYCHA's leased housing program. Public housing
15 and grants represents two-thirds of the authority's
16 overall spending or about \$2 billion. And the
17 Section 8 program is approximately \$1 billion, or
18 one-third of total spending.

19 When I testified in March I explained that
20 the 2014-2018 operating and capital plans were
21 adopted by the Board in December 2013. To better
22 understand the current fiscal picture, it's important
23 to compare this adopted budget with quarter one
24 actuals. The adopted budget passed in December,
25 projected operating revenues of \$243 million for

2 quarter one. This consists of tenant rents and other
3 fees. Due to lower than expected tenant incomes from
4 January to March, NYCHA actually received \$236
5 million. \$7 million less than expected. The adopted
6 budget projected \$474 million from federal operating
7 subsidy and Section 8 housing assistance payments.
8 NYCHA actually received \$524 million. \$50 million
9 more than expected. This is a result of higher than
10 expected federal subsidies. NYCHA assumed 77%
11 proration. Today the interim proration is at 89%.
12 For Section 8 housing assistant payments proration is
13 99% and administrative fee funds proration is 75%.

14 The adopted budget projected \$787 million
15 for expenses. For quarter one NYCHA spent \$805
16 million. \$17 million more than expected. Of the
17 total expenditures, \$346 million was spent on
18 employee salaries and benefits, \$40 million more than
19 expected. This was partly due to the fact that from
20 January to March, 34 developments with 645 apartments
21 were affected by gas outages. And there were 11
22 major snow events, both of which required increased
23 labor. The adopted budget projected \$482 million for
24 utilities, supplies and contracts. For quarter one,
25 NYCHA spent \$459 million, \$23 million dollars less

2 than expected. This was driven primarily by the
3 \$17.5 million of relief from the NYPD payment.

4 I would like this opportunity to thank the
5 mayor for his continued support. Suspending the NYPD
6 payment which dates back to a Memorandum of
7 Understanding written during the Giuliani
8 administration, demonstrates a steadfast commitment
9 to public housing and low income New Yorkers.

10 Increased funding from the mayor will help us address
11 our fiscal challenges, better serve our residents,
12 and get us back to our core mission. In 2014, the
13 \$52.5 million will fund paint and tile work. A new
14 work assessment unit and new apartment appliances.
15 The \$70 million provided in fiscal year 2015 will be
16 used to maintain service levels and security. Not
17 since Mayor LaGuardia first recognized the vital need
18 for public housing in this city has NYCHA received
19 such a strong commitment from city hall.

20 Now I'd like to present to you a re-
21 forecasted estimate for the rest of the year. The
22 adopted budget projected total revenues of \$2.87
23 billion for 2014. By continuing the first quarter
24 trend for revenues. We expect to receive \$3.11
25 billion, \$240 million more than the adopted budget.

2 Again, this is driven my higher than expected federal
3 funding. A consequence of the budget deal brokered
4 by Congress in December 2013. The swift passage of
5 the 2014 consolidated appropriations act, which
6 followed. Included in this estimate is expected
7 shortfall from the U.S. Department of Housing and
8 Urban Development of \$12 million for the Section 8
9 program. If this funding isn't received NYCHA would
10 be forced to remove 1,122 vouchers from the program.

11 The adopted budget projected total expenses
12 of \$3.1 billion dollars for 2014. We are now
13 projecting \$3.186 billion, a one percent increase
14 over the adopted budget. This is partly due to the
15 gas outages and storms I mentioned as well as the
16 increased labor related to our maintenance and repair
17 efforts. To address the expected spending increase,
18 NYCHA is reinforcing and re-evaluating internal
19 controls and policies. Overall we anticipate a
20 higher deficit by the end of 2014 as outlined in our
21 power point presentation.

22 Again NYCHA is grateful for the mayor's
23 relief of the \$70 million in payments to the NYPD for
24 the city's 2015 fiscal year. \$35 million of which
25 will be used in 2014 to help reduce the deficit.

2 NYCHA is also taking responsible and proactive
3 actions to close the deficit first. We are working
4 aggressively with HUD to increase NYCHA's federal
5 subsidy through an energy rate reduction provision.
6 HUD provides an incentive for public housing
7 authorities to negotiate energy rates at lower than
8 market costs. Since the formula for utilities is
9 based on consumption and average rates paid,
10 negotiating lower than market rates actually reduces
11 the estimated formula amount. To encourage the
12 Public Housing Authority to pay less than market
13 rate, HUD reimburses 25 to 50% of that difference.
14 NYCHA received more than \$64 million from this
15 initiative over the past three years and could
16 potentially bring in an additional \$25 million this
17 year.

18 NYCHA can also impose hiring freezes in
19 which all active headcount is held constant through
20 the rest of the year. Our adopted budget headcount
21 is 11,315. NYCHA currently has about 11,214 on
22 board. However a problematic trade-off resulting
23 from the savings of approximately \$5 million is that
24 they may result in lower service levels than NYCHA
25 has in place today. In addition, we are considering

2 a number of initiatives that could potentially reduce
3 the projected deficit by about \$15 to \$20 million.

4 Now I'd like to highlight some of the
5 recent progress we've made to better maintain our
6 buildings and improve quality of life for residents.

7 As I've noted, many dedicated people have contributed
8 to our efforts and I am working to get to know them.

9 At every development the refrain I hear from

10 employees is that they have a deep sense of pride for

11 what they do and many of their accomplishments are

12 made possible in part by the council's support. We

13 allocated \$40 million and have spent over \$15 million

14 to close more than 24,000 vendor work orders. We are

15 creating an independent assessment unit that will

16 further enhance this work. We also appreciate the

17 city council's \$10 million in funding for our painter

18 apprenticeship program. Which has enabled us to hire

19 and train 102 current participants in the program.

20 Over 90% of whom are residents. These apprentices

21 are now union members with a skilled trade, which

22 enables them to take advantage of opportunities in

23 both the public and private sectors. This funding

24 also allowed us to hire about 50 provisional painters

25 to help close paint work order.

2 NYCHA continues to work hard to reduce the
3 number of open work orders and the average time it
4 takes to respond to a work order. Since the
5 beginning we closed more than 955,000 work orders.
6 For context, about one million work orders were
7 created and 110,000 were cancelled in that same
8 period. While we've made incredible strides to
9 reduce the backlog that once stood at 423,000 open
10 work orders down to about 78,000. We have no
11 intention of easing our focus on greater efficiency.
12 Along with this 82% reduction in work orders, we
13 exceeded our goal of responding to maintenance
14 requests within seven days. Bringing the number from
15 150 to an average of four days for basis maintenance.
16 We brought the average time it takes to complete
17 skilled trade requests from 280 days to 40 days.
18 Though that is still far from our target of 15 days.
19 I am confident that the hard work of our employees
20 and assistance from our partners will help us get us
21 there.

22 The mayor is committed to using city
23 resources to reduce the number of families in
24 homeless shelters. We are working with city hall,
25 our agency partners and advocates on a plan to

2 address this very pressing issue. We will provide
3 families referred by the Department of Homeless
4 Services with project based Section 8 apartments.
5 These apartments which currently receive no subsidy
6 due to the state and city's discontinuation of
7 funding for developments they built. Will then
8 generate a steady federal subsidy. We are currently
9 working with city hall on a plan to determine the
10 number of placements and the timeline for helping to
11 achieve the mayor's goals on ending the homeless
12 crisis.

13 HUD mandates that all public housing
14 authorities obligate 90% of capital funds within 24
15 months and expend them within 48 months. These
16 timelines take into account all the various steps
17 involved with capital projects. To date, NYCHA's
18 capital projects division has obligated \$95 million
19 or 85% of its \$112 million in 2013 capital funding.
20 We expect to fully obligate all of these funds within
21 nine months, well before HUD's deadline of September
22 2015. We also beat HUD's deadline for the
23 expenditure of the 2010 capital grant by five months
24 and are on track to fully expend our 2011 grant by
25 the August 2015 deadline. I am especially pleased to

2 report that NYCHA has never missed an obligation or
3 expenditure deadline.

4 Using the proceeds of a bond issued under
5 HUD's capital fund financing program. We
6 successfully bid and are in the process of awarding
7 24 critical brick and roofing projects that will
8 improve the quality of life at 30 developments. To
9 date, we have obligated \$173 million and expect to
10 obligate all of the nearly \$500 million in bond
11 proceeds within 11 months of bond approval, over one
12 year earlier than required.

13 Although we have much more work to do we
14 have made notable progress in our Hurricane Sandy
15 recovery efforts. Many basis repairs have been
16 completed or are underway. Including repair work in
17 damaged playgrounds, apartment restorations, and
18 community center spaces. Emergency work such as the
19 replacement of emergency mobile boilers is also
20 underway. Significant work with our insurance
21 carriers has resulted in \$230 million in insurance
22 payout to date. Strong progress has been made in
23 working with FEMA on the development of required
24 project work sheets to support significant levels of
25 FEMA funding. Design work around emergency power

2 backup is nearly complete. We continue to work with
3 HUD and the state on potential additional funding via
4 the Community Development Block Program or the Hazard
5 Mitigations Grants Program. As a result of all of
6 this progress on securing potential funding, design
7 has been able to commence for permanent repairs,
8 resiliency and mitigation at 27 developments. A
9 major component of our recovery is the formal plan
10 that has been put in place to provide for resident
11 engagement and input in to the rebuilding effort at
12 each affected development.

13 As part of the rebuilding efforts we are
14 conducting resident engagement meetings at all Sandy
15 damaged developments. Meetings were recently held in
16 the Lower East Side and Coney Island and another 33
17 are scheduled through September. These meetings are
18 the first stage of a resident input process that will
19 engage residents from design to completion. We are
20 communicating with all residents to provide them with
21 general information on emergency preparedness and
22 have conducted presentations on the topic at 23
23 developments across the city. Another 57 are
24 scheduled for the coming months. We are supporting
25 residents in developing emergency action plans and

2 will continue to conduct emergency drills. We also
3 train volunteers to serve as floor and building
4 captains in the event of emergencies and continue to
5 engage residents by promoting awareness on emergency
6 evacuation at developments family days throughout the
7 summer. Last month, we met with dozens of advocacy
8 groups, community based organizations, city agencies
9 and emergency response organizations as a follow-up
10 to continued discussions, events and training
11 sessions with our partners to proactively prepare for
12 emergencies.

13 This year alone we conducted more than 100
14 emergency drills, with employees. We trained over
15 1,500 staff on the incident command system. A
16 standardized and flexible approach to handling a
17 range of emergency and non-emergency events. We also
18 instituted a voluntary program to enable NYCHA
19 employees to work at an alternative location
20 including at a hurricane shelter, if their regular
21 work place becomes inaccessible due to an emergency.
22 Phone banks, door knocking and data entry teams were
23 established as part of this program to create a more
24 defined role for volunteers to address resident's
25 needs in the event of an emergency.

2 NYCHA's participation in the mayor's
3 housing first affordable housing plan, demonstrates
4 and paradigm shift in our relationship with
5 stakeholders. We look forward to working with all of
6 our partners including residents, elected officials,
7 community advocates and other city agencies to craft
8 our own practical and thoughtful plan. Which will
9 help advance the mayor's affordable housing goals
10 while benefiting NYCHA residents.

11 To be clear we are going back to the
12 drawing board. To develop a plan in concert with
13 stakeholders, starting with residents. To revitalize
14 communities, improve quality of life and preserve and
15 develop public housing for the future in a way that
16 is sustainable and financially sound. This will be
17 about true collaboration. It will involve senior and
18 supportive housing and the community and retail
19 facilities that residents want and will help knit
20 public housing back into the fabric of the wider
21 community.

22 While we have been working to become a more
23 efficient agency, NYCHA's true success depends on
24 collaboration with our stakeholders. The city
25 council is a crucial partner for a number of our

2 initiatives and we thank you for your support. We
3 are eager to continue working with the council on
4 resident engagement efforts, a strategy for the best
5 use of our community centers and the creation of a
6 preservation and development plan. The mayor's
7 budget generously provides additional funding to
8 address maintenance and repairs and enhance security.
9 NYCHA's also grateful for the city council's
10 contributions of \$17.7 million to mitigate the impact
11 of sequestration, and continued operating our
12 community and senior centers. However, operating 57
13 existing community and senior centers costs about
14 \$17.1 million annually. We ask that the council
15 continue to help us identify ways to keep operating
16 these centers, which provide important services and a
17 better quality of life for approximately 5,000 New
18 Yorkers every year. We are also requesting the
19 council's assistance in identifying dedicated
20 citywide funding that would enable us to pursue a
21 more comprehensive and targeted approach to physical
22 security at developments with the highest crime.

23 By working together to identify innovative
24 solutions to our fiscal challenges we will insure
25 that NYCHA is here to serve future generations.

2 Public housing is too important a resource for there
3 to be any other way.

4 [Background talk]

5 So thank you for your attention and I am
6 happy..., we are happy to answer any questions that you
7 might have.

8 CHAIRPERSON FERRERAS: Thank you very much
9 Commissioner. We really appreciate your testimony.
10 As you can imagine we have several colleagues on
11 queue. Just wanted to remind our colleagues that we
12 will be on a five minute clock and if there's a need
13 for a second round we will then have a three minute
14 clock.

15 I want to ask in particular, about the
16 performance funding subsidy on a federal level. At
17 some point the U.S. Department of Housing and Urban
18 Development, HUD, awards a performance funding
19 subsidy for operating subsidies for federal
20 developments based on performance of local authority.
21 When did NYCHA lose their high performance
22 designation? And how long had NYCHA been a high
23 performance public housing authority before it lost
24 its designation?

25 [Background talk]

2 CHAIR OLATOYE: So we lost that in 2007.
3 And we went to standard.

4 CHAIRPERSON FERRERAS: You went to
5 standard. What was the impact, if any, on funding
6 related to that status?

7 CHAIR OLATOYE: You know, I think we will
8 come back to you with the specifics on the impact of
9 that change, Councilwoman. And we will follow-up
10 with the specifics on that answer.

11 CHAIRPERSON FERRERAS: Okay, if you could
12 get back to of our committees. And I'm going to ask
13 one more question because I want to give my
14 colleagues an opportunity and I'll come back on the
15 second round to wrap up the questions. This is
16 relation to the community and senior centers which
17 are set to close on June 30th, if we don't provide
18 the \$10 million that you requested from the council.
19 So I wanted to just confirm that there's 160 people
20 that are currently employed at the community and
21 senior centers.

22 CHAIR OLATOYE: That is correct.

23 CHAIRPERSON FERRERAS: And are they all
24 unionized?

25 CHAIR OLATOYE: That is correct.

2 CHAIRPERSON FERRERAS: Can you just for the
3 record, state the unions that they represent.

4 CHAIR OLATOYE: DC 37.

5 CHAIRPERSON FERRERAS: Should the council
6 not be able to appropriate these fundings, is there a
7 transition plan or have you thought of what would
8 happen with those community centers.

9 CHAIR OLATOYE: So we have certainly, made
10 some initial plans and have..., I put in place some
11 contingencies. It is certainly..., would be our
12 initial intention to try and redeploy staff if that
13 is possible. We have not acted on those contingency
14 plans pending our conversations with the council and
15 city hall.

16 CHAIRPERSON FERRERAS: Just from our
17 perspective we want to reengage with OMB for the
18 opportunities where this should be put on the
19 executive budget from the mayor's perspective. So we
20 will be having conversations with the OMB director on
21 Friday so that you understand, the council clearly
22 understands our responsibilities and we obviously
23 support our constituents. However, this was a
24 restoration from a very big cut that was done in the
25 last administration and we're hoping that with this

2 administration we're able to have those dollars
3 replaced by the administration.

4 Just want to know, how much of these funds
5 are used towards operation and maintenance, or
6 landlord type services through the programmatic
7 services?

8 CHAIR OLATOYE: For the community centers?

9 CHAIRPERSON FERRERAS: Yes. How many if
10 any of these dollars are used for improvements of the
11 actual community centers?

12 CHAIR OLATOYE: So, we can provide you with
13 a specific breakdown. The question maybe is how much
14 does it cost to operate a community center?

15 CHAIRPERSON FERRERAS: Yes ma'am.

16 CHAIR OLATOYE: Right, okay, so it's about
17 approximately, and it does differ per center. It's
18 approximately \$300,000. And we..., you know that
19 includes HVAC, that includes fire safety, and other
20 sort of staff and salary issues, programmatic
21 expenses, etc.

22 CHAIRPERSON FERRERAS: Okay. So I am now
23 going to pass it over to my co-chair and I'll come
24 back on the second round.

2 CHAIR OLATOYE: If you would permit me to
3 just correct something in my statement, which is to
4 say I initially mentioned that the plan to implement
5 and complete the work of \$27 million this year in
6 security enhancements in the 49 developments. I
7 stated that some of that work would continue into the
8 first quarter of 2015. That's incorrect. It is our
9 intention to have that work completed by the end of
10 2014.

11 CHAIRPERSON FERRERAS: Okay. Very good.
12 Thank you. And we'll update that here on this end.
13 Chair Torres.

14 CO-CHAIRPERSON TORRES: Thank you Madam
15 Chairwoman. I'm wondering how many community centers
16 are in danger of closing?

17 CHAIR OLATOYE: 57.

18 CO-CHAIRPERSON TORRES: And what's the
19 breakdown between senior centers and standard?

20 CHAIR OLATOYE: That is a good question.
21 24 community centers and the balance would be senior
22 centers.

23 CO-CHAIRPERSON TORRES: I just want to note
24 that I just feel that it is utterly irrational to
25 allow for the closing of these community centers at a

2 time of rising crime, at a time of youth violence.

3 And a number of colleagues have come to me and we
4 will do everything we can to prevent the closing of
5 these centers. I know that I speak for Council
6 Member Richards, Council Member Cumbo, Council Member
7 Miller and Council Member Treyger. We will not let
8 these community centers close. That is just
9 unacceptable to us.

10 [Applause]

11 CHAIRPERSON FERRERAS: Quiet please. So
12 just so that we know as we proceed with the hearings
13 we are on a tight clock. We're going to ask everyone
14 here. This is how we clap in city hall. Okay. So
15 let's practice. Very good. So that way we can
16 proceed and go through the hearings. But we hear you
17 and we appreciate you.

18 CO-CHAIRPERSON TORRES: And of course
19 Robert Cornegy. Yes, of course. Everyone. No one
20 wants to close community centers. Yes.

21 And I want to resume my questioning
22 regarding the tragic stabbing. I found the New York
23 Times headline striking. It said after children
24 stabbed, anger over lack of cameras. And so many
25 residents identify safety with cameras. And I did

2 hear in your testimony that there was some openness
3 to considering a citywide funding stream for security
4 enhancements. So that's what I'd like to hear. So
5 can you elaborate on that?

6 CHAIR OLATOYE: This is something that I
7 think you and I have spoken about, sort of offline
8 Chairman and I think it's clearly, as I said, two
9 victims too many. And the notion that cameras, etc.
10 are a luxury is false. And this is something that is
11 of incredibly high priority for us. And that's why
12 Chief Gomez is here to work and share NYPD's plan to
13 address the public safety and crime issues within the
14 Public Housing Authority. So I will defer specific
15 crime prevention approaches and tactics to the chief
16 and we can engage him.

17 CO-CHAIRPERSON TORRES: And I just want to
18 note, you know camera CCTV is only one facet.

19 CHAIR OLATOYE: This is true.

20 CO-CHAIRPERSON TORRES: Of a multi-layered
21 strategy, I understand. But the tenants, many of the
22 residents are demanding cameras and I feel we have an
23 obligation to respond to those demands. That's just
24 my strong opinion. How much overall funding is there
25 available for CCTV? Capital funding.

2 CHAIR OLATOYE: For this year, \$27 million.

3 CO-CHAIRPERSON TORRES: And what percentage
4 of it, or what amount is from the city council?

5 CHAIR OLATOYE: All of it.

6 CO-CHAIRPERSON TORRES: So there's no
7 mayoral funding for CCTV or related access control?

8 CHAIR OLATOYE: No.

9 [Background talk]

10 CHAIR OLATOYE: There are some borough
11 president money. My colleagues tell me. But the
12 majority of that \$27 million is from...

13 [Interpose]

14 CO-CHAIRPERSON TORRES: Is majority or all
15 of it?

16 [Background talk]

17 CHAIR OLATOYE: The majority is from the
18 city council. We can give you a very specific
19 breakdown in terms of city council or president
20 following my testimony.

21 CO-CHAIRPERSON TORRES: Again, I just don't
22 feel that's acceptable. I mean I feel like the
23 council, the mayor, the borough president, everyone
24 has an obligation to contribute their fair share
25 towards the safety of the public as the residents. I

2 just don't think that's acceptable. I'm a little
3 emotional about this, so I apologize.

4 CHAIR OLATOYE: Don't apologize.

5 CO-CHAIRPERSON TORRES: I want to speak
6 about another controversial subject. I think one of
7 the most disconcerting statistics about New York City
8 is that there are over 50,000 individuals who sleep
9 every night in our shelters. And about 23,000 are
10 children, 13,000 are families. And it's one of the
11 great moral crisis of our time. And I feel it's
12 important that NYCHA be a partner in the struggle to
13 reduce homelessness. We know that public housing is
14 a proven took of reducing homelessness, preventing
15 homelessness. In fact I would argue but for public
16 housing we would have hundreds of thousands of people
17 overflowing our homeless shelters. My family would
18 have been homeless without public housing. And the
19 experts tell us that in order to leave a true dent on
20 the problem we need to set aside about 5,000 units
21 for, I guess federally subsidized units for homeless
22 families and I'm wondering what's the number of
23 apartments..., what number of apartments will NYCHA
24 allocate toward that end?

2 CHAIR OLATOYE: Well first of all we have
3 been, from my very first days on the job, we have
4 been working very closely with city hall and our
5 agency partners to address this top mayoral priority
6 in addressing families and crisis families in the
7 homeless shelter system. We have worked..., the team
8 has worked tirelessly to both identify a sensitive
9 and rational approach to trying to address this
10 issue, and we are clearly one component of a larger
11 homelessness reduction approach. But a very
12 important one. We have been working with our
13 colleagues at DHS to both identify units both within
14 our public housing and within our Section 8
15 portfolio. We have identified at this time
16 approximately 3,200 units over the next four years
17 to..., for homeless families to occupy. We have been
18 working very closely...,

19 [Interpose]

20 CO-CHAIRPERSON TORRES: Is that over the
21 course of one year or...

22 CHAIR OLATOYE: Over four years, sir. Over
23 four years. We have been working very closely with
24 DHS on the supportive services for these families to
25 insure that we are setting up families for success in

2 permanent housing. And we continue to refine that
3 programmatic element.

4 CO-CHAIRPERSON TORRES: Are we setting
5 aside few units? Is the city setting aside fewer
6 units than we did under previous mayors, particularly
7 Mayor Giuliani?

8 CHAIR OLATOYE: Yes we are.

9 CO-CHAIRPERSON TORRES: How substantially
10 lower?

11 CHAIR OLATOYE: I don't know all of the
12 numbers off the top of my head, but they are lower.
13 Though as an important sort of, I think, contextual
14 matter to think about. We had Section 8 vouchers, or
15 emergency assistance vouchers during the Giuliani
16 administration. As you well know, NYCHA is not
17 issuing...

18 [Interpose]

19 CO-CHAIRPERSON TORRES: Lets control for
20 those variables.

21 CHAIR OLATOYE: Right, well if you were to
22 control for those variables, sir. We last year...,
23 NYCHA has a Section 8 homeless preference already.
24 And we have been continuously placing families into
25 those units already. So in last year, we placed a

2 number of homeless families in our Section 8
3 portfolio. And we are working..., we just released a
4 significant amendment to our annual plan. Which
5 would allow us to do the same within our public
6 housing. Which is a policy change. One that this
7 mayor is very committed to insuring to use public
8 housing as a resource to address the needs of
9 homeless families. So it is..., we are at the table...,
10 we are working together with our agency partners and
11 really trying to insure that NYCHA is consistent with
12 its mission. Which is to meet the needs of the most
13 vulnerable.

14 CO-CHAIRPERSON TORRES: Right. I'm a
15 little confused. Because it seems like we're setting
16 aside..., the homelessness rate since 2001 has risen by
17 75%, right. So we're seeing levels of homelessness
18 that are catastrophic. And why are we setting aside
19 substantially fewer units when the homeless
20 population is substantially higher. Why are we doing
21 less at a time..., I just have trouble wrapping my head
22 around that.

23 CHAIR OLATOYE: Well one of the..., sir,
24 you're correct. We are..., these are unprecedented
25 numbers that the city is facing in terms of

2 homelessness in general. And as you also well know,
3 the housing authority has a turnover rate of about,
4 less than 2% ourselves. We have a significant
5 waiting list of families as well. Both on the public
6 housing side and the Section 8 side. So we have come
7 to the table to try and identify units that we can
8 provide for these families given, a) the very real
9 pressures that we have on our..., this asset. Also in
10 the context of other priorities that we are meeting.
11 Like victims of domestic violence, like families in
12 transition fleeing emergency transfers, working
13 families. So we are working closely to try and meet
14 the needs of many different populations with a very
15 finite resource.

16 [Background talk]

17 CO-CHAIRPERSON TORRES: No one is..., it is
18 unfair to hold NYCHA for the vacancy rate or the
19 turnover. Those are factors beyond your control.
20 I'm curious to know, of the..., what percentage of
21 vacancies are made available to the households in
22 greatest need, to homeless families? Because that's
23 within your control. You can determine what
24 percentage of vacancies are made available.

25 [Background talk]

2 CHAIR OLATOYE: So the percentage of our...
3 We don't have that answer for you today, Chairman.
4 We can follow-up with you on that. Within our
5 Section 8 program we have an existing preference that
6 we have been utilizing. And that..., the numbers for
7 that are for last year. I'm just looking at my staff
8 to give me the specific numbers. And with regard to
9 the public housing portfolio we actually need
10 approval from HUD to change the priority preference
11 there. And that is why we have submitted and
12 released significant amendment. There will be a
13 hearing, a public hearing on that item in July. We
14 expect approval in August. And so that will allow
15 us.

16 CO-CHAIRPERSON TORRES: What changes are
17 you proposing?

18 CHAIR OLATOYE: To allow us to utilize our
19 public housing units. And making the decision
20 between public housing and Section 8. Where we would
21 be identifying and prioritizing units for homeless
22 families in our public housing portfolio.

23 CO-CHAIRPERSON TORRES: I just want to
24 underscore. You know, in my opinion public housing
25 is the best homeless prevention program we have. And

2 we know that less than 2% of formerly homeless
3 families who go into public housing return to the
4 shelters. So it is the most stable permanent form of
5 housing and I feel that it's a terrible mistake to
6 restrict the availability of public housing units to
7 the families in greatest need.

8 UNIDENTIFIED MALE: Chairman, with the new
9 preference that we're putting in place,
10 approximately...

11 [Interpose]

12 CHAIRPERSON FERRERAS: Sorry, can you just
13 state your name and title for the record.

14 GENERAL MANAGER HOUSE: I'm sorry. Cecil
15 House, General Manager for the New York City Housing
16 Authority.

17 Approximately 40% of the available units
18 will be allocated in the selection process to
19 homeless individuals and families.

20 CO-CHAIRPERSON TORRES: What's the current
21 percentage?

22 GENERAL MANAGER HOUSE: 12% today.

23 CO-CHAIRPERSON TORRES: I'm sorry, so it's
24 12% currently and then it's going to go up to 40%?

25 GENERAL MANAGER HOUSE: That's correct.

2 CO-CHAIRPERSON TORRES: So does that mean...,
3 beyond transfers there's need based and there's
4 working families. Are you going to rebalance the
5 distribution toward need based?

6 GENERAL MANAGER HOUSE: Correct. So on the
7 need based side of the available units.
8 Approximately 40% of those will go to homeless
9 individual and families. They may also, for homeless
10 individuals, depending on their position on the
11 waiting list, may also obtain housing through the
12 normal process as well. But they will have a
13 preference. So this creates a preference for their
14 selection when this amendment is passed to our
15 selection process.

16 CO-CHAIRPERSON TORRES: So what's the
17 breakdown that's going to take place? It's going to
18 be 40%..., what's going to be the breakdown between
19 working families and need based, under your
20 amendment.

21 GENERAL MANAGER HOUSE: We think on an
22 average year we will have clearly about 750 families
23 that will have access to the preference..., it will
24 vary, in that range. And then in addition to that,
25 the ones depending on their position on the waiting

2 list that pass through the selection process
3 normally. So, an actual number will depend on where
4 families fall ultimately in the normal process. But
5 the preference we expect to increase that number to
6 the extent of around 750.

7 [Background talk]

8 CO-CHAIRPERSON TORRES: I'm sorry, at the
9 moment you set aside more units for working
10 preference than you do for need based.

11 GENERAL MANAGER HOUSE: So today we do not
12 have a preference for homeless families in public
13 housing.

14 CO-CHAIRPERSON TORRES: I'm referring
15 generally to need. Which includes...

16 GENERAL MANGER HOUSE: We have about half
17 to need and...

18 [Pause]

19 [Background talk]

20 CHAIRPERSON FERRERAS: If you're not going
21 to come up to the mike. You have to repeat exactly
22 what he's saying. Or he can come up to the mike.

23 GENERAL MANAGER HOUSE: Understood.

24 CHAIRPERSON FERRERAS: Or he can come up to
25 the mike.

2 [Background talk]

3 GENERAL MANAGER HOUSE: So between the need
4 based and the working families. They each are about
5 34% of the total. And then the remainder of that is
6 made up of special categories, mobility impaired
7 units. We have some apartments allocated for repairs
8 or for special situations. So, of the two components
9 of the 34%, the 34% of the need based, right about
10 38% of those will go for homeless families.

11 CO-CHAIRPERSON TORRES: I'm sorry.

12 GENERAL MANAGER HOUSE: That number's about
13 750.

14 CO-CHAIRPERSON TORRES: What are those
15 numbers again?

16 GENERAL MANAGER HOUSE: 34% in the need
17 based category. 34% in the working family's
18 category.

19 CO-CHAIRPERSON TORRES: And the rest is
20 transfers.

21 GENERAL MANAGER HOUSE: Right.

22 CO-CHAIRPERSON TORRES: And these are
23 referring to vacancies..., and under the amendment it
24 would go from 34 to...

25

2 GENERAL MANAGER HOUSE: Of the 34% focused
3 on need based, about 38% of that number which we
4 think is about 750 would be allocated to homeless
5 families. To the homeless.

6 CO-CHAIRPERSON TORRES: I just think it's...,
7 here's how I see it, you know, they get the crisis of
8 affordability comes down to an imbalance of supply
9 and demand. That demand, not only for affordable
10 housing, but deep affordable housing. Very low
11 income housing, extremely low income housing far
12 exceeds the supply and we cannot produce more public
13 housing units because of a federal prohibition. So
14 why not maximize the availability of those units to
15 the families in greatest need. You know in my mind
16 the point of public housing is to serve the families
17 who can least afford to live in New York City. So
18 why are we restricting the supply of housing
19 available on the basis of need. Shouldn't that be
20 the core driver of how we distribute public housing
21 units?

22 CHAIR OLATOYE: Well in fact our...,
23 Chairman, our mission is to serve as you well know.
24 To serve families of low income. Where families
25 aren't paying more than 30% of their income towards

2 rent. And we have a series of preferences here that
3 we are balancing in addition to meeting the ongoing
4 needs of the families who remain on our waiting list.
5 And so..., and I think there's also a belief that we...,
6 that there should be integration in our developments
7 as well. And that we need to have..., that there's a
8 value in having not only families of diverse incomes
9 in our developments as well. And so we are meeting
10 our needs and compliant with the preferences by which
11 we have adopted and shared with you all and are
12 insuring that we are compliant there. And we also
13 are..., believe that NYCHA is a stronger public housing
14 authority where we have a diversity of incomes.
15 Which are also incredibly low.

16 CO-CHAIRPERSON TORRES: Among the homeless
17 population we have a diversity of incomes. There are
18 many working people in our system.

19 CHAIR OLATOYE: This is true.

20 CO-CHAIRPERSON TORRES: And I think that
21 this notion of working preference, as if those who
22 qualify for need based don't work. It's not true.

23 CHAIR OLATOYE: Well and in fact...

24 [Interpose]

2 CO-CHAIRPERSON TORRES: These are many
3 families who would have been able to stay in their
4 apartments had they had access to a subsidy. A
5 simple subsidy. So there is diversity among those
6 families who qualify on the basis of need.

7 CHAIR OLATOYE: You're exactly right
8 Chairman. And one of the facts that Deputy Mayor and
9 staff have shared with us, is that income diversity
10 of families within shelter. There's something like
11 700 or so families who are working. And who do have
12 income. And you're exactly right. But for a
13 financial hardship would not be in the homeless
14 system. So that is that the population for sure in
15 which that we are working to serve in general. But
16 what the point here is to insure that we have a
17 preference for homeless families in conjunction with
18 the other preferences that we have. For a very
19 finite resource and insure that we can try and meet
20 the needs of those families.

21 CO-CHAIRPERSON TORRES: And just I'm going
22 to make the point once more and then I will actually
23 stop. Because I've subjected you to enough for all
24 the hearings. But I feel that it is a finite
25 resource and all I'm advocating is that we maximize

2 the availability of that finite resource for the
3 families in greatest need. That's my only
4 proposition. So.

5 CHAIR OLATOYE: Understood.

6 CO-CHAIRPERSON TORRES: Thank you.

7 CHAIRPERSON FERRERAS: Thank you co-chair.

8 And as usual, the chair will have follow-up questions
9 as we finish this initial round for members. I'd
10 like to acknowledge that we've been joined by Council
11 Members Johnson, Cumbo, Mendez, Richards, Barron,
12 Gibson, Treyger, Miller, Rosenthal, Lander, Cornegy
13 and Van Bramer.

14 We will have Council Members Johnson,
15 followed by Council Member Barron. I want to remind
16 everyone that we're on a five minute clock. Thank
17 you.

18 COUNCIL MEMBER JOHNSON: Thank you
19 Chairwoman Ferreras. Thank you to Chair Torres. And
20 I want to thank him for his questioning. I know how
21 this important this issue is for him and for so many
22 New Yorkers. I wasn't born and raised in New York
23 City but I grew up on public housing in
24 Massachusetts. And the only reason I was able to go
25 to a good school in a good community was because of

2 the public housing that was afforded to my family.
3 So I understand the importance of this. And I want
4 to thank you for your pretty detailed in depth
5 testimony today. I also think it's important to
6 acknowledge when NYCHA is doing good things. And I
7 think that there are plenty of things that can keep
8 pushing you on. And we can work in collaboration on.
9 But I do think that the work order backlog that has
10 been reduced significantly is actually something for
11 us to cheer. It's not where, I think any of us want
12 it to be. We want there to not be a backlog at all.
13 I wanted to understand a bit though, in your
14 testimony you laid out and said that the backlog once
15 stood at 423,000 open work orders, it's down to
16 78,000. There's been an 82% reduction in work
17 orders. Are those work order primarily complaints
18 that are called in by individuals who themselves are
19 saying, I have an issue in my apartment?

20 CHAIR OLATOYE: So the answer is, there are
21 on a daily basis, councilman, we get about 10,000
22 work orders, open work orders, and those are
23 residents who are calling our customer call center
24 and identifying a need in their apartment. Somewhere
25 in their development. We are so grateful resources

2 that has allowed us to focus very specifically on
3 remaining 23,000 or so vendor ticket work orders.
4 These are much more extensive work orders that
5 require much more extensive work, so painting and
6 plastering and these are light construction almost
7 that are, frankly overall have been longstanding.

8 COUNCIL MEMBER JOHNSON: I ask that
9 because, while of course it's incredibly important to
10 be responsive and we must prioritize work orders that
11 are coming in from NYCHA residents. I can say from
12 spending last summer knocking on every door in the
13 two NYCHA developments that are in my district. The
14 Robert Fulton Houses and the Chelsea Elliot Houses in
15 West Chelsea. I can tell you that and this is not to
16 grossly stereotype these buildings. I think the
17 residents there would tell you this. Walking down
18 those stairwells, the uncleanliness in the
19 stairwells, the dirt, the trash, the lack of paint,
20 the stench. It's beyond the pale. And is there
21 anything proactive being done where the people that
22 are onsite, managing those facilities are going
23 through a giving a report to you all saying, the
24 hallways and the stairwells are unhygienic for
25 children, parents, anyone. I want to understand if

2 NYCHA is being proactive in going out and surveying
3 these hallways and facilities to determine on their
4 own where repairs need to be made.

5 GENERAL MANAGER HOUSE: Council member. We
6 just initiated a program to go out and independent
7 assess the quality of the units in the developments.
8 And we will continue that. That was pursuant to some
9 of...

10 [Interpose]

11 COUNCIL MEMBER JOHNSON: Stairwells and
12 hallways included?

13 GENERAL MANAGER HOUSE: We will look at the
14 units, and the common spaces. So there are a couple
15 things that are going on there. As we've been able
16 to reduce the number of work order in the backlog and
17 we think that the 78,000 work orders that are
18 outstanding is around what's going to happen at NYCHA
19 on a regular basis given that we have 10,000 coming
20 in every day. We have created some capacity among
21 our maintenance staff to be able to focus more on
22 common spaces. And so we will do that. With these
23 assessments, though, we will also go back and
24 validate that work was done properly. Identify any
25 work that the residents don't recognize or

2 appreciate. And continue the process of getting the
3 developments, both in the units, in common spaces and
4 externally.

5 COUNCIL MEMBER JOHNSON: I'm happy to work
6 with you on that. In identifying, in these two
7 developments in my district. I just want to finish
8 by saying that in West Chelsea where these two
9 developments are. You have many residents who have
10 been there 25, 30, 35, 40 years. Who were there long
11 before the neighborhoods changed, before the schools
12 got better, before the highline got tens of millions
13 of dollars for that beautiful, and these residents
14 deserve the dignity and respect for living in
15 facilities which are hygienic and which are getting
16 the repairs that they need. And that's what I want
17 to see be accomplished. At least in my district and
18 across the city. Thank you.

19 CHAIRPERSON FERRERAS: Thank you Council
20 Member Johnson. Council Member Barron, followed by
21 Council Member Gibson.

22 COUNCIL MEMBER BARRON: Thank you to the
23 chairs for calling this hearing and thank you to the
24 panel. And first I want to add my condolences as
25 have been already expressed. To the Avitto and to

2 the Capers family and I would just like to take a few
3 seconds of my time to ask everyone to just stop pause
4 in remembrance of the suffering of these families.

5 [Pause]

6 Council Member Barron: I want to also say
7 that I'm a product of public housing. Having grown
8 up in what was at that time called the Fort Green
9 Houses which are now Ingersoll Whitman. But at that
10 time it was all one unit. And I certainly can see
11 the changes that have come to this point. They were
12 immaculately kept. There were inspections that were
13 done monthly. People used to come to your apartment
14 to make sure that things were in good repair. So as
15 we talk about the reference to the woman who said all
16 she wants is clean and safe. I think that certainly
17 needs to be the goal that we set and would ask that
18 by the time I finish you might have some timetable
19 that you can offer me. Because I know that you've
20 inherited a horrendous situation. But when do you
21 think we can get to a point to being safe and clean.
22 I'll do that at the end.

23 There was an article in December, in the
24 Daily News which said that NYCHA was sitting on
25 money. Both security funds total \$45 million and in

2 non-security funds totaling \$51.4 million. Of that
3 \$45 million, I know that the former council member
4 Charles Barron had at least \$500,000 in for security
5 cameras at Boulevard. And we've spoken Madam Chair
6 and we've talked about where that is. But there was
7 an also \$500,000 in that timeframe for Cypress, for
8 cameras as well. And in 2009, State Senator Sampson
9 put in \$4 million from the state for cameras at
10 Linden, at Boulevard, at Cypress, at Pink. So I
11 wanted to know, has your agency been able to track
12 down where that \$4 million is?

13 CHAIR OLATOYE: So Councilwoman. Thank you
14 for your question. As we talked yesterday, we have,
15 and as is stated in my testimony, NYCHA has
16 completed, spent, installed, the all pre-2012 fiscal
17 year committed dollars. We've actually spent that.
18 That work has been done. And been completed. There
19 remains \$27 million. Which was committed in fiscal
20 year 2013 which as you heard me say we just received
21 our approval from OMB to move forward on those
22 projects. Boulevard being one of them, ma'am. And
23 Cypress. That work will begin imminently and will be
24 completed by the end of this year.

2 COUNCIL MEMBER BARRON: I'm on the clock,
3 so I'm moving quickly. Also, as a part of the non-
4 secure funding, which was reported to be \$51 million.
5 The former Council Member Charles Barron did put \$3.8
6 million in for a youth center which would have been
7 located one block over from Boulevard, between what
8 is Boulevard and Linden Houses. And there was an
9 additional \$500,000 for Unity Plaza for putting a
10 dome on the area that is a plaza there. Can you tell
11 me the status of the \$3.8 million and the \$500,000
12 for Unity?

13 CHAIR OLATOYE: So the \$4 million that
14 you're referencing Council Woman. That is stuck.
15 And that is stuck in with our colleagues. And I
16 would look forward to sitting with you to figure out
17 how to...

18 [Interpose]

19 COUNCIL MEMBER BARRON: Can you explain why
20 it's stuck? Or where it's stuck? And how we can get
21 it unstuck.

22 CHAIR OLATOYE: Yes. I am very interested
23 in learning that myself. And I'd like to have the
24 opportunity to do that with you offline. And we can
25 follow-up and share with members of the council as to

2 how we will work to move forward on that state
3 appropriation.

4 COUNCIL MEMBER BARRON: I had asked your
5 predecessor about the practice of what had been
6 described as warehousing. Apartments that were
7 closed, supposedly for renovations, but never
8 reopened. So he never was able to give me a number
9 of apartments that are in that state or warehousing
10 or closed or not being used. Do you have a number or
11 can you get me a number?

12 GENERAL MANAGER HOUSE: We can definitely
13 get you a number. The number of apartments that are
14 in renovation. Because there are some actually in
15 the four green houses and we can get you a number for
16 that.

17 COUNCIL MEMBER BARRON: Okay I'll come back
18 at round two.

19 CHAIRPERSON FERRERAS: Thank you Council
20 Member Barron. We will now have Council Member
21 Gibson, followed by Council Member Cumbo.

22 COUNCIL MEMBER GIBSON: Thank you very much
23 chairs. Chairman Torres, Chairwoman Ferreras and
24 good afternoon Chairwoman, Chief Gomez and Mr.
25 General Manager. I know I stepped out earlier and

2 Council Member Torres announced the members that
3 would stand against any cuts to community centers and
4 senior centers. So on behalf of my nine
5 developments, Claremont, Highbridge, Sedgwick,
6 Forest, McKinley, Goovenor, Butler and Webster Houses
7 all in the Bronx. I stand with my colleagues as
8 well. So I want to make sure that the Bronx has a
9 voice and there is attention given to Bronx County.
10 I applaud your testimony, your presence and your
11 commitment. The drive and energy you are bringing to
12 the table. It's refreshing because we have a lot of
13 work to do. There has been a major disinvestment in
14 public housing across this nation. I served in the
15 State Assembly and I know that the state has
16 disinvested quite a bit in public housing. So I am
17 not happy that there's no money coming from Albany in
18 public housing. NYCHA is one of the largest public
19 housing infrastructures in the nation. And I don't
20 know where our city would be without it. And so
21 while we're moving forward on multiple levels and
22 different priorities. I want to make sure that we
23 recognize and you have the hardworking staff that do
24 the work each and every day under extreme
25 circumstances, as well as the long time tenants. I

2 call them the soldiers. The soldiers that have
3 stayed when no one else wanted to live in NYCHA. So
4 I had one question about the repairs and the
5 inspection. And with the \$52.5 million reprieve that
6 NYCHA has been given, the new monitoring unit that
7 will oversee the 32,000 work tickets. I'm interested
8 to learn what this monitoring unit will do. Who are
9 the staff that are involved? How is it going to
10 identify the most challenging repairs? And what
11 happens, because this is only for FY15. What happens
12 if we don't get to all of these work repairs in
13 fiscal year 15? How will that spill over to the next
14 year?

15 GENERAL MANAGER HOUSE: So we actually have
16 started this month with the inspections. We are
17 starting out with a very small contract with a third
18 party. And then as..., just to get us started right
19 away. And then we will begin the process of hiring
20 on employees to do this work as we move forward. In
21 our conversations with city hall, we believe that we
22 will be able to sustain this unit over the long term.
23 So we believe this is a long term need with in NYCHA.
24 The way that we will do this is. We will do what HUD
25 calls housing quality standards inspections. We'd be

2 looking at the quality of the units. Ultimately the
3 quality of the buildings overall. To continue the
4 process of bringing the quality up. We've relied on
5 residents so far to bring issues to our attention.
6 We will now switch that and we will be able to
7 identify issues independently of the residents and
8 make sure that they all get in line and everything
9 gets addressed. We are going to start out focusing
10 on units that we have visited in the past. That have
11 had specific safety related issues. IF there are
12 units that we have visited in the past that may have
13 had mold, leaks, things like that. Number one to
14 confirm that that work was done properly and to
15 confirm that there's nothing else in those units that
16 need attention at this time. As we move through that
17 we'll get through, we believe over the next three
18 years, three to four years, we will be able to get to
19 all of the NYCHA units and make sure all those
20 inspections will occur. Also annually we get
21 inspections with HUD on all of the common areas. And
22 so we'll continue to work on both common spaces and
23 the units. Until we get everything inspected and
24 then we'll start over again just to make sure that we

2 continue to maintain the quality of these units. As
3 we've committed to preserve them over the long term.

4 COUNCIL MEMBER GIBSON: Now what happens
5 for within this time frame additional repairs that
6 come on the role? Would that be rolled in or would
7 that be a separate unit that would focus on that. Is
8 it in the same?

9 GENERAL MANAGER HOUSE: The inspection unit
10 will identify the issues. Our current staff will
11 address the issues.

12 COUNCIL MEMBER GIBSON: Okay. And I know
13 there's been a lot of talk about the mayor's new
14 housing plan, which I applaud. And I know that
15 there's a lot of talk about shifting the priority
16 back to homeless families getting into public
17 housing. My question and concern is for many of the
18 families that are living in homeless shelters. I
19 represent the Bronx EAU so this is something I live
20 with every day in the Bronx. And many of those
21 families coming out of the shelter, going into public
22 housing which is great. Require an abundance of
23 additional supportive services. Mental health,
24 health education. So I'd like to know your
25 relationships with DHS and who you're working with to

2 make sure that we're getting them in but we're also
3 getting them the services that they need.

4 CHAIR OLATOYE: Sure, Sure. Thank you
5 Councilwoman. I share..., we share, I share your
6 concern and but more importantly we share a
7 commitment to insure that we're setting families up
8 for success. We do not want to see these families
9 back in the shelter system. We want them to..., we
10 want to give them keys for a permanent home. For
11 them to live and really move on the pathway to
12 opportunity. So we've been working very closely with
13 the deputy mayor and her senior staff and many senior
14 staff here at city hall. To identify the supportive
15 services needed to support those families. Look,
16 there are going to be some families who frankly will
17 get their keys and will be great, happy to be there.
18 They have a job, they have the services they need,
19 and will be very low touch intensive. There will be
20 families who need more. And I think that's the kind
21 of conversation and work that our staff our engaging
22 with DHS and the deputy mayor's staff.

23 COUNCIL MEMBER GIBSON: Okay. Thank you.
24 Thank you Madam Chair.

2 CHAIRPERSON FERRERAS: Thank you Council
3 Member. Now we will have Council Member Cumbo,
4 followed by Council Member Treyger. But before we
5 start I just want to remind and we're getting some
6 notices of people from, questions from the public as
7 a reminder that the public session will begin at
8 approximately 3:00 p.m. on Friday. The public
9 session will be held in this room. For members of
10 the public who wish to testify but cannot make the
11 hearing you can email your testimony to the finance
12 division and the staff will make it a part of the
13 official record. The email address is
14 financetestimony@council.nyc.gov. Council Member
15 Cumbo.

16 COUNCIL MEMBER CUMBO: I want to thank our
17 co-chairs. I wanted to thank the Commissioner for
18 returning here today. I also want to take this
19 moment. Many of the members from my district have
20 actually come from Walt Whitman, Ingersoll, Farragut,
21 Atlantic Terminal, as well as Lafayette Garden and we
22 also have people from the Church of the Open Door.
23 If you can express your presence here city council
24 style would be fantastic. I mention that because my
25 district is very active and we thank you for coming

2 to our town hall meeting. And at that meeting we
3 expressed the importance, particularly in our
4 district of the community and the senior centers.
5 Yesterday, around 6:00, a young man near Lafayette
6 Gardens was actually shot and killed and died in
7 front of the 8th police precinct. And at a time when
8 violence is up. I believe at the last public safety
9 hearing, I understand that there's a 3.2% increase of
10 violence with our public housing. Shooting is in the
11 rise. It's already June 3rd, and already we have had
12 some devastating epidemics of violence that have
13 arisen and for me when we're thinking about the
14 solutions of how we're going to address our summer
15 which is fast approaching. Certainly closing the
16 senior centers and the community centers is not part
17 of that equation and solution. And I believe very
18 passionately that closing these senior centers and
19 our community centers at this time is going to have
20 catastrophic impact and effect on our communities and
21 the viability and the success of this new
22 administration in the ending of a tale of two cities
23 does not begin here. So my question is, and I have
24 several others relates to, all due respect, from the
25 town hall meeting there was a statement that came

2 from you specifically about that you were asked to
3 apply for additional resources to maintain our senior
4 centers and community centers. In my district,
5 Lafayette Gardens is slated to be closed. What
6 happened specifically, from the time that resources
7 were applied in order to keep our senior centers
8 open, that we're now back at the drawing board. In
9 terms of will these centers remain open or not. And
10 wanted to put forward..., you also spoke about an
11 energy rate reduction program. I'm just trying to
12 find solutions that you said would potentially yield
13 an additional \$25 million. Could that be the
14 resources that we're utilizing to keep our senior
15 centers and community centers open? And I just also
16 wanted to add as well, that in times we spoke about
17 the emergency evacuations. If these senior centers
18 and community centers are closed, we will have no
19 areas and no spaces for emergency evacuation. There
20 will be no fallout shelter. There will be no cooling
21 centers. There will be no distribution of food.
22 There will be no place for people to go in areas and
23 times of emergency and security.

24 And I also wanted to bring up the
25 comprehensive security program. Just wanted to say

2 that this piece meal way of putting together, lights,
3 cameras, security cameras, different locks. All of
4 this in this piece meal fashion where who knows how
5 each development is selected I order to get this
6 level of security. It shouldn't be based on maybe
7 how strategic or how sympathetic a Council Member is
8 to these issues. You can have a Council Member who
9 cares nothing about public housing and then how will
10 their district fair when it comes time for security
11 cameras, placement, making sure that the grounds are
12 safe for our young people. Basketball courts, all of
13 these different issues. So I just wanted to start
14 with those. There's a lot.

15 But and I wanted to close with this.
16 Scaffolding is another huge issue. We're paying
17 millions of dollars every year for scaffolding that
18 is causing a huge crime risk throughout our
19 communities and with the closing of senior centers
20 and community centers. Those areas where the
21 scaffolding will become the new community center and
22 it will be areas where young people will congregate
23 because they have nowhere else to go.

24

25

2 CHIEF GOMEZ: Yes let me address the crime
3 concerns for a moment. Yesterday afternoon a young
4 man did lose his life.

5 COUNCIL MEMBER CUMBO: I'm sorry I can't
6 hear you.

7 CHIEF GOMEZ: Yes. Yesterday afternoon we
8 did have a shooting which resulted in the death of a
9 young man at LG over there in PSA 3.

10 COUNCIL MEMBER CUMBO: Yes, in my district.

11 CHIEF GOMEZ: We're working very hard to
12 find his assailant and by the way I'm Chief Gomez,
13 Chief of Housing. I've been here for three months
14 for all the resident in the room. You mentioned
15 before crime this year is up and it is up 3%. Last
16 time we were here a few weeks ago it was up 3%. As
17 we speak crime is up 1.3% this year. A total of 26
18 crimes. The last month over crime has gone down.
19 However, we are seeing some gun violence,
20 particularly in Brooklyn and particularly in PSA 3
21 which covers LG, Whitman, Ingersoll, Marcy, Sumner
22 and Tompkins. In response to that the police
23 department has sent a lot of resources, both to
24 Brooklyn and the Bronx where spikes in the increase
25 in gun play this year have occurred. We have upwards

2 of up to 40 overtime modules a week. A module is a
3 police officer. So, multiply 40 times 8 police
4 officers. You have at least 320 more tours, officer
5 tours per week. And I kind of divide that 60% in
6 Brooklyn, which is where most of the violence is.
7 And 40% to the Bronx. In addition, if you live in
8 Marcy, Sumner and Tompkins. I don't know if
9 anybody's in the room, you drove around there today.
10 You will see police cars in just about every corner.
11 During the day there's a tower. There's a tower
12 there. I signed it myself. So we're putting a
13 higher, you know a higher presence of police
14 officers.

15 COUNCIL MEMBER CUMBO: I respect your
16 awareness of the issue, but I would say that the
17 presence that you're discuss isn't really being felt
18 and the issue is still very pervasive. Like it is at
19 such a high point right now that we are getting texts
20 and phone calls and messages almost daily about
21 shooting incidents that are happening. And all due
22 respect, for all of the police presence, for a young
23 man to die right outside of the precinct shows that
24 there is a very serious breakdown for that to happen
25 outside the precinct. That's completely

2 unacceptable. It shows that whatever strategy is
3 being utilized has totally broken down when young
4 people are dying in front of the precinct.

5 CHIEF GOMEZ: We're trying our best Madam
6 and the police academy is graduating 600 officers
7 June 30th, I believe. The housing bureau, we're
8 slotted to get slightly more than 100 of those
9 officers. That's a larger contingent. That's going
10 to free up 100 officers from other areas. And I
11 intend to put most of these 100 in locations where
12 the shootings are occurring. That being Brooklyn and
13 also the Bronx.

14 COUNCIL MEMBER CUMBO: Can we just address
15 the scaffolding issues along with the community
16 centers and the changes in the administration's goal
17 on this very important topic.

18 GENERAL MANAGER HOUSE: So on the
19 scaffolding issue we share your concern. Recognizing
20 that concern and having heard the same message from
21 the residents. We've changed quite a few of the
22 NYCHA policies on how we manage repairs and Local Law
23 11 issues. All these scaffoldings generally arrive
24 from Local Law 11 issues. And we have a plan in
25 place that we expect by the first quarter of next

2 year all inactive scaffolding, and when I say
3 inactive, I mean no construction is occurring, will
4 be removed by the beginning of the year. And so we
5 will still have scaffolding in place. But it will
6 all be where there is active construction.

7 CHAIR OLATOYE: And with regard to the
8 community center, Councilwoman, we've..., this is
9 clearly an important issue. We understand the vital
10 role that these spaces play for many communities.
11 For our communities. And we are working very closely
12 with city hall and members of the council to insure
13 that they remain open. We have been very candid
14 frankly about our ability to operate and fund these
15 centers. And while also recognizing that the
16 challenges that we are living with and given some of
17 the public safety issues that you have raised. So,
18 we submitted a request. We were so honored and
19 pleased that the mayor for the first time included
20 NYCHA in his executive budget for resources to
21 address..., help us close our deficit, to help address
22 broader maintenance and safety enhancements. And our
23 community centers remains an area for us to work
24 together on.

2 COUNCIL MEMBER CUMBO: Can you talk a
3 little bit just in closing about the energy rate
4 reduction provision. Is there any way that resources
5 from that, the savings from that could be utilized to
6 offset the cost of the community and senior centers.

7 CHAIRPERSON FERRERAS: Council Member
8 Cumbo.

9 COUNCIL MEMBER CUMBO: Yes.

10 CHAIRPERSON FERRERAS: Can you please
11 wrap this up, we have colleagues on the queue.

12 CHAIR OLATOYE: So quickly this is an
13 initiative we listed as a potential deficit reduction
14 opportunity. It is somewhat speculative because it's
15 based on consumption and it happens at the end of our
16 fiscal year. So we projected that \$25 million. As I
17 mentioned that the deficit that we share today is, it
18 does not include the community centers so we actually
19 would still need the \$17.1 million which is for our
20 entire fiscal year, which is the calendar year, not
21 the city's fiscal year. So while it is certainly an
22 initiative that we are exploring for the overall
23 deficit reduction. I believe conversations like the
24 one we're having today need to continue to insure our
25 community centers remain open.

2 COUNCIL MEMBER CUMBO: Thank you and I'll
3 save my next questions for the second round and I
4 just wanted to thank my community for being here
5 today.

6 CO-CHAIRPERSON TORRES: Actually before
7 we proceed to the next question. How much is NYCHA
8 requesting from the council with respect to the
9 community centers?

10 CHAIR OLATOYE: \$17.1.

11 CO-CHAIRPERSON TORRES: \$17.1 okay. We
12 were under the impression that it was \$10.

13 CHAIR OLATOYE: Well just to clarify. So
14 we, NYCHA's fiscal year is actually the calendar
15 year. So though we are funding that goes through, I
16 believe, December 31st. For the city it would be
17 July 1 through next year. And we're assuming that we
18 would not be closing centers this year. So it's
19 actually it's the \$17.1, so it's \$8.5 for the
20 remaining from July 1, 2014 through December 31, 2014
21 and then January 1 through July 30, 2015.

22 CO-CHAIRPERSON TORRES: Okay. Thank you.
23 I just wanted to clarify that.

24 CHAIRPERSON FERRERAS: To June 30th.
25

2 CHAIR OLATOYE: I'm sorry, June 30th, June
3 30th, 2015.

4 CHAIRPERSON FERRERAS: Okay very good.
5 We're going to now have Council Member Treyger,
6 followed by Council Member Richards.

7 COUNCIL MEMBER TREYGER: Thank you
8 chairs. And welcome Chair, Chief Gomez and General
9 Manager Cecil House. I want to first just
10 acknowledge, you had mentioned in your testimony how
11 we're getting some more funds from FEMA. And I just
12 want to acknowledge the work of this New York City
13 Council in having a historic at Carey Gardens in
14 Coney Island that broke the log jam because of
15 residents in my district and across the city who had
16 boilers breaking down during the coldest days of the
17 winter. Who were subjected to inhumane conditions.
18 And because of that hearing, and because of the
19 residents that came out to testify we are now moving
20 on substantial work to replace those boilers and to
21 repair other vitally needed infrastructure repairs
22 that are needed in the Sandy impacted buildings. And
23 I will say that there was follow-up from your team.
24 They did come down to one complex so far in my
25 district. And I look forward to continuing that

2 dialogue. Because we must operate with a sense of
3 urgency. I cannot stress that enough. I just want
4 to say quickly to Chief Gomez. I believe that your
5 team does important work. As a matter of fact, one
6 of your officers died in the line of duty trying to
7 save people's lives in Unity Towers in Coney Island.
8 But I just want to point out that in order..., those in
9 power claim that they want to improve community
10 policing and improve community relations. Well you
11 need manpower and personnel to make that happen. You
12 need to think about that the police force is down
13 several thousand officers. And so when we talk about
14 establishing those relationships. We need to think
15 about personnel. I know for a fact PSA 1 which
16 covers by district, from Coney Island to Red Hook
17 could definitely use more staff. So are there any
18 plans right now underway to increase the personnel to
19 establish those important community relations?

20 CHIEF GOMEZ: As I stated earlier, the
21 academy graduates June 30th. That's going to free up
22 103 officers. I intend to put those in the impact
23 response teams for this summer to address the
24 violence that is ongoing. That is and will be my
25 priority for this summer. I have an IRT, one in each

2 borough, in Manhattan, in Brooklyn, in Bronx-Queens.
3 Bronx-Queens is considered a borough. So those that
4 will benefit are in this room, from that. So I'm
5 going to get 103 officers. That's what I've been
6 told and that is a very high percentage. You know,
7 do the math. 103 of 630 that are graduating. More
8 than 15% I believe.

9 COUNCIL MEMBER TREYGER: We'll follow-up
10 on making sure they get to the right places. I just
11 want to say for my colleagues who have concerns about
12 community centers. So I wasn't the Councilman of my
13 district last year, but I'm the Councilman now. And
14 in my district quite a number of those centers were
15 turned over to DYCD. And all the problems that the
16 council members here are predicting are actually
17 accurate. Because the reality is that many of these
18 centers are not fully accessible to all the residents
19 in those buildings. As a matter of fact, my feeling
20 is that in all those years that NYCHA had these
21 center. And by the way Chair, I respectfully wanted
22 to say this. That I understand that NYCHA is in the
23 housing business, but we can't divorce the fact that
24 these centers were built when the houses were built.
25 It's the same reason why when you have schools, you

2 have school yards. You know, you can't divorce these
3 two. They are crucial. They are crucial. And I
4 just think that NYCHA should have spent some time and
5 resources in building capacity for residents to take
6 ownership of their own centers and their own spaces.
7 Instead of having outside groups coming in a really
8 shutting them out. And by the way in my district, we
9 have Gravesend Houses which is still partially closed
10 because of Sandy and Surfside Gardens which is a
11 major community center space completely destroyed by
12 Super Storm Sandy. And it shouldn't be up to local
13 council member to come up with all the funding to fix
14 the Sandy damage. So are there any plans in NYCHA's
15 budget right now to address the damage done by Sandy
16 to NYCHA's centers.

17 CHAIR OLATOYE: So taking a step back, I
18 think the bigger question is. How do we insure that
19 we provide best in class services to our residents?
20 How do we do that? How to we insure that we're not
21 having the same conversation next year? And frankly
22 there should have been a fair amount of work and
23 planning done in the intervening year so that we
24 would not be in this position. But here we are. So
25 what I have directed staff to do, and we are bringing

2 on..., we are working with our community programs and
3 development team for this. Is to really think about
4 what is a social service platform that allows us to
5 meet the needs of our residents. That starts with a
6 full review of what we are currently offering. It
7 starts with an engagement with our residents as to
8 the quality and what is being offered. So the
9 planning and the ideas of how a sustainable and
10 frankly world class social service platform. That's
11 what we need to get to. We're not there at this
12 moment.

13 COUNCIL MEMBER TREYGER: Chair, I'll
14 close by saying this. That I believe it is crucial
15 that NYCHA moves in creating an online tracking
16 database. To track all capital work to all NYCHA
17 complexes across the city of New York. Residents
18 want to know the status of whether the centers will
19 be up and running. Council Members want to know the
20 status of monies they put in for cameras years ago.
21 The mayor was quoted in today's New York Times as
22 saying that there was money in the budget for cameras
23 but they were never installed. So can we work..., just
24 to get you on the record, can we work in creating an
25

2 online tracking system to track all capital work done
3 in NYCHA complexes.

4 CHAIR OLATOYE: Well in fact one of the
5 hallmarks of my administration, councilman has been
6 to really encourage, and to push and to direct staff
7 to be more transparent. So the idea that you don't
8 know the capital work that's happening in your
9 district is unacceptable. And you should know that.
10 And there should be an interactive way in which you
11 can find out that information online. So you have me
12 on record saying that that's something that I want to
13 do not only for capital projects but for our
14 budgeting for other things as well. So that is a
15 process. It's a process that will involve our IT
16 professionals, our residents, etc. But I will commit
17 to you and you should start to see already more
18 information that we are putting up on our website.
19 For example I have started small, but putting my
20 schedule up online. Which is just sort of one, I
21 think, way in which we can be more open and
22 transparent about the business that is occurring at
23 the authority. So you have my word that we will
24 continue to work to be more transparent.

2 COUNCIL MEMBER TREYGER: I'll reserve for
3 round two. Thank you chairs.

4 CHAIRPERSON FERRERAS: Thank you Council
5 Member Treyger. We will now have Council Member
6 Richards, followed by Council Member Miller.

7 COUNCIL MEMBER RICHARDS: Thank you
8 chairs. And good to see you again Chairwoman. Just
9 wanted to piggyback a little bit off of what Council
10 Member Treyger was speaking about in terms of the
11 mobile boilers that are in NYCHA housing authority.
12 Over the weekend and in particular in Far Rockaway we
13 had..., I had one of my housing developments they were
14 without hot water for two days. And I want to thank
15 Brian Honan (phonetic) for being very responsive.
16 And yesterday we finally got the hot water up and
17 running.

18 I wanted to know what we are doing to
19 monitor these mobile boilers until they become
20 permanent. With the timeframe that we're looking at,
21 when these boilers will become permanent boilers.

22 CHAIR OLATOYE: Well first of all I'm...,
23 it is sad fact of our infrastructure that more often
24 than not our residents are facing issues of no hot
25 water or gas outages. And we've made some attempts

2 through our Bond B program, through additional
3 resources from the mayor. To address these
4 significant capital issues. But clearly not enough
5 and there's more to be done. With regard to the
6 status of replacing mobile boilers, to natural gas.
7 As of May 30, new temporary boilers have been
8 delivered to six locations. Red Hook East, O'Dwyer,
9 Surfside, Red Hook and Carey Gardens. We continue to
10 work on the remaining sites which obviously are in
11 your district councilman. And.., but the design of
12 those has been completed and we expect that we will
13 be working to a full transition of the mobile boilers
14 will occur over the next six to nine months.

15 COUNCIL MEMBER RICHARDS: Six to nine
16 months? That's a long time. So we're saying that
17 these families are going to have to go through winter
18 with these unreliable boilers right now, or...

19 CHAIR OLATOYE: Well what we have said,
20 councilman. And I think we're on record as saying
21 this. Is that at least an additional two heating
22 seasons will be required as we transition from a
23 current oil burning furnaces to the natural gas
24 mobile furnaces. But where we need to get to is the
25 permanent replaced sustainable boilers. And so that

2 is where..., and frankly that requires the money from...,
3 whether that's going to be FEMA, which we think it
4 will be. And those resources have not materialized
5 of yet. We are optimistic that they will. But that
6 is the reason for that delay.

7 COUNCIL MEMBER RICHARDS: So how often...,
8 so are you guys staffing. Or are you guy..., how often
9 are you looking at these mobile boilers? Since we're
10 going to have to go six to nine months before we
11 permanent ones. Do we have staff regularly checking
12 these units?

13 GENERAL MANAGER HOUSE: It depends on the
14 conditions. So in extreme cold areas we do run
15 boiler watches. Where very periodically, depending
16 on the temperature, it can be every four hours. We
17 have someone go by if the temperature is a little
18 warmer. It's a longer period of time. So we do
19 insure that we get notice of any issues as quickly as
20 we can. To insure that we get the repairs done
21 properly.

22 COUNCIL MEMBER RICHARDS: If in can
23 suggest...

24 [Interpose]

2 CHAIR OLATOYE: Let me make a quick
3 correction also, it's five location that mobile
4 boilers have been, and temporary mobile boilers have
5 been delivered to. And all of the oil burning mobile
6 boilers are schedule to be replaced by the end of
7 August. Prior to the heating season. Again they are
8 still mobile, but they will be natural gas.

9 COUNCIL MEMBER RICHARDS: If I can
10 suggest, because we have..., until that happens we know
11 the problematic spots. Redfern Houses is a
12 problematic spot where we get this often. So if I
13 can implore you guys to make sure that more resources
14 are being put on a regular basis to make sure that
15 the residents have hot water. It would be
16 appreciated.

17 Just some other points. We toured the
18 Rockaways. There's a specific site that we saw where
19 we're trying to do the fresh foods initiative at.
20 And wanted to know what the status of that is. As to
21 particular vacancies.

22 CHAIR OLATOYE: The vacancy rates. So we
23 have one of the..., when we did our tour councilman,
24 one of first calls I made when returning back to the
25 office was to our colleagues at EDC. Because as I've

2 learned we've been working with them on the
3 solicitation process. There have been some legal
4 challenges with regard to title that we're working
5 through and actually tomorrow afternoon I'm meeting
6 with our EDC colleagues to figure out how we sort of
7 move through these obstacles. So I hope to have a...,
8 I will have an update for you after that meeting sir.

9 COUNCIL MEMBER RICHARDS: Okay. Just a
10 last point. I just want to speak on the cameras. I
11 just want to commend NYCHA for moving very fast in my
12 district. I just put money in fiscal year 2014, and
13 I was very happy to see you guys move on the two
14 developments in my district. I just want to say that
15 we need to continue to move with that sort of urgency
16 in all of the developments across the city. I'm
17 looking to put more money this year. But we cannot
18 wait for more tragedies to happen before we start to
19 more. And I just want to put on the record that I
20 agree with Council Member Torres that the
21 administration also has to show a commitment here.
22 It can't just be us putting all the money in, or
23 nothing happens. And residents in my district who've
24 lived..., who've been held captive in their apartments
25 for too long. It's as if they're living in prison,

2 they can't go outside to bring their children to play
3 in the park or can barely walk to the store. They
4 deserve to have safety in their particular
5 developments. So I know you agree. I'm preaching to
6 the converted. But let's continue to move with
7 urgency so that we don't lose more children or more
8 people in public housing. Thank you.

9 CHAIRPERSON FERRERAS: Thank you Council
10 Member. We will now have Council Member Miller,
11 followed by Council Member Lander.

12 COUNCIL MEMBER MILLER: Thank you Madam
13 Co-Chair, and Chair Torres and Chairwoman and you
14 staff there, Chief Gomez and General Manager House.
15 Thank you for coming out.

16 Obviously there's been a lot of concern
17 talk over public housing over the past week and the
18 past six months. And I think there's been a real
19 emphasis on improving the quality of life for those
20 residents. But let me just preface it by saying,
21 that I too am an alum of NYCHA, Lewis HP, and so I
22 certainly have a real respect and value for NYCHA.
23 So with that being said, I first want to talk to you
24 about the overview of the staff in the workforce.
25 Those as we were talking about the maintenance and

2 those providing the service, but overall some of the
3 staffing. If you don't have those numbers, we can
4 talk about from the facility maintenance aspect
5 first.

6 CHAIR OLATOYE: And so your question is,
7 just an overview of...

8 COUNCIL MEMBER MILLER: Staffing,
9 particularly as it pertains to facility maintenance.
10 And if you could kind of differentiate between those
11 NYCHA employees and private contractors if any.

12 GENERAL MANAGER HOUSE: Sir, our
13 operations organization. We will have to give you
14 exact numbers. I'm going to give you approximate
15 numbers for right now. It's composed of about 8,000
16 employees. The vast majority of those are
17 caretakers, who take care of the janitorial issues
18 and the development's maintenance workers who are the
19 first line of defense on maintenance issues. And
20 then we have skilled tradesman, plumbers, carpenters,
21 plasterers, painters, etc. That maintain the
22 development. That's the majority of that group. We
23 have added about 750 new front line workers over the
24 last year to 15 months to be sure that we're able to
25 maintain the developments as we like. Still that

2 staffing level is not the same level that it was 10
3 or 15 years ago. But it's significantly more than we
4 had two years ago.

5 COUNCIL MEMBER MILLER: And umm, how
6 much..., do you have any outside contractors doing any
7 of the local maintenance.

8 GENERAL MANAGER HOUSE: We don't have
9 contractors generally doing local maintenance. But
10 we do have contractors working in the developments.
11 So they are doing construction work, building repairs
12 across the board. We do have..., if we're painting
13 full apartments, we have a contractor that does that.
14 So if we're painting partial apartments, our painters
15 do that. And that actually uses that full resource.
16 So in order to get full apartments painted we use
17 contractors for that. We use contractors for
18 asbestos removal. We have some capability there, but
19 not nearly enough that we need within NYCHA. We use
20 contractors, in some cases, for full apartment tile
21 floor replacements. If it's partial, we use our
22 workers. If it's a full job, we tend to use
23 contractors because we don't have the capacity to do
24 as much of those.

2 COUNCIL MEMBER MILLER: Well I know that
3 I'm familiar with the new apprentice program that
4 just came on with EDC. And I think that's a
5 wonderful opportunity for a lot of young NYCHA
6 residents. For real employment and an opportunity to
7 really maintain the apartments in a really
8 responsible way.

9 Let me just speak to..., in Southeast
10 Queens. We have a number of 1 and 2 family homes
11 that are owned by New York City Housing. They tend
12 to be unoccupied and vacant, becoming health hazards
13 and eyesores. There's been a lot of conversation
14 about community CBOs taking over and being able to
15 have residents from Southeast Queens to actually
16 purchase those. There's been some impediments over
17 there, and I know there's been conversations. Where
18 are we with that now? And how much of a real
19 possibility is that.

20 GENERAL MANAGER HOUSE: There are two
21 groups of those properties. One is the occupied ones
22 we are in the process of working with the occupants
23 of those buildings to transfer ownership to most of
24 those occupants, at least the ones that qualify.
25 That program, is at this point, at HUD for HUD

2 approval. And it's been there for quite a while.

3 And we're working with HUD to satisfy whatever
4 requirements they have for those locations. We have
5 transferred some in the past of these properties that
6 are unoccupied to community based groups and we are
7 in the process of determining how we should, in the
8 context of what's happening broadly with the housing
9 plan, how we should dispose of the other properties.

10 COUNCIL MEMBER MILLER: Okay. That's
11 really refreshing to hear. And I would be remiss if
12 I did not say that June is gun violence awareness
13 month and this..., I would leave my last question to
14 Chief Gomez and I really appreciate the fact that we
15 do have the increased presence in NYCHA properties,
16 and so forth. But we're looking for a real
17 comprehensive community based plan moving forward.
18 Not just to deal with the summer months and the
19 problem that we have now. What is your real plan
20 moving forward in terms of community policeing,
21 community technology, the whole soup to nuts? How do
22 you keep the half million residents of NYCHA safe
23 moving forward?

24 CHIEF GOMEZ: I'm glad you mentioned
25 technology. The department is looking into gunshot

2 detection technology that exists in other cities and
3 has been successful. So that's one of the ways we're
4 looking at technology. But we need your help as a
5 community. 577 Tips, we have the gun stopper
6 program. In the past we've done gun buyback events
7 with local elected officials, borough presidents and
8 members of the clergy. Again to be a partnership is
9 not just us. We certainly need your help and support
10 out there. And as the summer is approaching, I can
11 tell you that the men and women of the housing bureau
12 are going to be there and working hard for you and
13 all the residents.

14 COUNCIL MEMBER MILLER: Thank you so much
15 to you Madam Chair, and your staff and we look
16 forward to working with all of you on all of these
17 important issues.

18 CHAIR OLATOYE: Thank you.

19 CHAIRPERSON FERRERAS: Thank you Council
20 Member Miller. Council Member Lander, followed by
21 Council Member Cornegy.

22 COUNCIL MEMBER LANDER: Thank you to all
23 the chairs and everybody who's here. There's a long
24 way to go and I appreciate the sentiments that have
25 been reflected on all sides. But I really do

2 appreciate that from the council, from NYCHA, the
3 administration and from the public, the energy that's
4 going to public housing. The attention.., we've come
5 a long way. We've got a long way yet to do. And we
6 really appreciate the folks that are driving it.

7 I want to follow-up on the homeless issue
8 of homeless family placement. Sadly, I actually am
9 one of the few districts without public housing in my
10 district. So I you want to build some new public
11 housing in my district, we'd be glad to have it.

12 But, for today I want to focus on the homeless
13 families placements. You know, I think we appreciate
14 that there is the policy change and that after many
15 years of us advocating to use public housing to help
16 solve our homeless crisis that we are there. On the
17 other hand, and I think you just hear this, the
18 number that is being proposed is too low to help
19 solve the problem. This isn't all on NYCHA for a
20 real turnaround. We think we need 5,000 subsidized
21 placements a year. Though it should be coming from
22 the federal government providing Section 8
23 certificates, the state government providing a rental
24 subsidy program. But those things are beyond our
25 control and they are not in evidence. And if we

2 don't want 54,000 homeless people in the homeless
3 shelters, and 23,000 of them kids. We've got to do
4 more. And the thing that's within our grasp, is
5 upping that 750 number. You know, and I think that's
6 what we want to try to figure out how we can do. If
7 I have it right, I think I heard that it was 38% of
8 the 34% of needs based units. That's by my
9 calculation 13% of the vacancies that you're
10 proposing to provide housing for 750 families and we
11 think the number that's needed is something more like
12 2,500. So I guess what I first want to ask is, help
13 me understand the why. Is it a budget issue? Or...,
14 help me understand..., I mean..., we..., why..., you know
15 what are the barriers to getting that number up to
16 where it needs to be to help us bring homelessness
17 down.

18 CHAIR OLATOYE: Thank you councilman.
19 First of all you well acknowledged the many needs
20 that we are trying to address within the public
21 housing authority and certainly working with our
22 agency partners in city hall, the focus on
23 homelessness has been one of them. And so, and after
24 twelve years of not utilizing public housing really
25 as a way in which to combat family homelessness. I

2 want to commend the mayor and deputy mayors, etc. to
3 right away focusing on bringing NYCHA into the
4 conversation as one of many tools to combat this
5 issue. So, that's one. Two, I think as you well
6 know, we have not only a homeless and need priority,
7 we are also working within the context of a domestic
8 violence preference as well. As well as emergency
9 transfers and working family priorities. And our
10 ongoing waiting list..., meeting the needs of the folks
11 on the waiting list, which remains fairly stagnant,
12 to be totally candid. So the numbers that we have
13 proposed, and we have modeled a series of scenarios,
14 are based on our assessment of what we believe we can
15 do in a way that insures we are insuring a balance
16 within our developments. Insuring that we have the
17 necessary support services for families once they are
18 permanently housed. And based on our overall need
19 and desire to meet the housing needs of the many
20 different populations that we are facing.

21 COUNCIL MEMBER LANDER: So what you call
22 the working families priority. Those are the ones
23 that don't actually have a demonstrated need
24 criteria, right? Last year of the 7,200 vacancies,
25 about 3,000 were transfers. So of the 4,300 new

2 placements, about 1,800 were folks who had a
3 demonstrated need, another 2,400 had no demonstrated
4 need at all. Right? That doesn't mean that they're
5 not people that we are sympathetic to, but they don't
6 have a demonstrated need for affordable housing.

7 CHAIR OLATOYE: They're very low income
8 families.

9 COUNCIL MEMBER LANDER: They're not very
10 low income families. They're between 50 and 80% of
11 AMI.

12 CHAIR OLATOYE: But within a lot of our
13 neighborhoods it's still between \$12,000 and \$15,000
14 in actual family income, very low income.

15 COUNCIL MEMBER LANDER: So but, I think
16 we all appreciate that there's an enormous number of
17 families. It's hard for middle class families to
18 find affordable housing in New York City, but there's
19 just nowhere for those homeless families to go and so
20 choosing to prioritize families who don't have a
21 demonstrated housing need over homeless families and
22 then driving that number down to just 13% and leaving
23 it at 750. We're not going to see a reduction in
24 homelessness as a result. And I'm still trying to
25 understand a little better, whether it's a budget

2 issue and whether what's needed is for the council to
3 work with the administration to find resources to
4 enable NYCHA to adequately house those families if
5 we're losing money. Now your testimony seemed to say
6 that you'd actually get more money because we're
7 going to put folks in project based Section 8 units
8 and we might receive additional funding. At least if
9 I read the testimony correctly. So if it's a funding
10 issue, we'd love to understand the numbers better so
11 we could work with you. If it's just a mixing issue
12 I would really ask you to look again. 30% of those
13 homeless families are working already. So let's at
14 least up the number by 30% to account for the fact
15 that they are working families. We've got to work
16 together to do better because we've got to get to
17 where we have to have fewer than 50,000 New Yorkers
18 homeless and NYCHA's just an essential resource to do
19 so. Thank you very much.

20 CO-CHAIRPERSON TORRES: I actually want
21 to follow-up on Council Member Lander's questioning.
22 So the two reasons for restricting the supply of
23 public housing available to homeless families was,
24 one, balance. And second, was I believe social
25 service.

2 CHAIR OLATOYE: So what I said was we are
3 working within the context of the existing priorities
4 that we currently have. In our Section 8 program we
5 have an existing homeless priority. We also have
6 domestic violence, families are seeking emergency
7 transfers, and working family priorities. We also...,
8 and have the corresponding preferences within our
9 public housing. We have been working very closely
10 with our agency partners around identifying
11 supportive housing. The supportive services needed
12 to insure these families are set up for success. We
13 are always interested Councilman Lander, in
14 conversations that would result in additional
15 resources to NYCHA. But really what we have
16 presented is, we believe a plan that insures that...,
17 and again it's also important that NYCHA is one tool
18 to address the homelessness issue. WE are not the
19 only tool. And I'll defer to my colleagues at DHS
20 and the deputy mayor who are working on a broader
21 plan to combat homelessness. We have presented a
22 plan. We have worked very closely on these numbers
23 and believe that this is within the context of
24 meeting the needs of those homeless families while
25

2 also allowing NYCHA to meet the needs of the other
3 vulnerable groups that we have to serve.

4 CO-CHAIRPERSON TORRES: Okay. I'm not
5 sure if I'm following. So I know you're operating
6 within your own priorities. What we're asking is you
7 revise those priorities so that one. But the social
8 service..., it seems to me that you are suggesting that
9 the social service needs of those homeless families
10 are much greater and therefore.

11 CHAIR OLATOYE: We believe that social
12 services are critical to insure that these families,
13 and I make no judgment as to whether someone needs
14 more or less, but we believe it needs to be a part of
15 this initiative. As does the deputy mayor, etc. So
16 we have been working to insure that that programmatic
17 element is one that is consistent and available.

18 CO-CHAIRPERSON TORRES: But it should not
19 be a precondition for.

20 CHAIR OLATOYE: It's not a precondition.

21 CO-CHAIRPERSON TORRES: In fact the best
22 social services are arguably a permanent home.

23 CHAIR OLATOYE: Correct. But we do
24 believe that it needs to be offered and needs to be
25 something that is, if confirmed. And so, that is

2 something that we've been working very closely on.
3 We believe that these are the numbers that work for
4 the needs..., that work for us within the demands that
5 are on such a finite public resource.

6 CO-CHAIRPERSON TORRES: So I share your
7 commitment to integration, to balance. But I believe
8 that those two goals are not necessarily mutually
9 exclusive. I do feel that we can figure out how to
10 promote integration while serving the families in
11 greatest need. And so..., is NYCHA open to considering
12 a system that would have need based and working need
13 based. So families who have a demonstrated need for
14 public housing, but who are working.

15 CHAIR OLATOYE: That in fact is one of
16 our preferences. That is that the working families
17 preference.

18 CO-CHAIRPERSON TORRES: Yes, but there
19 are a number..., there are..., there is..., I don't know
20 how large that percentage is. But there is a
21 percentage of working families within NYCHA who make
22 between 50 and 80% of AMI.

23 CHAIR OLATOYE: Correct.

24 CO-CHAIRPERSON TORRES: I mean consider...,
25 so obviously the mayor has a plan to create 200,000

2 units. And most of those units are going to be maybe
3 40, 50, 60% of AMI, which is about \$40,000. \$40,000
4 is double the median income in my district. So, even
5 most of the affordable housing that we're going to
6 create because of federal financing is going to be
7 unaffordable to the median household in my district.
8 So the only form of affordable housing for many of my
9 constituents is public housing, who are working. And
10 so I'm wondering by working need based, I'm referring
11 to those families who are working, but cannot afford
12 private affordable housing. Are you willing to
13 create a system that would accommodate those
14 families?

15 CHAIR OLATOYE: We in fact have..., I mean
16 the answer is yes. One of the challenges..., you know
17 this...

18 [Interpose]

19 CO-CHAIRPERSON TORRES: But it seems like
20 50, 60, 80% of AMI is quite high for public housing.

21 CHAIR OLATOYE: Okay. You're question, I
22 just want to make sure.

23 CO-CHAIRPERSON TORRES: It seems like,
24 could we have public housing units made available to
25 those who are working. All of the working family

2 preferences. To those who are working but cannot
3 afford to live outside public housing. Cannot afford
4 to live in privately subsidized or tax credit
5 financed private housing.

6 CHAIR OLATOYE: So any new preference
7 that we would consider is one that requires, as you
8 well know, a process where we engage with our
9 residents and we engage with the public. And so this
10 is something that we would take under advisement.
11 But it's clearly not something that we can just nod
12 our heads to and need to understand the implications
13 for the other groups that we are also seeking to
14 meet. Whether they be domestic violence or folks
15 seeking emergency transfers. So we would take that
16 under advisement. But it's clearly..., it would be a
17 policy decision that would need to go through and be
18 approved by HUD.

19 CO-CHAIRPERSON TORRES: And I would just
20 before I introduce the next question. I would love a
21 breakdown, just an income breakdown of the working
22 families.

23 CHAIR OLATOYE: Sure we can do that.

24 CO-CHAIRPERSON TORRES: So of all the
25 households who qualify for the working preference,

2 what percentage are making 80% of AMI, 70, 60, 50.

3 I'd be curious to see.

4 CHAIR OLATOYE: We can provide that.

5 CO-CHAIRPERSON TORRES: I'm curious to
6 see an income breakdown. The next questioner is
7 Cornegy. Robert Cornegy.

8 COUNCIL MEMBER CORNEGY: I feel like I've
9 just won the lottery. Umm, right. So my concern was
10 that..., a couple of things. Chief Gomez I did want to
11 mention that I believe that the murder of young
12 Daquan was an issue of coordination between PSA and
13 between the 88th. Because it was across from the
14 88th. And right now I'm trying to mitigate what has
15 been an ongoing situation where the 88th, because
16 that's out of his jurisdiction but directly across
17 the street, has enacted in a way under circumstances
18 like that. So just wanted on the record, say that I
19 know that I'm not putting it on PSA. I know that
20 there are some coordination issue between the 88th
21 precinct and PSA3.

22 And so I did want to mention that there
23 are two issues that are looming. One is obviously
24 keeping the centers open, but in the past NYCHA has
25 gotten money and is asking for money to the tune of

2 \$17 million now, but really has unfortunately an
3 unintended consequence in moving the centers from
4 union or labor, to private entities, has
5 disenfranchised some of the labor pool. Which some
6 come out of NYCHA and have pulled themselves out,
7 based on their ability to get into that pipeline.
8 And so when the CBOs take over, an unintended
9 consequence is disenfranchisement of those,
10 particularly DC37 members who have worked in that
11 industry for a long time. I just wanted to know if
12 you are aware. And if you are aware, are there any
13 plans to mitigate some of that disenfranchisement.

14 CHAIR OLATOYE: So we are aware. And I
15 think we made every attempt to insure that staff were
16 redeployed within the housing authority. You know,
17 our priority has to be first and foremost, are the
18 centers available and open to residents. And with
19 your support and leadership we were able to come up
20 with an opportunity and a plan to work with DYCH and
21 DFTA to insure that those centers remained open and
22 we hope that that will continue. But as I said at
23 the outset, you know..., what's really needed here is a
24 more sustainable plan. You know, I will be the first
25 to say I haven't visited all of these centers. You

2 know, we need to really understand both the
3 utilization, the quality, are these even the centers
4 and services that residents want. I had the pleasure
5 of visiting Stapleton Houses in Staten Island a
6 couple of weeks ago, a beautiful community center
7 that served 75 children. I know, they know, that
8 that is fully under-utilized and not meeting the
9 local need of those residents. What's a plan to
10 insure that every child in Stapleton has the ability
11 to go to that center, unencumbered? And that's the
12 work that we need to do, and the work that we will
13 do, so that we are not having this same conversation
14 in 12 months, sir.

15 COUNCIL MEMBER CORNEGY: So while I
16 appreciate that, I just caution that we implement
17 that plan with all stakeholders' voices included.
18 And lastly I want to say the movement to some degree
19 to maximize efficiency by the downsizing of some
20 centers and the combining. I have to go on record by
21 saying it doesn't work in my district. I can't send
22 young people between Tompkins and Marcy, to share a
23 center. It's just not..., it's just not, you know.

24 [Interpose]

2 CHAIR OLATOYE: Tell me more, tell me
3 more. Why does...

4 COUNCIL MEMBER CORNEGY: Because there's
5 been violence between those particular developments
6 that precludes any type of combination of recreation
7 services, unfortunately at this point. And
8 statistically, it shows, the reports..., Chief Gomez,
9 I'm sure that you may be aware, indicate that that's
10 just not possible. And it's very unfortunate because
11 proximity wise, maybe there's a benefit in that. And
12 efficiency wise maybe there's a benefit.

13 CHAIR OLATOYE: And a cost.

14 COUNCIL MEMBER CORNEGY: Right, and it
15 may be most cost effective. But I don't know if you
16 can put a price on lives. And we haven't been able
17 to get under control, the warring factions, and the
18 crews that run between those developments. So right
19 now that's unthinkable, for safety purposes.

20 CHIEF GOMEZ: I agree with you Council
21 Member. It is a fact and it is upsetting, in saying
22 that that condition exists there. That's why I have
23 an impact zone, by the way in Marcy, Sumner and
24 Tompkins. And if you drive around you will see the
25 sky watch. I believe it's on Marcy Avenue. And you

2 also see the tower hawk which is by Park and
3 Broadway. And during the day we have vehicles in the
4 perimeter. I say during the day, because a few weeks
5 back we took some shootings during the day. They
6 know our officers come out at 6:00 p.m., and they
7 beat us to the punch, so to say. But it is on our
8 radar.

9 COUNCIL MEMBER CORNEGY: That in no way
10 was an indictment of the PSA. I was just saying that
11 there are undertones that remain there. That make it
12 very unproductive, or counterintuitive to attempt to
13 do what seems to be the most efficient thing. So I
14 just really have to put that on record.

15 CHAIR OLATOYE: Well I look forward to
16 working with you to address some of those broader,
17 sort of community issues. And it really will be a
18 collaborative effort.

19 COUNCIL MEMBER CORNEGY: Thank you
20 commissioner.

21 CO-CHAIRPERSON TORRES: The next
22 questioner is Council Member Mendez:

23 COUNCIL MEMBER MENDEZ: Thank you Mr.
24 Chair. Chair Olatoye, it is a pleasure to have you
25 here today. I don't know how much you know about me.

2 But I'm going to tell you this. I think I'm a very
3 fair person and maybe some people in NYCHA will tell
4 you that. But when I see a problem I'm going to call
5 to question. And I am going to tell you this. I am
6 appalled, I am appalled that five out of your six
7 hearings is between 3 and 5. That is not resident
8 engagement. And I am demanding that hearings be held
9 in the evening so people can go after work. People
10 can pick up their kids, take them home and then come
11 and give testimony at this hearing. Five out of six
12 borough hearings between 3 and 5. I'm not quite sure
13 what residents you expect to go to these hearings.
14 That's my first question. Will you change the
15 hearings?

16 CHAIR OLATOYE: I'm not totally familiar
17 with the document that you're holding up there
18 Council Member.

19 COUNCIL MEMBER MENDEZ: It is the flyer
20 for your annual plan meetings.

21 [Background talk]

22 COUNCIL MEMBER MENDEZ: Here, these are
23 the other languages. Thank you for doing them in all
24 four languages. So, they'll get you that. In all
25 the years of annual plans from the mid-90s or so, all

2 the hearings have always been held in the evenings in
3 all of the boroughs. Okay.

4 CHAIR OLATOYE: So, council woman, just
5 to respond, my staff is telling me that, and we made
6 the change on time due to cost cutting issues. There
7 are overtime requirements that having staff work
8 after 5 is a cost that we clearly need to address.
9 But since this is just coming to my attention. I'd
10 like with your permission to talk with my staff and
11 come back to you. And see if there's an opportunity
12 for us to either make a variety of times available
13 but to really understand what the overall financial
14 implications are.

15 COUNCIL MEMBER MENDEZ: Well I'm just
16 going to say this. And all of you sitting there on
17 the bench know. You don't do cost savings at the
18 expense of resident input and engagement. You don't
19 do that. And I am surprised, particularly after we
20 went through this whole things with INFL that today,
21 after 10, 20 years, I don't even know how many times
22 we've been doing annual plans, that you are doing
23 hearings between 3 and 5. It is just unacceptable.
24 Just unacceptable. And I look forward to you calling
25

2 our chair and our speaker and letting us know that
3 these hearings have been changed.

4 CHAIR OLATOYE: Thank you councilwoman.

5 COUNCIL MEMBER MENDEZ: The next question
6 is of the 33 NYCHA run senior centers. How many are
7 in senior only buildings?

8 CHAIR OLATOYE: Eight, ma'am.

9 COUNCIL MEMBER MENDEZ: Eight of the
10 NYCHA run senior centers are in senior run buildings?

11 CHAIR OLATOYE: Correct.

12 COUNCIL MEMBER MENDEZ: Those are slated
13 to close if you don't get this money from the city
14 council?

15 CHAIR OLATOYE: We have funding to
16 continue to operate those centers until June 30th of
17 2014.

18 COUNCIL MEMBER MENDEZ: So they will
19 close on June 1st if the funding is not put in place.
20 How many units are we talking about seniors in those
21 eight senior only buildings?

22 CHAIR OLATOYE: I can get you that number
23 ma'am. I don't have it off the top of my head.

24 COUNCIL MEMBER MENDEZ: Thank you very
25 much. I noticed in your budget that you have \$10

2 million for the painter's apprenticeship program.

3 And that it is in your budget for the next five
4 years. Why is that? That \$10 million come from the
5 city council, we did it two years in a row under the
6 prior speaker. Why has the housing authority putting
7 things five year out for money that we may not be
8 able to provide?

9 CHAIR OLATOYE: So we do a five year
10 capital plan and operating plan, ma'am. And as you
11 well know and we have included the painter's
12 apprenticeship program in this year's budget as it's
13 been widely successful and well received by this very
14 body. We are..., we hope that it will continue. It
15 has resulted in 105 real jobs, for people with
16 skilled trades who are part of, are now part of
17 unions. And if that were in your wisdom, a decision
18 that you chose not to continue, we would remove that.

19 COUNCIL MEMBER MENDEZ: So you're asking
20 us for \$10 million for the rest of the year for
21 keeping the centers open and another \$10 million for
22 the painter's apprenticeship program. Another \$40
23 million in the next four years in the out years. IS
24 that correct?

25 CHAIR OLATOYE: \$40 million?

2 COUNCIL MEMBER MENDEZ: Okay, immediately
3 you're asking for \$20 million.

4 CHAIR OLATOYE: Correct.

5 COUNCIL MEMBER MENDEZ: From this city
6 council?

7 CHAIR OLATOYE: Correct.

8 COUNCIL MEMBER MENDEZ: Okay, I have a
9 lot more questions. I'll wait to round two, or can I
10 just. Let me just..., because you may need to get the
11 answer to this. In December 2013 at the end of your
12 fiscal year, you had \$1.2 million that was supposed
13 to be repurposed from 10 council members. Have the
14 council members, because there are new council
15 members, been approached about that money and has it
16 been a discussion about repurposing it. You can
17 answer that when I get to my round two. Thank you
18 very much.

19 [Pause]

20 [Background talk]

21 CHAIR OLATOYE: I didn't know if we were
22 waiting for another set of questions. My staff has
23 said yes, we have..., we're working with city council
24 finance as well as the individual city council
25 members who did allocate those dollars. We've had

2 meetings with staff and we are in the process of both
3 reallocating and reprioritizing those dollars for
4 projects that they will help us identify.

5 CHAIRPERSON FERRERAS: Thank you Council
6 Member Mendez. And you are part of the second round
7 just so that you know. Council Member Van Bramer is
8 not here, so Council Member Rosenthal, followed by
9 Council Member Levin.

10 COUNCIL MEMBER ROSENTHAL: Thank you
11 chairs. Thank you chair for coming today and officer
12 and Cecil, good to see you. Just too many questions.
13 So can we go back to, for a second? I know it's been
14 a long day, sorry.

15 CHAIR OLATOYE: It's okay.

16 COUNCIL MEMBER ROSENTHAL: So, can we go
17 back to the money that was spent this year. That was
18 the relief from paying NYPD. \$8 million of that, you
19 said, went to new appliances. Have those appliances
20 been distributed to the residents?

21 GENERAL MANAGER HOUSE: Not totally. We
22 have ordered new appliances, and so they will be
23 distributed as the rest of the year progresses.

24
25

2 COUNCIL MEMBER ROSENTHAL: Will they be
3 distributed by the end of this fiscal year. Or by
4 the end of your fiscal year?

5 GENERAL MANAGER HOUSE: That's a good
6 question and I will have to get you the timing on
7 that. To see if there's any of it that will roll
8 over.

9 COUNCIL MEMBER ROSENTHAL: Terrific. My
10 official question is, if you could get back to me
11 with the details of how that \$8 million was spent.
12 500 refrigerators, 500 washing machines, whatever it
13 is.

14 GENERAL MANAGER HOUSE: We have the
15 allocation.

16 COUNCIL MEMBER ROSENTHAL: And how much
17 have been distributed to date. And I'm sure it's
18 given when somebody needs one, so of course you
19 haven't given them all out but I just want a sense of
20 how that money's been spent and expected.

21 GENERAL MANAGER HOUSE: It's a proactive
22 replacement plan and we wouldn't wait.

23 COUNCIL MEMBER ROSENTHAL: Yes that was
24 my point. And then the \$42 million for closing
25

2 repair tickets. And you had said that closed 32,000
3 tickets. What is your oldest ticket today?

4 [Background talk]

5 CHAIR OLATOYE: We're going to grab that
6 for your.

7 COUNCIL MEMBER ROSENTHAL: And then where
8 I'm going with this is. I'd like to know the number
9 again, the final piece of information I'd like to
10 know is, how many outstanding tickets are there
11 today? And I want to know how many are, whatever
12 you're oldest and then every month working to today.

13 CHAIR OLATOYE: So we're going to get the
14 answer on the oldest ticket, but we have, as I said,
15 we receive about 10,000 a day. And I think this
16 morning's count was 78,758 to be exact.

17 COUNCIL MEMBER ROSENTHAL: Great.

18 CHAIR OLATOYE: As I mentioned in my
19 testimony, approximately 24,000 are those vendor
20 tickets which are older, more significant
21 construction required. So this is significant
22 plastering, painting, plumbing work that is needed.
23 Approximately 24,000.

24 COUNCIL MEMBER ROSENTHAL: To be fair,
25 and I'm sorry to cut you off, it's just this silly

2 clock. So I would be interested in that data
3 analysis. You know, in a way, the ones that are more
4 challenging represent a more challenging problem and
5 condition for the resident to live in. So I see that
6 less as an excuse, but you know, just as okay, you
7 have some that are challenging and some that are
8 repairing a handle. So I'm interested in all of them
9 and actually I would imagine, I'm sure that you're
10 prioritizing appropriately.

11 CHAIR OLATOYE: Very much so ma'am. And
12 we can give you that time.

13 COUNCIL MEMBER ROSENTHAL: Great. Do we
14 have a timetable to that?

15 CHAIR OLATOYE: We expect to complete
16 those...

17 COUNCIL MEMBER ROSENTHAL: You have the
18 data. So you're going to submit it to us soon.
19 Thank you. The cost of the contracts for the
20 security cameras is such a headache in my district.
21 I can't tell you. I've got residents who are
22 concerned that the \$20,000 cameras, could be..., are
23 overpriced and they have come up with a mechanism for
24 doing this without the sock, without the fog, without
25 the \$20,000 cameras. But also legally for \$10,000 or

2 \$15,000 instead of hundreds of thousands of dollars.

3 And I'm a little bit between a rock and a hard place,
4 because my residents don't want to waste NYCHA funds.

5 So they refuse to take the \$100,000 security cameras
6 because they found a way to do it..., you know I've got
7 some tech guys, you know who really know this stuff.

8 I mean it's not endearing, it's sort of for real.

9 I've met with them, gone through it exactly. Brian's
10 met with them. They're for real. And it raises the
11 specter of not only what are we to do in my district,
12 with three huge developments on the Upper West Side.

13 But also in general. I mean a Chair of the Contracts
14 Committee I'm really concerned when I hear about
15 these contracts that seem pretty. If I could follow-
16 up in my second round. But in preparation I think we
17 need a look at who the contractor is that's doing
18 this. And why we think this isn't a system that will
19 be out of date a year from now. It's a pretty
20 significant investment, etc.

21 CHAIRPERSON FERRERAS: Thank you Council
22 Member. We will now have Council Member Levin, and
23 begin our second round which will be a three minute
24 clock.

2 COUNCIL MEMBER LEVIN: Thank you Chairs.

3 Hi Madam Chair, Chief, Mr. House, good to see you
4 all. So I'm going to focus on issues around homeless
5 families. I chair the General Welfare Committee
6 which oversees DHS and I am frankly disappointed in
7 the number that was put out today of 750 families
8 annually moving into the housing authority. Because
9 as Council Member Lander has said and as Chair Torres
10 said before. The need is staggering right now. So
11 if you want to..., I think that what's helpful to do is
12 look at this in a historical context and see where we
13 are in terms of the continuum of homelessness in New
14 York City over the years. And what's worked in the
15 past, what hasn't worked in the past. And how
16 homelessness has grown and how homelessness has
17 changed in New York City. And if you look at this
18 historically, we have 12,000 families that are in the
19 New York City shelter system tonight. That's over
20 22,000 children. If you go back to ten years ago
21 when the Bloomberg administration discontinued the
22 policy of placing families in NYCHA, there's around
23 8,000 families at that time that were homeless New
24 York City. If you go back a few years before that
25 around 1998 or so, during the Giuliani administration

2 when they were placing..., you know, if you look at it
3 anywhere from around 2,800 up to around 6,000
4 families annually from the shelter system into NYCHA
5 there was only about 4,000 homeless families in New
6 York City at that time. So this is just going back
7 to the late nineties. The need as so different. The
8 need was so much less and in a lot of ways the
9 profile of the homeless family. The economical
10 profile of the homeless family was very different at
11 that time. Because of our housing challenges that
12 have been well documented over the last ten years, we
13 see a lot more, you know, working families that are
14 stuck in homelessness. And as a result of the
15 discontinuation of the Advantage program and a lack
16 of..., not only the discontinuation of the Advantage
17 program, but with no alternative program to come into
18 place to provide shelter for families coming out...,
19 you know permanent housing solutions for families
20 coming out of the shelter system. It..., we have now,
21 this staggering number. And our response needs to be
22 equally staggering. In terms of meeting the need.
23 Because otherwise we're never going to be able to tip
24 the scales. Right now we're dragging..., we're lagging
25 so far behind that we can't get enough families out

2 of the shelter system that are coming in, and it's
3 going to continue to see the rate of increase that
4 we've been seeing.

5 Now I'm grateful for what the
6 administration is doing on the other end of things.
7 In working with the state, but as Council Member
8 Lander said, the only program that we have that we
9 can do on our own. That just comes from the City of
10 New York and also the one that provides the most
11 stable housing, is NYCHA. So if we're looking at
12 saying we want to get through subsidy, 5,000, 7,500,
13 10,000 families out of the shelter system every year.
14 NYCHA has to be a big part of that. By a big part, I
15 mean it's got to account for 2,000 or 2,500 families.
16 It really has to. Or otherwise we're going to just
17 continue to fall behind and we can't afford that.
18 It's so expensive, it's so expensive. And it creates
19 such amazing pressure on every other aspect of the
20 city and people's lives. So I really implore you to
21 come back to the table with us and see what more
22 resources we can put out there with regard to NYCHA.
23 Seeing if there's 30% of our homeless families in our
24 New York City Shelter system, so around 4,000 are
25 working. Then see if we can match that up with the

2 working preference. I mean there are a lot of
3 options that are out there, but 750 is just not
4 enough. It's not going to meet the need and the
5 problem is so immense right now and it's really
6 unprecedented and needs an unprecedented solution.
7 That's it, thank you.

8 CO-CHAIRPERSON TORRES: And I just want
9 to reinforce just the point that I think, we commend
10 the mayor for his ambitious housing plan. You know,
11 we're excited. But I do feel strongly and I think I
12 speak for Council Member Levin and Council Member
13 Lander that the priority referrals for the homeless
14 is the least ambitious part of the plan and to that
15 extent we're disappointed.

16 CHAIRPERSON FERRERAS: Thank you chair.
17 Thank you Council Member Levin. We will now hear in
18 the second round, Council Member Barron who is not
19 here. We will move onto Council Member Cumbo,
20 followed by Council Member Gibson.

21 [Pause]

22 COUNCIL MEMBER CUMBO: Thank you so much.
23 I wanted to do a follow-up question in terms of our
24 veterans. So I wanted to see if there was going to
25 be an increased priority to make sure that veterans

2 are prioritized in the selection. Right now many of
3 our veterans are without housing and I want to make
4 sure that they are prioritized in terms of how NYCHA
5 is doing their selection process.

6 CHAIR OLATOYE: So in fact. Thank you
7 Councilwoman for your question. Veterans are
8 actually the only population by which we have
9 vouchers for. Last year we actually set aside 2,500
10 vouchers for veterans. And are working to place
11 those folks in housing. We also have a series of
12 strategic relationships with local VA hospitals.
13 We've been working closely with the Bronx borough
14 president who's also very committed to this issue as
15 well. So it's a bright spot in the ability to
16 actually have resources to offer people in need of
17 affordable housing.

18 COUNCIL MEMBER CUMBO: I wanted to
19 follow-up as well. With playgrounds, outdoor areas,
20 basketball courts, areas where the youth can play,
21 common area. What is the amount that is going to be
22 allocated in the budget in order to increase
23 resources so that young people have safe playing
24 environments?

2 CHAIR OLATOYE: So we look at it a little
3 bit differently councilwoman, which is sort of by
4 development, so I'd have to get you that total
5 number. But for your district specifically, so for
6 capital work that's happening in a particular
7 district. First of all we would need to understand
8 that if the scope includes those areas, so I'll have
9 to follow-up with you offline with a sense of what
10 capital activity is occurring in your district.

11 COUNCIL MEMBER CUMBO: So that will be
12 very important because so many of the developments
13 have playgrounds that are unacceptable. Basketball
14 courts that are unplayable. All of these different
15 things, and I'm unsure as to what I need to do as a
16 Council Member to make sure that my district is
17 prioritized in that way. The other one is a question
18 actually from Tyrese Standbeck who is the TA leader
19 for Lafayette. And he asks, with the 2014
20 appropriation's bill rent increases. How is NYCHA
21 going to close the deficit caused by increasing HRA
22 cases being placed in NYCHA with fixed rent?

23 CHAIR OLATOYE: That is a good question.
24 I want to think about that for a minute.

25 COUNCIL MEMBER CUMBO: Okay.

2 CHAIR OLATOYE: So this really a question
3 of our flat rent policy, I believe. And look, our
4 first and foremost priority has to be that we are in
5 compliance with HUD. This is a federal statute
6 passed by the last congress. And so we are working
7 to insure that we are in compliance with this HUD
8 statute. We also are very, very aware of insuring
9 that we are not overburdening families with these
10 increases. And so, are working on a plan to
11 implement. We have three years to implement this and
12 we're doing it in a most sensitive way. In a way
13 that is also communicated early and often with our
14 residents. But it is clearly, it is something that
15 we plan to take up and in conversations with the new
16 HUD leadership and in working very closely with our
17 partners here in the regional office.

18 COUNCIL MEMBER CUMBO: Okay. And I thank
19 you for your leadership. I thank you for your time
20 today. We are really looking forward to working with
21 you and this administration and gaining additional
22 clarity on many of the issues that were brought up
23 today. Thank you.

24 CHAIR OLATOYE: Thank you.
25

2 CO-CHAIRPERSON TORRES: Madam Chairwoman

3 I have two questions regarding your testimony. I
4 noticed you indicated that since the beginning of the
5 year we closed more than..., NYCHA closed more than
6 955,000 work orders. Okay. I have no frame of
7 reference but that strikes me as an incredible..., an
8 impressive number. So by close, you mean complete?
9 Right? The actual repair was completed. What is
10 meant by closed?

11 GENERAL MANAGER HOUSE: Yes. That's
12 typically the repair is completed when we close a
13 work order. If the work is not done, we will cancel
14 the work order. In some cases after repeated
15 attempts, when the tenant is not home, then we may
16 close a work order and the tenant will need to recall
17 again when it's a more convenient time for them.

18 CO-CHAIRPERSON TORRES: So do you have a
19 breakdown of which closures were resulted from
20 repair, and which closures were resulted from failed
21 attempts.

22 GENERAL MANAGER HOUSE: We do. I don't
23 have that information, but I can provide it to you.

24

25

2 CO-CHAIRPERSON TORRES: Can you provide
3 that information and in future testimony include the
4 breakdown as well.

5 GENERAL MANAGER HOUSE: We can provide it
6 to you. Absolutely.

7 CO-CHAIRPERSON TORRES: I have a question
8 about, you're expecting about \$12 million from HUD, I
9 believe at the end of the year.

10 CHAIR OLATOYE: For vouchers.

11 CO-CHAIRPERSON TORRES: For vouchers. For
12 the Section 8 program.

13 CHAIR OLATOYE: This is for Section 8
14 shortfall funding, sir.

15 CO-CHAIRPERSON TORRES: And you said in
16 the event..., and I just want to get this on the
17 record. In the event that the funding does not come
18 through, that NYCHA would have to terminate 1,122
19 vouchers.

20 CHAIR OLATOYE: That is correct. But
21 we..., NYCHA qualifies for all of the..., we meet all of
22 the eligibility requirements that HUD as set out to
23 receive shortfall funding. We received it last year.
24 We received approximately \$29 million last year. And

2 we expect that we will receive the approximately \$12
3 million this year.

4 CO-CHAIRPERSON TORRES: Thank you so
5 much. Council Member Gibson.

6 COUNCIL MEMBER GIBSON: Thank you very
7 much again chairs. And thank you again for being
8 patient. Obviously there is a lot to talk about.
9 And this is certainly not the end of this
10 conversation. I have three very quick questions that
11 I want to try to get through quickly. I want to ask
12 about the cameras and the installation of the CCTV.
13 I represent Forest Houses in Morrisania and two years
14 ago there was a four year old name Lloyd Morgan that
15 was killed on the basketball court. And since then
16 there's been increased crime. Nothing to that
17 tragedy, but certainly I'd like to know within the
18 council, council members are putting money for
19 cameras. But we cannot be the only source of the
20 installation of cameras. So I would like to know if
21 there are any opportunities from the feds or any
22 other revenue streams where we can get additional
23 funds for cameras. Number one. And then number two,
24 I talked earlier about the priorities of different
25 populations that are getting into public housing.

2 Traditionally, the waiting list to get into public
3 housing if you are not on any list, was many years.
4 My aunt, it took her eight years to get into Sumner
5 Houses where she currently is. So I'd like to know
6 absent from all of the priorities that we're focusing
7 on, homeless, veterans, etc. Are we going to
8 expedite that waiting list for people that are on the
9 traditional waiting list to get into public housing
10 and then my third question is for Chief Gomez. Most
11 of the crime that's increased in public housing has
12 been around DV and I know that we are trying to work
13 to identify partners and stakeholders to really
14 address the increase in DV cases. So is there
15 anything that's in the budget that would reflect any
16 partnerships as it relates to the domestic violence
17 issues that are going on in NYCHA.

18 CHIEF GOMEZ: Yes the much written about
19 30% increase over the last four years in housing
20 crime. 65% of that is attributed to the increase in
21 domestic violence. I know we discussed this at a
22 prior meeting. Currently, in the housing bureau we
23 have 37 domestic violence officers. Four in each of
24 the nine plus PSA8 has an extra one, it's five. But
25 those are not the only domestic violence officers

2 that we have. There are some developments that are
3 served by patrol service bureau command, such as the
4 48 and the 49. Those officers are available to our
5 residents. In the Bronx I had one precinct that had
6 Safe Horizons in it. That was the 44th there. For a
7 short time, my first few years. In the housing
8 bureau all nine of my PSAs have Safe Horizons.
9 Working together with our offices to assist victims
10 of domestic violence. I visited PSA8 just last
11 Friday and then the DV office sure enough was a
12 domestic violence officer and Safe Horizons. So it
13 has been the reason for our increase. But as I came
14 here in March, it was my first meeting, domestic
15 violence this year was up 21%. And felony assaults
16 domestic violence are up 25%. That has been trending
17 in the last two months. Domestic violence as a whole
18 now, the index crimes are up 7% and the assaults are
19 up 5%. It's still up, but we are attacking the
20 problem. And we have a lot of partners out there.
21 And Safe Horizon is one of the prime ones.

22 CHAIR OLATOYE: Chief Gomez and I
23 actually started around the same time and in our
24 second week we met. And I learned of the statistics
25 related to the increased domestic violence within the

2 Public Housing Authority. And was really equally
3 appalled and shocked actually. And one of my first
4 calls in outreach was to Commissioner Rose Pierre-
5 Louis at the Office to Combat Domestic Violence. And
6 from that initial meeting we've agreed to a couple of
7 key initiatives. What NYCHA has is a captive
8 audience. And what we can do is push information out
9 and there's clearly an opportunity for us to do
10 greater outreach and information sharing. And so we
11 immediately received the offices collateral around
12 reporting domestic violence and have shared that with
13 our REEC centers, a Resident Empowerment Engagement
14 Centers out in the communities. We also offered and
15 are working on..., communication staff are working on
16 this. The director is authoring a piece on domestic
17 violence that will go in the NYCHA bulletin which is
18 mailed out to 400,000 residents. We've also invited
19 and will coordinate this summer, there are many, many
20 NYCHA family days. You all are quite familiar with
21 that. We'll have the office of domestic violence
22 staff present at those events as well with additional
23 information. So, we are working really closely to
24 make sure that we are pushing out as much information
25 about reporting, about resources, etc., while

2 supporting our colleagues at NYPD around this very
3 important issue.

4 CHAIRPERSON FERRERAS: And just as a
5 piggyback I think it's very important. I was a
6 former women's chair and we worked actually with NYPD
7 and created a four point plan. It was a lot broader,
8 we didn't have the NYCHA numbers up that high. But
9 one thing that we found is, that we tend to approach
10 domestic violence and the chair now, Chair Cumbo
11 definitely lives through this also. We approach
12 domestic violence in helping support the victim, but
13 often times the neighbors also play a role. So in
14 doing outreach, we also have to talk about, you know,
15 if you see something, hear something. You always see
16 in the cases where the neighbor will get interviewed
17 right after the incident happened, and said I used to
18 hear it all the time. So in some ways to foster
19 healthy reporting amongst the NYCHA neighbors is
20 important in this conversation as we move forward to
21 combat domestic violence.

22 CHAIR OLATOYE: Very good point.

23 COUNCIL MEMBER GIBSON: Madam Chair, I
24 just want to make sure that we can follow-up on the
25 cameras. Because obviously there's been money put in

2 and the process by which the cameras are installed is
3 a lengthy one. Even when Boulevard Houses, there was
4 half a million dollars installed and now with the
5 tragedy, that's going to be expedited. So I don't
6 want there to be this system, where we wait for a
7 tragedy and then we expedite the process of putting
8 cameras in these developments. As you said, when you
9 were in the Bronx. All they talk about is safety.
10 Cameras are a good component of that. And for all
11 that we can do to expedite the processes of
12 installation, we would have a lot of residents of
13 NYCHA extremely happy. So I want to continue to work
14 on that because it is very important.

15 CHAIR OLATOYE: And you asked a question
16 about some other sources of revenue that we could
17 explore to support and I will broaden it to just say
18 it's not just cameras. It's really security
19 enhancements broadly, doors, access, etc. And we
20 certainly need to explore those. I think the
21 conversations around the state participation is an
22 important one. As well as I am probably less hopeful
23 on the federal side. But I'm also an optimist at
24 times. On the waiting list question ma'am, you
25 asked, do we ever..., will we ever get to those 200,000

2 New Yorkers who are on that wait list. And I will
3 tell you that the answer is, it will be very
4 difficult. You know, clearly we have many demands on
5 what is a finite resource and we know that there are
6 many people, working people, not working people on
7 that list who have been waiting for years to gain
8 access to a NYCHA unit. And when we have a turnover
9 rate of less than 2% and challenges with regard to
10 accessing this resource. Unfortunately the answer is
11 a very long wait.

12 COUNCIL MEMBER GIBSON: Well I hope..., you
13 know, I'm sorry Madam Chair that as we move forward
14 we never forget them. Because unless you're in a
15 priority, I don't want there to be an impetus to be
16 set up. So if we are reshifting and now we're going
17 to shelters and we're giving them a priority, the
18 people who are on the traditional waiting list will
19 start to move into shelters, because they can get
20 into public housing quicker. We don't want that to
21 be the message. But at the end of the day those are
22 the people that have been waiting the longest and
23 technically I think they should be given enough of a
24 priority as anybody else. I know it's a difficult
25

2 balance but I certainly don't want to forget the
3 largest population on the waiting list. Thank you.

4 CHAIRPERSON FERRERAS: Thank you Council
5 Member Gibson. And again members, it's not that I
6 want to cut you off, we just have to be considerate
7 of the members that are in queue after you. And also
8 for the commissioner who has now been here three
9 hour. I know we don't want to break the...

10 CO-CHAIRPERSON TORRES: We have not
11 broken the record as of yet.

12 CHAIRPERSON FERRERAS: I know. I'm
13 trying to get you out of here expeditiously. Council
14 Member Mendez followed by Council Member Johnson.

15 COUNCIL MEMBER MENDEZ: Okay I'm going to
16 ask all my questions and then you can answer them. I
17 didn't see anything in your budget anything for
18 revenues or expenses in terms of the possibility of
19 NYCHA providing UPK space for the administration. I
20 didn't see in your budget anything for support
21 services for the homeless family. I understand that
22 DHS is supposed to do that. But as may happen if DHS
23 does not do it. It's going to fall on NYCHA whether
24 you like it or not. And is there anything in the
25 budget in terms of expenses for that, if that should

2 happen. Ms. Olatoye, Chair Olatoye, your testimony
3 was that all the funding allocated prior to 2012 was
4 already used. I'm assuming that is cameras,
5 security, non-security...

6 CHAIR OLATOYE: Correct.

7 COUNCIL MEMBER MENDEZ: Non-security in
8 2013. There was pre-2008 capital funding that was
9 not utilized. So if that's in fact correct, I want
10 you to provide that information to the chair so we
11 can review it. Because I don't know how in five
12 months that pre-2008 funding was utilized. Your
13 testimony talks about creating a monitoring unit. I
14 want to know what that means. Will you be putting
15 additional headcount, or will staff be redirected?
16 And is there not another check in place, to insure
17 that repairs are being done timely and we don't have
18 this big backlog. Instead of creating a unit. And
19 my last question is regarding the NYCHA center
20 workers that we are going to keep..., the council is
21 going to fight, and I heard my chair say it, to keep
22 all those centers open. So are the workers who are
23 currently there going to be maintained there, and
24 keep their jobs. Particularly at the eight senior
25 only buildings where you have eight senior centers.

2 Or are those individuals going to lose their jobs.

3 Thank you.

4 CHAIR OLATOYE: Thank you councilwoman.

5 So the first answer to your question around UPK and
6 DHS. Two initiatives that our staff have been very
7 engaged in. There is no revenue associated with
8 either of those initiatives at this time. Second,

9 [Interpose]

10 COUNCIL MEMBER MENDEZ: And no expenses
11 associated with that.

12 CHAIR OLATOYE: We have provided our
13 colleagues with an estimated budget in terms of
14 expenses for services. IN particular, with regard to
15 the DHS.

16 COUNCIL MEMBER MENDEZ: And you're going
17 to tell us where it is in the budget now, in terms of
18 what the expense for...

19 CHAIR OLATOYE: It is not included in our
20 NYCHA numbers.

21 COUNCIL MEMBER MENDEZ: And the expense
22 associated with having UPK programs run out of your
23 facilities.

24 CHAIR OLATOYE: None of those numbers are
25 included in our numbers that we presented to you

2 today. We have been working on these initiatives and
3 have been asked to provide cost estimates. But those
4 numbers are not reflected in the budget reforecast.

5 COUNCIL MEMBER MENDEZ: Okay. I'm not
6 sure why. Because you're going to end up having a
7 bigger deficit.

8 CHAIR OLATOYE: We have provided the
9 information on potential costs for us to implement
10 any of these initiatives to our partners.

11 CO-CHAIRPERSON TORRES: Next questioner
12 is Council Member Johnson.

13 COUNCIL MEMBER MENDEZ: There were a
14 couple of questions she didn't answer. The
15 monitoring unit and the NYCHA workers, and the pre-
16 2008 money.

17 CHAIR OLATOYE: So on the pre-2008 money,
18 ma'am. What I said was that we had spent and
19 installed all of the security related dollars ma'am.
20 Which we have completed. I think you might also be
21 referencing the additional city capital or council
22 appropriated dollars. And as I mentioned that is a
23 process. That's not what you're talking about?

24 COUNCIL MEMBER MENDEZ: In December 2013
25 there was money allocated by Council Member Alan

2 Gerson who is no longer in the Council as of four
3 years ago. And that money had not been utilized in
4 the developments that he allocated funding for.

5 That's the pre-2008 money I'm talking about. Him,
6 and Council Member Stewart and a whole bunch of other
7 council members who allocated money. And that money
8 was not utilized.

9 CHAIR OLATOYE: That was not security
10 money, my staff is telling me. And we can follow-up
11 with you specifically to share with you in terms of
12 the conversations that we've had with that council
13 person in the re-allocation of those dollars and
14 reprioritization of those dollars. We can follow-up
15 on you with that. I believe your other question was
16 the monitoring unit. The monitoring unit is, we
17 think, essential and something to insure that the
18 work has been done and been done in a timely manner.
19 It is something that we're working with a third party
20 at this moment just to insure..., to get that off the
21 ground so that we can actually report back to this
22 body that the work that has been paid for has
23 actually been done. Are we adding headcount? The
24 plan, what is to add headcount associated with the
25 monitoring unit, I will say that in light of some of

2 the deficit conversations that we are also looking at
3 what it would mean to not add it. But we recognize
4 that it is very important to be able to insure that
5 that work is done in a timely way. But we also have
6 to be responsible in looking at every option when
7 closing a deficit.

8 The last question was the center workers.
9 Do we have any intention of laying them off? I
10 believe that was the question. As I had mentioned
11 earlier ma'am, it is our intention is to redeploy
12 those employees within the authority in other roles
13 is possible. If it is not possible, then we would
14 have to look at layoffs of those NYCHA center
15 employees.

16 CO-CHAIRPERSON TORRES: Council Member
17 Johnson.

18 COUNCIL MEMBER JOHNSON: Thank you chair
19 for being here for so long and for answering our
20 questions. I had one very local concern that I
21 wanted to just put on your radar. The Fulton Houses,
22 there is the Fulton Center Auditorium which is the
23 Hudson Guilds Senior Center Home, one of the most
24 popular senior centers in my district. It's going to
25 go through a renovation beginning next year. The

2 money's been set aside. The process has started.

3 The Hudson Guild has been in that location since 1965

4 without a lease. And I want to understand why there

5 is no lease and why the Hudson Guild keeps getting

6 told we're not going to be given a lease. We

7 continue to operate. There's no lease, there's no

8 lease, there's no lease. That complicates things in

9 getting things done when that happens. That number

10 one. And then my second question is for you and to

11 Chief Gomez. There's been a program that NYCHA

12 residents have mentioned to me in the past, called

13 Resident Watch. Where residents have talked about

14 being employed, not at a high level, but to

15 participate and being out in common areas, monitoring

16 what's going on, knowing whose coming in and out of

17 the building. And how people thought that was a

18 successful program in engaging local folks. I wanted

19 to understand what your thoughts on resident watch

20 are. And if there are any plans on that. And then

21 last for Chief Gomez. If you could, and I apologize

22 if I missed this. If you could just explain to me

23 what is the local coordination with the local police

24 precinct. So if there is a hot spot, how does the

25 police precinct coordinate or broaden, is it up to

2 them. What is done with the local police precinct on
3 combatting crime?

4 CHIEF GOMEZ: The coordination is between
5 the commanders. The PSA commander and the precinct
6 commander. Especially, we don't have detectives, we
7 don't have detective squads in PSAs. They do have
8 them in precincts. So the onus is on us as PSA
9 commanders to really take ownership of what happens
10 under our jurisdiction and kind of push the envelope.
11 That's what I'm trusting to my PSA commanders.

12 There's a lot of meetings held at the patrol borough
13 level. That's besides Compstat which as you know, is
14 every week here in 1PP. But, many of our commanders,
15 the PSA commanders as well as precinct commanders.

16 They came up through the ranks together. They may
17 have worked together as police officers, sergeants,
18 lieutenants. So they do have past relationships.

19 And I'll give you an example. The PSA-3 commander,
20 Captain Delgado who is new there, I brought over from
21 the Bronx when I came to the housing bureau. The
22 88th precinct commander, Captain Pete Fiorillo also
23 worked for me in the Bronx. And these two captains
24 have been working together for the last three years.
25 They work very well together. They know each other.

2 They're always calling, emailing each other. The
3 coordination exists in fighting crime. And the
4 Compstat process assures that.

5 CO-CHAIRPERSON TORRES: Thank you Council
6 Member.

7 CHAIR OLATOYE: There was a question on
8 Hudson Bureau.

9 CHIEF GOMEZ: And on resident watch.

10 CHAIR OLATOYE: So we have actually spent
11 a fair amount of resources in our resident engagement
12 group to provide training to TAs and to residents
13 more broadly around resident watch. It's been an
14 interesting process as I've gone out and met with and
15 talked to residents. There are some developments
16 that are completely supportive of it and really
17 engaged in it. And we have a training curriculum and
18 we offer training. And have staff onsite provided in
19 multiple languages, etc. There are other
20 developments where it's less popular, for reasons
21 that I'm sure you can imagine. People are afraid,
22 etc. So it is..., it's a service that we offer. It's
23 a training that we offer. I think, you know, it
24 works in communities where people feel empowered and
25 feel safe and feel like they can be a part of the

2 solution, in being those eyes on the street. And
3 that's unfortunately not the case for many of our
4 residents and that's something we're working very
5 closely with our colleagues at NYPD to insure. The
6 first question was around Hudson Guild, in
7 particular. And I would just say, I'd love to sort
8 of talk with you offline about how you could be
9 helpful with us in...

10 COUNCIL MEMBER JOHNSON: We're supposed
11 to get together.

12 CHAIR OLATOYE: Great look forward to it.

13 COUNCIL MEMBER JOHNSON: You cancelled.
14 We have to reschedule.

15 CHAIR OLATOYE: I think it was because of
16 this. But I would love to talk with you more about
17 how you could help us around that particular issue,
18 because it's been a protracted lease conversation.

19 CO-CHAIRPERSON TORRES: I want to commend
20 the mayor for Chief Gomez to be here. I know that
21 this is a NYCHA oversight hearing, but it means the
22 world to us that you're here. So we appreciate your
23 participation. I just wanted to say that. It is
24 actually not something that we did not request. The
25 mayor's office actually went out of their way to

2 arrange for the NYPD to be here. So that should be
3 duly acknowledged.

4 Council Member Rosenthal.

5 [Background talk]

6 CO-CHAIRPERSON TORRES: Okay. Council
7 Member Barron. I'm sorry.

8 COUNCIL MEMBER BARRON: Thank you Mr.
9 Chair. Just a few brief questions. First of all my
10 name was not included in that listing that Council
11 Member Torres. But I certain want to let you know.

12 CO-CHAIRPERSON TORRES: I'm getting old.

13 COUNCIL MEMBER BARRON: That I'm a part
14 of that list and just wanted to let you know that I
15 will be working with my colleagues to make sure that
16 the budget that is finally passed has provisions for
17 those centers to remain open. And I have to add my
18 voice to Council Member Treyger's comments that we
19 need to look to developing the residents to operate
20 the centers that are in their building. I think when
21 NYCHA gave them over to these other organizations it
22 created a lot of confusion and resentment. There was
23 not involvement with council members to select those
24 operators or providers. And I think we need to look

2 to be able to see how we can develop the residents to
3 operate their centers.

4 As I look through the mayor's housing
5 plan, I thought I saw a mention that there would be
6 use of vacant lands in NYCHA and I want to be sure
7 that we're not talking about a return to that infill
8 project which talked about luxury housing, which
9 unfortunately was passed by the state legislature,
10 not with my vote, but with votes of my colleagues.
11 SO I want to make sure that we're not talking about a
12 return to that.

13 CHAIR OLATOYE: So the mayor. Thank you
14 Councilwoman. One of the first things he said in
15 taking office and certainly at my appointment, was
16 that the plan formerly known as Infill was
17 permanently shelved and put to bed. What we have
18 committed to is an engagement process that allows us
19 to think about a preservation and development plan
20 for NYCHA. One that includes the preservation of
21 existing units, within the context of new development
22 like senior housing, other types of housing that
23 really reconnect our developments to surrounding
24 communities. And that's a process that will begin in
25

2 a series of communities this summer with our
3 residents.

4 COUNCIL MEMBER BARRON: And we have one
5 of those type projects. And I thought that's what it
6 was, but we have one that's in construction now,
7 Stanley Commons between Linden and Boulevard Houses.
8 And that's exactly what we have. You made mention of
9 Cure Violence and the work that you're doing with
10 those kinds of groups. In East New York we have Man
11 Up which is a part of those projects. And you said
12 that you are partnering with them. They've been very
13 successful. They had 357 consecutive days without
14 any shooting. Unfortunately there was a shooting.
15 But their now on their second cycle and their up to
16 207 days. So we're very pleased that the area
17 they've designated has been successful. Do you give
18 them any funding? Or just partnering?

19 CHAIR OLATOYE: No, just partnering.

20 COUNCIL MEMBER BARRON: You said that 38%
21 of the 34 apartments that were designated for need
22 eligibility would be about 750 apartments.

23 CHAIR OLATOYE: Correct.
24
25

2 COUNCIL MEMBER BARRON: Do you have that
3 number of apartments presently so that even this year
4 you would be able to house 750 people.

5 CHAIR OLATOYE: We actually committed to
6 1,000 units in the first year which the remaining
7 part of 2014 and going into 2015. 500 within the
8 Section 8 portfolio. 500 within the Public Housing
9 portfolio. It is rolling ma'am, in terms of our
10 access to those units. There is a process of both in
11 identifying and insuring families are eligible.
12 Identifying those units and getting them in.

13 COUNCIL MEMBER BARRON: And one last
14 question. What is your target date for NYCHA to be
15 "clean and safe"?

16 CHAIR OLATOYE: I believe that my work is
17 just starting ma'am. So I look forward to working
18 with you on a true plan to insure that that is
19 something all residents feel.

20 COUNCIL MEMBER BARRON: Thank you.

21 CHAIR OLATOYE: You're welcome.

22 CO-CHAIRPERSON TORRES: Council Member
23 Rosenthal.

24 COUNCIL MEMBER ROSENTHAL: I should have
25 brought muffins today. Not to the OMB director.

2 Thank you for your patience. Next time I promise. I
3 actually have six questions in my three minutes. So
4 I'm going to rattle them off and cheat the clock that
5 way. So my first one is about the \$4 million
6 contract for inspections for this year, that you're
7 contracting out for. And I'm interested in learning
8 more about who you're doing that contract with. How
9 you chose them and what exactly you're going to get
10 for the \$4 million. And whether or not they're going
11 to help build you an in-house system so you can be
12 independent. Secondly, I'm wondering about the
13 domestic violence issues, you know, I think it's
14 great that the numbers are going up, because that
15 tells me that the reporting is going up. I think you
16 know we can almost be pretty sure that that exists.
17 But now we're getting some reporting on it and I'm
18 disturbed to know that there are only 37 officers
19 available to address those issues. And I would also,
20 you know Rose Pierre-Louise, terrific. I've worked
21 with her for years, but I would question the idea
22 about bringing the officers to family day. Because
23 family day, generally families are out there. So it
24 might not be a time when people are going to report
25 domestic violence.

2 CHAIR OLATOYE: No it wasn't officers.

3 It was staff.

4 COUNCIL MEMBER ROSENTHAL: I'm going to
5 keep going. But again still, this is something that
6 people report quietly, not in public. So I'd ask you
7 to think a little bit more about that. And if you
8 could let me know about..., I think there was a
9 disconnect in your conversation with Council Member
10 Lander when you were talking about the working family
11 income levels. He seems to say it was at 60 to 80%
12 AMI and then you made a comment about people making
13 between \$15,000 and \$18,000 which of course is less
14 than 25% AMI. So if you could clear up that
15 disconnect. And then on your wait list, you have
16 your highest priority people who are domestic
17 violence families and other people like that. I'm
18 wondering for those priority people, how many are...,
19 is that top priority wait list? It's not the 200,000
20 but how many are in that top priority. And if you
21 could break it down by different categories. And
22 then real quickly, Officer Gomez, Chief Gomez, you
23 mentioned that the police OT right now is worth 340
24 officers..., 320 officers and that you in the new class

2 that would yield 100 new officers. And I'm wondering
3 if that will bring down your overtime.

4 CHIEF GOMEZ: Let me first answer the DV
5 question with increased outreach and certainly there
6 has been in the last four years. There have also
7 been changes in law dealing with strangulation and
8 also with differences in ages. Laws meant to protect
9 the young and the elderly. That has been one of the
10 reasons also why domestic violence has gone up. But
11 certainly outreach is a good thing and we give the
12 message that DV is unacceptable and not tolerated.
13 You also mentioned the 37. I have 37 in the Housing
14 Bureau, but there are 25 patrol precincts that
15 service 80 to 90 development under their purview.
16 Those domestic violence are available to that also.
17 To answer your question, we recently did a little
18 analysis of the workload for our domestic violence
19 officers. And we compared them to patrol service
20 bureau. Precinct domestic violence officers.
21 Precinct domestic violence officers, per officer,
22 they handle 805 domestic incident reports per
23 officer. Our office is 675. So we do have a little
24 bit of a lower workload.

25 [Background talk]

2 CHIEF GOMEZ: Right. Another think I'd
3 like to point out is domestic violence officers
4 assigned per 1,000 residents. In New York City over
5 8 million residents, its .04 domestic violence
6 officers per 1,000 residents. IN housing it's .12
7 DVO's per 1,000 residents. SO that's three times the
8 rate. We are a much smaller...

9 [Interpose]

10 COUNCIL MEMBER ROSENTHAL: I would love
11 to look at those numbers. We have a Xerox machine.
12 Do you mind if we make a copy.

13 CHIEF GOMEZ: We'll make you a copy.

14 COUNCIL MEMBER ROSENTHAL: Great. Before
15 you leave?

16 CHIEF GOMEZ: Yes.

17 COUNCIL MEMBER ROSENTHAL: Thanks.

18 [Background talk]

19 CHIEF GOMEZ: The other one..., absolutely
20 the influx of 100 officers, the purpose is to reduce
21 the overtime costs. Absolutely.

22 COUNCIL MEMBER ROSENTHAL: So your
23 overtime budget will go down?

24 CHIEF GOMEZ: Correct.
25

2 CHAIR OLATOYE: So the answers to the
3 other questions. First, the contract regarding the
4 inspection unit. We have budgeted a \$4 million of
5 the \$52 million for an inspection unit. The contract
6 that we're actually using is only \$700,000. We're
7 not spending the \$4 million on that at all. And we
8 are using an existing contractor that we already have
9 on contract that allowed us to move very quickly to
10 begin an inspections process. And we'd be happy to
11 share more information with you on that. IT's a
12 backdrop contract. And we'd be happy to share that
13 with you. But the good thing here is it allowed us
14 to move quickly. I think if we had to plan the time
15 to set up a unit and put staff, I think you would not
16 be happy with me right now. So that's definitely a
17 piece there. Second, on the family days I hear what
18 you're saying. We were looking at this as an
19 opportunity to get as much information out to people,
20 not as a reporting..., but as an information sharing
21 opportunity. Umm, so that's the second thing. The
22 third thing is the question around the family income
23 breakdown with regard to our current priorities. I'd
24 love to follow-up with you and give you those numbers
25 specifically, so you can have that. Okay.

2 CO-CHAIRPERSON TORRES: Thank you Council
3 Member.

4 CHAIR OLATOYE: That was the income level
5 question of the working family priority.

6 CO-CHAIRPERSON TORRES: Thank you. I
7 have one final question or set of questions. And
8 then I want to conclude the hearing.

9 Obviously NYCHA received a \$70 million
10 relief from NYPD payments. What is the total dollar
11 amount of payments that NYCHA makes to the City?

12 CHAIR OLATOYE: We make more than I
13 believe \$216..., hold on one second and let me get
14 those numbers for you sir. All of our pilot payments
15 are...

16 [Background talk]

17 CHAIR OLATOYE: So all of our project
18 pilot payments in 2014 are approximately \$30 million.
19 Pilot payments.

20 [Background talk]

21 CHAIR OLATOYE: Okay so pilots are \$30
22 million. The total number, actually I was right, is
23 the \$289 million, which includes Department of
24 Investigation, Sanitation, DEP, etc. So the total
25

2 amount of all payments to the city are \$289 million
3 approximately.

4 CO-CHAIRPERSON TORRES: Okay so you make
5 \$289 million.

6 CHAIR OLATOYE: That's correct.

7 CO-CHAIRPERSON TORRES: And I'm curious
8 to know..., I mean you're familiar with the phrase, a
9 dependent or donor. Is NYCHA a donor or dependent?
10 Does it receive more in funding from the city or does
11 it make more in payments to the city? I'm curious to
12 know.

13 CHAIR OLATOYE: It makes more in payments
14 sir. Yes, definitely.

15 CO-CHAIRPERSON TORRES: So not only are
16 you not receiving resources from the city, but on
17 balance on net, you're actually losing resources
18 because of the city. I think that's a fair
19 characterization. And actually I will let Council
20 Member Rosenthal ask one more question and then we
21 will complete the hearing.

22 COUNCIL MEMBER ROSENTHAL: 15 seconds.

23 Just curious about, if you could get us an accounting
24 of the TPA funds. I'm constantly hearing from my TA
25 presidents that they're not getting their fair share

2 of TPA funds. You know, they've done the math for
3 their buildings and the money they get back is not
4 equivalent to what they're putting in. So I'd love
5 an accounting of that.

6 CHAIR OLATOYE: Okay.

7 COUNCIL MEMBER ROSENTHAL: Thank you.

8 CHAIR OLATOYE: Thank you.

9 [Pause]

10 CO-CHAIRPERSON TORRES: Again thank you
11 for this long and substantive hearing and we
12 appreciate your perseverance. So with that said, I
13 think this hearing is adjourned. Thank you.

14 CHAIRPERSON FERRERAS: Wait, wait. Thank
15 you again for your testimony. We have some closing
16 remarks before we end the hearing. This concludes
17 our hearing for today. The Finance Committee will
18 resume the executive budget hearings on Friday, June
19 6th at 10:00 a.m. The hearings will be held in this
20 room. On Friday we will hear from OMB, the
21 Department of Finance, the New York City Comptroller,
22 the Independent Budget Office and then the public.
23 As a reminder the public session will begin
24 approximately at 3:30 p.m. The public session will
25 be held in this room. For members of the public who

2 wish to testify but cannot make the hearing, you can
3 email your testimony to the Finance Division and the
4 staff will make it a part of the official record.

5 The email address is

6 financetestimony@council.nyc.gov. Commissioner,

7 there may be follow-up questions. This committee

8 will be getting them to you. I just need you to

9 respond to us expeditiously. Because we will need

10 them for budget negotiation purposes.

11 CHAIR OLATOYE: We will do that. Thank
12 you Chair.

13 CHAIRPERSON FERRERAS: Thank you. And
14 this hearing is now adjourned.

15 [Gavel]

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C E R T I F I C A T 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 06/12/2014