

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 AND INTERNATIONAL  
INTERGROUP RELATIONS, SUBCOMMITTEE ON LIBRARIES  
AND COMMITTEE ON PUBLIC HOUSING

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June 8, 2015  
Start: 10:03 a.m.  
Recess: 3:25 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E:

JULISSA FERRERAS-COPELAND  
Chair Person

JAMES G. VAN BRAMER  
Chairperson

COSTA G. CONSTANTINIDES  
Chairperson

RITCHIE J. TORRES  
Chairperson

COUNCIL MEMBERS:

Ydanis A. Rodriguez  
Vanessa L. Gibson  
Robert E. Cornegy, Jr.  
Laurie A. Cumbo  
Corey D. Johnson  
Mark Levine  
I. Daneek Miller  
Helen K. Rosenthal

Vincent M. Ignizio  
Elizabeth S. Crowley  
Peter A. Koo  
Stephen T. Levin  
Andy L King  
Rosie Mendez  
Donovan J. Richards

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

Tony Marx  
President and CEO  
New York Public Library

Bridget Quinn-Carey  
Interim President and CEO  
Queens Library

Linda Johnson  
President and CEO  
Brooklyn Public Library

Tom Finkelpearl  
Commissioner  
NYC Department of Cultural Affairs

Kathleen Hughes  
Assistant Commissioner of Program Services  
NYC Department of Cultural Affairs (

Andrew Burmeister  
Assistant Commissioner for Capital Projects  
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Michael Kelly  
General Manager  
New York City Housing Authority (NYCHA)

Richard Couch  
Executive Vice President and Chief Financial Officer  
New York City Housing Authority (NYCHA)

Raymond Ribeiro  
Executive Vice President for Capital Projects  
New York City Housing Authority (NYCHA)

Melanie Hart  
Executive Vice President  
Community Program and Development  
New York City Housing Authority (NYCHA)

Bill Crawley  
Vice President for Development  
New York City Housing Authority (NYCHA)

Brian Clark  
Senior Vice President  
Operations for Property Management  
New York City Housing Authority (NYCHA)

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[sound check, pause]

[gavel]

CHAIRPERSON FERRERAS-COPELAND: Good

morning and welcome to the City Council's eleventh  
day of hearings on the Mayor's Executive Budget for  
Fiscal Year 2016. My name is Julissa Ferreras-  
Copeland and I am the Chair of the Finance Committee.  
We joined by the Committee on Cultural Affairs  
chaired by Deputy--by Majority Leader Jimmy Van  
Bramer, and Subcommittee on Libraries chaired by  
Council Member Costa Constantinides. Today, we will  
hear from the three public library systems and the  
Department of Cultural Affairs. In the afternoon,  
the Finance Committee will be joined by the Committee  
on Public Housing, and we will hear from the New York  
City Housing Authority. Before we begin, I'd like to  
thank the Finance Division's staff for putting this  
hearing together, including the Director Latonia  
McKinney, Chief Council Tanisha Edward, Assistant  
Counsel Rebecca Chasen, Deputy Director Regina Poreda  
Ryan and Nathan Toth. Unit Head Emre Edev, Finance  
Analyst Alia Alli--Aliya Alli, who covers libraries  
and DCLA. Thank you. Finance Analyst Sarah Gastelum  
who covers NYC, and the Finance Division

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Administrative Support Unit Nicole Anderson, Maria  
Pagan, and Roberta Caturano, who pull everything  
together. I'd also like to acknowledge sergeant-at-  
arms Raul Rosario and Allan Szu, and John Bigora of  
New York City Media.

I would also like to remind everyone that  
the public will be invited to testify tomorrow, June  
9th, on the last day of budget hearings beginning at  
approximately 1:30 p.m. in this room. We understand  
that many seniors or people with disabilities who  
wish to testify must be--must be and leave at a  
certain time. So, we will try to accommodate these  
needs tomorrow by putting you on some of the earlier  
witness panels. Any seniors or persons with  
disability who requires this accommodation please  
make a note on your witness list so we can--so we  
know who you are. For members of the public who wish  
to testify, but cannot attend the hearing, you can  
email your testimony to the Finance Division at  
[financetestimony@council.nyc.gov](mailto:financetestimony@council.nyc.gov), and the staff will  
make it a part of the official record.

Today, the Executive Budget hearing kicks  
off with libraries. Fiscal Year 2016's Executive  
Budget totals \$313.9 million, which represents a \$2.4

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million increase from Fiscal 2015's Adopted Budget.

I'm disappointed that they did not include any of the  
\$65 million in expense funding that the Council  
requested for the library systems in our budget  
response. This request was made to urge the  
Administration to restore library funding to pre-cut-  
to the pre-cut 2008 levels. I look forward to  
continuing the conversation with the Administration  
about this necessary funding in an effort to ensure  
that the Adopted Budget more accurately reflects the  
libraries' needs. On our capital side, in our Budget  
Response the Council requested the Administration  
include an additional \$450 million in capital funding  
for the next five fiscal years. While I am pleased  
that the Administration included \$300 million  
additional dollars with \$100 million going to each of  
the three library systems, the amount still is away I  
believe from what is needed for the three library  
systems to meet their capital needs. I hope to hear  
testimony from the Library Systems as to how they  
will each spend the \$100 million, which branches have  
the most critical capital need, and the scope their  
still unfunded capital needs.

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Before we begin, I'd like to remind my  
colleagues that the first round of questions for  
these will be limited to five minutes to council  
member, and if council members have additional  
questions, we will have a second round of questions  
at three minutes per council member. I will now turn  
the mic over to my Co-chair Majority Leader Van  
Bramer and Council Member Costa Constantinides for  
their statements, and then we will hear from heads of  
the three systems.

CHAIRPERSON VAN BRAMER: Thank you very  
much, Madam Chair, for your leadership through these  
past two weeks, and throughout the next three weeks.  
And also, to my co-chair on my Libraries, Costa  
Constantinides, and to Council Member King, who is  
well dressed today. Thank you very much. I want to  
echo everything Chair Ferreras-Copeland just said,  
but I--but I want to say something a little bit more  
personal, too. Friday afternoon I had the privilege  
of going to the Woodside Library for a rally for the  
restoration of the \$65 million and full six-day  
service. And what I saw there was what you see every  
time you go to a library in the City of New York.  
You see the people, the faces, the children of this



city. You see everybody that I believe this Mayor  
and this Administration believes in. The people, the  
faces, the children, the parents that this  
administration is dedicated to. We had amazing  
children perform Zumba, and the faces of those kids,  
the diversity of those kids, the immigrant children  
of the City of New York. That is who we all must be  
dedicated to, who I know the Mayor of New York is  
dedicated to. But his budget does not reflect that  
when it comes to libraries. The truth is libraries  
are there every single day for the people of the City  
of New York. People like Alejandro who spoke at the  
Woodside Library on Friday, making sure that everyone  
knew that libraries had made the difference in his  
life so that he could be at a specialized high school  
in the City of New York today. Libraries are there  
for us whether it's the IDNYC, participatory budget,  
libraries are there for us, and this Mayor, this  
administration must be there for libraries and the  
people that they serve. I am thrilled that we will  
hear from three library systems and the heads of  
those three library systems talking about the needs.  
But, the truth is the Mayor must do more. The Mayor  
must do better for libraries, and libraries must be a

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higher priority for this administration. We need \$65  
million this year. We need it now. We need the  
capital funding. \$300 million additional for capital  
is a good beginning, and that is a positive and we  
are very, very pleased that the Mayor chose to heed  
the call of this Council. Not all of it, but a  
significant addition. So much so that the New Lots  
Library, which I visited with Council Member Barron,  
is--is on target to be renovated. But, there is  
still so much more to be done. Libraries and library  
workers, library patrons, library supporters deserve  
better. We can do this. This is the year to do it,  
and we cannot waste any more time because the people  
of the City of New York, those children who I do  
Zumba at the Woodside Library on Friday afternoon.  
Alejandro who spoke about the library and the power  
of books changing his life, and how important he  
knows it is for the Woodside Library to be open on  
Saturdays, which is still not today. We must get the  
\$65 million, and I'm asking, I'm saying to the Mayor,  
to the administration we must do for libraries what  
libraries have done for the people of the City of New  
York. We must--must make sure that our libraries are  
fully funded, and that we have restoration of \$65

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2 million. We cannot take. We cannot ask the  
3 libraries to be there for IDNYC, for participatory  
4 budgeting, for our immigrant children and families  
5 and not make sure that libraries have all the  
6 resources they need. So, I look forward to hearing  
7 from the three systems, and tomorrow from library  
8 supports and from the administration. But make no  
9 mistake, this is the moment. This is the year we can  
10 and must do this for libraries and for the children  
11 and families. And the inequality is absolutely the  
12 top priority of this administration. But you cannot  
13 wage an all out war on inequality unless you are  
14 fully supporting libraries. Because no one is doing  
15 more, and no more is more at the front lines of that  
16 war against inequality than libraries and library  
17 workers. So I think Chair Ferreras-Copeland for her  
18 support, and I believe we are going to turn it over  
19 to Chair Constantinides for his opening

20 COUNCIL MEMBER CONSTANTINIDES: Thank  
21 you.

22 [applause]

23 CHAIRPERSON FERRERAS-COPELAND: Okay, so  
24 this place is kind of funny. There's no clapping in  
25 City Hall. So I need you to do this. This is how we

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clap here, a silent clap here. It's our silent clap,  
and we see you and it will be duly noted. Thank you.

CHAIRPERSON CONSTANTINIDES: Thank you,  
Madam Chair and thank you for your strong advocacy on  
all issues relating to the City over the last 11  
days. I know it's been a great number of hearings,  
and you've done--chaired them beautifully. So thank  
you and Chair Van Bramer, thank you for your great  
advocacy on libraries. We share that. We share--  
share a border--share it out in Queens. We're--we're  
two--two people who grew in--in Astoria and love  
libraries and it's, you know, it's a great thing to  
work with you. So, thank you. Good morning. I am  
Costa Constantinides, Chair of the Council's  
Subcommittee on Libraries. I'd like to start by  
saying that I'm happy to see that the administration  
has added that additional \$300 million to the Ten-  
Year Capital Plan. The libraries can do some  
essential reconstruction in the branches with  
critical need. However, this amount is less than  
what the library systems need, and we all know that.  
Every library we shouldn't be worrying about whether  
the lights are able to stay on. We shouldn't worry--  
have to worry about leaky roofs. We shouldn't have

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to worry about it being cold in the summer and hot--  
hot in the winter. These are all needs that we need  
to get taken care of. Our library systems deserve--  
deserve it. Our librarians deserve, and most  
importantly the patrons, the people who walk through  
our doors every single day should come in and have--  
and understand that their libraries--the capital of  
their libraries are being taken care of. It's  
something--it's a basic need, a basic right of the  
people of the City of New York. And we definitely  
urge the administration to get us there. So we can  
have the critical planning that each of our library  
systems needs to start planning for the future.  
Because when you talk about getting to 80 by 50, and  
having our libraries being a major part of that. It  
can't be thought of a luxury, when many of our  
library systems are in flood zones to have to think  
about--not be able to think about these things  
because we're thinking about capital needs. In  
addition, we definitely still need that \$65 million.  
We need to ensure that libraries are open in the City  
of New York six days a week, that we have vibrant  
staff that are able to put on the programming that  
are our patrons need and our patrons deserve. And I

1 think that each of our library systems are passionate  
2 about getting that--meeting that mission in a larger  
3 and exciting way. You know, we can go through a  
4 library and see a chess tournament in one part of it.  
5 People learning English in another part, and email--  
6 learning email for the first time and still having a  
7 vibrant and teen center, all in the same library all  
8 at the same time. And those are the types of things  
9 that we need to celebrate more, and provide the  
10 funding to. Because I know as a parent, you know,  
11 the only--I don't have too many days off. But on  
12 Saturday would be the day I would take my son to the  
13 library, and that's a day that, you know, two out of  
14 three branches in Queens are closed because we don't  
15 have that \$65 million. And that's a--that's--that  
16 means that in two out of three branches in Queens too  
17 often every parent is locked out on a Saturday or a  
18 Sunday. And that's something we have to change. So  
19 we are looking to get there. I'm looking forward to  
20 hearing from my library system, and seeing--hearing  
21 all the great work you are doing with the resources  
22 you have. Talking about how we can support our  
23 wonderful library staff, and making sure that in a  
24 partnership with the administration as we look  
25

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2 forward to a brighter NYC and resilient NYC that our  
3 libraries are included in a much larger way. So I  
4 want to thank again my co-chairs, Council Member  
5 Ferreras-Copeland and Jimmy Van Bramer for their  
6 advocacy, and I look forward to hearing from all the  
7 great advocates out there and invest in libraries.  
8 So thank you.

9 CHAIRPERSON FERRERAS-COPELAND: Thank  
10 you. Tomorrow. They'll be here tomorrow at 1:30.

11 CHAIRPERSON CONSTANTINIDES: Oh, that's  
12 right. Okay.

13 CHAIRPERSON FERRERAS-COPELAND: Right,  
14 the advocates. Oh, my Council is going to swear you  
15 in and then you may begin.

16 [background comments]

17 CHAIRPERSON FERRERAS-COPELAND: No, just  
18 say yes.

19 LEGAL COUNSEL: Do you affirm that your  
20 testimony will be truthful to the best of your  
21 knowledge, information and belief? Thank you.

22 TONY MARX: Wow, thank you. So, first,  
23 thanks to Chair Ferreras-Copeland. Congratulations.  
24 Chair Van Bramer, Chair Constantinides. Welcome  
25 also, of course, to Andy King where I was in Mott

Haven to launch Summer Reading just a couple days ago  
and with Mark Levine. And thanks to all members of  
the City Council. It sounds like you have been, as  
always, extremely hard at work especially with  
hearings and behind the scenes. So thank you for  
that amazing service. We have provided written  
testimony, but in keeping with recent tradition, we  
though we would simply try to engage in more  
discussion here, and look forward, of course, to your  
questions.

As your opening remarks eloquently put  
it, the libraries are the key resource to serve more  
New Yorkers in more essential ways, and more than  
ever before. Whether it's English language  
instruction in citizenship, after school early  
childhood, Pre-K literacy, tech training,  
connectivity, as well as books and amazing library  
staff and their expertise, more ways and more users  
than ever. I do want to highlight as has already  
been mentioned some particular partnerships that we  
have been particularly honored to be a part of this  
year. Partnering with the City Council and with the  
Mayor's Office. So the IDNYC enrollment centers at  
the libraries are the most of those enrollment



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5 centers. For instance, at Mid Manhattan, we went  
6 from three stations to three to help to speed up the  
7 demand. I think we're at hundreds of thousands. I  
8 lost count. Madam Chair Ferreras-Copeland you  
9 probably know. I think we're at 400,000 citywide  
10 signed up or signing up.

11 That's remarkable, and we were happy to  
12 be of service and add more space and, in fact, even  
13 added staff from our own budget to help make this go  
14 as quickly and smoothly as possible. Library  
15 hotspots. We heard from the City Council. We heard  
16 from the Mayor's Office about the digital divide  
17 leaving close to three million New Yorkers without  
18 connectivity. We're now well underway to lending  
19 10,000 households with Internet access. And I--I  
20 have to point out from the front page of the New York  
21 Times two weeks ago the FCC is now talking about  
22 moving close to \$2 billion of federal funding towards  
23 that connectivity based on the model and the pilot  
24 that we worked with them on to lend 10,000  
25 households. So, New York City is in the front of  
moving national policy and national funding to solve  
key issues. And, of course, again in partnership  
with the City Council the new Americans corners in

every branch. So that anyone who is coming in to use  
our library or to do--learn English has ready access  
to what they need of information to become citizens,  
if they choose to.

I think those partnerships say something  
very powerful. Given the needs of this city, that  
the City Council and the Mayor and we all agree,  
there is other institution in New York at scale with  
close to 40 million physical visits a year. And with  
the ability to move relatively rapidly to meet new  
needs, to partner on ideas or hot spots or  
citizenship or with the public schools or the whole  
gamut. That is a great tools to meet the needs of  
New Yorkers, and that's why we're so excited to be  
here, and why we need the funding to be able to be  
responsive in that way.

We did, as you'll see, we did receive a  
\$10 million increase in operating funds last year for  
which we're grateful. That allowed the three systems  
to add roughly 100 positions and expand our  
programming that the City Council and the Mayor are  
eager to see us do more of. I should note that that  
\$10 million was not baselined in the current  
Executive Budget and, therefore, those positions,

1 those programs are, of course, not at risk, though we  
2 continue the discussions, which we are clearly in the  
3 midst of. More importantly over the long term,  
4 funding for the city--from the city for the three  
5 library systems is down \$65 million since 2008. So  
6 let me be very clear. We did not come in here, we  
7 have not been asking for some huge imagined increase  
8 of funding. We actually came here maybe not in the  
9 most politically astute way, but in the most honest  
10 way we can to say restore our funding. Bring us back  
11 to what has been lost.

12  
13 We will retain the efficiencies we've  
14 gained, but then we can add staff, add programs, add  
15 ours and do more for all New Yorkers. We--we hate to  
16 have lost the 900 jobs citywide. The 800 hours each  
17 week in all the libraries of New York combined. New  
18 Yorkers just have to do--we have to do better for our  
19 citizens. We aren't able--we have had a reduction of  
20 600,000 books that we haven't been able to purchase.  
21 A third--the bottom third of New York depends on us  
22 to be able to read. We have to give them access to  
23 every title they're interested in. This city is  
24 increasingly admirably and has been longstanding  
25 focused on the needs of those most needed New

Yorkers. Thirty percent of New York household incomes are under \$25,000 a year in a city where it's hard to imagine living on that amount. Seventy-four percent of New York City's public schools in grades-- and students in grades 3 through 8 don't meet state standards in English language arts. Twenty-four percent of New Yorkers need help to become proficient in English. Close to three million New Yorkers live in the digital divide at a moment when access is so taken for granted that we carry it, most of us, many of fortunately in our pockets.

The libraries are at the front line. They are yours and the Mayor's most useful tools to meet those needs. New Yorkers who seek more opportunity to the immigrants who have always been the source of strength of this town to the students to the people trying to create jobs. We can't do that if our libraries are closed. New York City's public libraries are open now an average of less than 45 hours per week. San Antonio, 57 hours; Los Angeles, 53 hours. In fact, just in New York State, New York City ranks ninth out of the ten largest counties for how many hours we're open. As a starting point, you can't give access to all that the

library provides if you are closed, and we are closed  
much too much.

So this year, again, the City's three  
library systems have been coordinating our efforts,  
Invest in Libraries! Invest in New Yorkers! Council  
Member King is demonstrating with his T-shirt, and  
sea of such T-shirts here with us today of users and  
colleagues from the library. We--we understood that  
you all needed to hear not just from the likes of us  
as presidents and staff. You needed to hear from the  
public who depend on the library and maybe have taken  
it too from granted. And not, you know, voiced their  
concern about the funding that's been lost. So we  
are absolutely amazed and proud that you've gotten  
more than 100,000 letters, about a thousand phone  
calls to local council members. Thank you for your  
patience with that. And as I say, you could just see  
from this room an indication of the support that you  
know because you visited your libraries and you see  
how much they are used and needed.

Now, in addition to our \$65 million  
operating restoration. Let me reiterate that again,  
restoration, we've also been talking about a \$1.4  
billion ten-year allocation for capital. And again,

1 let me be clear. We didn't come asking for some  
2 fanciful number to negotiate halfway down. We used--  
3 we relied on the Independent Analysis of the Center  
4 for the Urban Future, our own analysis to say what do  
5 we really need in order to live to what the city and  
6 its citizens expect? The \$65 million we'll be happy  
7 to, as requested, to talk about the particular  
8 deliverables that we'll be hearing more about that.  
9 We would like--we humbly request that that funding or  
10 the addition to our operating the baseline so we do  
11 not have to continually face the planning  
12 impossibility of not know from year to year whether  
13 we can maintain the commitments to the citizens of  
14 New York. The \$1.4 billion in capital needs again  
15 reflects needs, and I just want to be very clear  
16 that's over ten years. And if you divide it by ten  
17 years, it's roughly comparable to the kind of funding  
18 we have gotten in the past across the three systems.

19  
20 The difference is with a ten-year  
21 commitment, we can plan and execute at roughly half  
22 the cost in half the time. We are so grateful. It  
23 is really an historic move by the Mayor and the  
24 administration to put libraries in the Ten-Year  
25 Capital Plan for the first time. We hope that we can

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find additional funds for instance to cover just the  
critical maintenance needs as well as, of course,  
those branches that deserve a complete renovation.

So, I think we are at a moment, as Council Member and  
Chair Van Bramer said where basically we're all in  
agreement. The City Council is in agreement. The  
libraries are in agreement. The users are in  
agreement. Some of you will have seen the list of  
supporters just in the New York Times this morning.  
Writers and community organizers and union folks, and  
just across the board we're all in agreement this is  
the time to get it done. And thank to your great  
work and your leadership, we will.

BRIDGET QUINN-CAREY: Thank you Tony.  
Libraries are the great equalizers. They give people  
the tolls and the opportunities and the support they  
need to open up the doors of opportunity and to  
strengthen our communities. And we've told you that.  
I know that you know it. And we often come before  
you and share with you all of the wonderful things  
that we're doing because we're proud--

CHAIRPERSON FERRERAS-COPELAND:  
[interposing] I'm so sorry. Can you just state your  
name for the record. I'm sorry.

BRIDGET QUINN-CAREY: That's okay.

Bridget Quinn-Carey, Interim President and CEO of the Queens Library. Good morning. [laughs] So we are often here telling you about all of the wonderful things that Queens and Brooklyn New York libraries do with your investment. Because we're proud of being stewards of that--of that investment from you and from the other stakeholders. But today, I want to tell you about missed opportunities. We're taking your advice to heart. Rather than tell you about all the wonderful things we do, I want to tell you where we may not be meeting the needs that are out there in our communities for the kinds of services that we provide and our unmet potential. What that is and how this restored funding will get us to where we need to be. What our libraries could and should be delivering that are so in line and in tune with your vision for what New York City should be as well as the Mayor's vision for what New York City can be. We need the \$65 million restored to get us the six-day service and also expand the average number of hours that we're open per week to appropriately scale up our staffing levels, our programs and our services. And library materials on the shelves as well as



1 online. Right now, libraries citywide, as Tony  
2 mentioned, are only open 45 hours a week on average,  
3 and ranking seventh out of the ten largest library  
4 systems across the country is just not a position we  
5 want to be. So while this isn't a competition, it  
6 does show you when a society invests in libraries,  
7 the priority that they're putting on education. And  
8 we know that New York City values education, and  
9 values connected communities. So there's no better  
10 investment to getting us there than to restoring  
11 those funds to libraries. If--if we have the  
12 restored funding, it would increase the number of  
13 libraries open six days a week citywide 31%, and  
14 that's huge. And that makes a real difference for  
15 working families, for working adults, for people that  
16 otherwise can't get to the libraries in the hours  
17 that they are current open. Closed libraries is lost  
18 potential for working families and for New York's  
19 residents across--across the city.  
20

21 In just Queens, a six-day of service in  
22 every library would allow us to provide half a  
23 million more public computer sessions, and imagine  
24 what that means to someone who doesn't have their own  
25 computer access right now. We also need to hire more

than 700 trained qualified staff members to serve the  
informational and educational needs of our public.

And these are great jobs, and isn't having a well-  
employed community an important part of the economic  
development of the city. So not only do we need them  
to provide service, but it also adds to the value of  
our communities and the jobs that are adding to our  
local economy. And these employees they'll do all of  
the things that are--that, you know, you think of as  
typical library work. But you know that all three  
systems go above and beyond, and our amazing staff go  
above and beyond to do things like make appointments  
for low or no cost medical care right in the library.  
They show seniors how to life chat, you know, with  
faraway relatives or friends. They deliver materials  
to the homebound. They print and review resumes for  
job searches. They help with homework. They're  
mentors, they're coaches, they're friend, they're  
part of the community, and they're so important to  
the fabric of that community. But right now we're  
not meeting that need because we don't have enough.  
So many have taken on extra responsibilities just to  
maintain the services that we have now. And we have  
asked and they have delivered, and we appreciate them

so much. But now, they need reinforcements for us to  
be able to meet the needs that are out there.

Attendances at our programs is soaring  
across the city. Unfortunately, we have to turn  
people away from some of those programs where we just  
cannot accommodate them. If it's standing room only  
or we don't have enough seats in those program rooms,  
we cannot accommodate them, and that is a terrible  
thing to turn people away from a program. So we need  
that restoration--the restored funding in order to be  
able to increase capacity and repeat programs as we  
need to. But some of those programs have a cost  
associated with them even though we don't pass it  
onto the public. Of course, everything we offer is  
free. With additional funding we can and will expand  
classes and programs across the library systems.

Last year in Queens alone we had to turn  
away a thousand people from our ESOL classes, a  
thousand and that's just one year. And if you think  
about, you know, as Tony mentioned the needs of the  
people that don't have strong English language  
skills, that is a liability for entire city. So for  
us to be not able to accommodate people that are  
seeking out the opportunity to speak English better

so that they can help improve their employment, help improve their ability to work the schools, to work with other stakeholders in the community, that is an investment that really has to happen in order for us to meet growing need and demand for those kinds of services. Better English language skills equals better jobs and better ability to help with all aspects of their lives.

As Tony, also mentioned, digital inequality is a real threat, and there are some areas in the city where up to 40% of residents do not have access to the Internet or to broadband services, and that is too high. You think about living your daily lives without computer or Internet access, you can't do it. You can't--you can't work with your bank. You can't work with your school--your child's school. You can't work with your employer if you don't have--if you don't have Internet access. Everybody needs that access to technology, and also how to use it. And that again is where our staff comes in. So there is a huge unmet need not only for access to computers and to technology and to the Internet, but also for trained staff to help people know how to navigate that. In some of our libraries, we allocate time on

1 the computer by half hours. Think about how much you  
2 get done in a half an hour. Not very much. If  
3 you're creating a resume or writing a letter or  
4 applying for a job, and you have to get off your  
5 computer in half an hour, that's just not enough  
6 time. And even if you get the full hour, that's  
7 still not enough time. And the reason we have to  
8 limit that is because we have so much demand for  
9 those computers that we have to give it out equally.  
10 But we also don't have enough computers, and we don't  
11 have enough space to put them. So all of those  
12 things compound to create this real challenge for us  
13 to be able to meet this needs. So restored funding  
14 will help us address that--part of that problem on  
15 the--on the expense side as well as with the capital.

17 As Tony also mentioned, the library hot  
18 spots are a way for us to continue to reach out to  
19 people that don't have access so that we can ensure  
20 that they can have use at home, at work where they  
21 need it when they need that. And that helps us again  
22 hopefully close that digital divide. But again, an  
23 unmet need because as soon as we get those mobile  
24 hot spots, they are out. So there is much great  
25 demand for those than we are able to fulfill. So we

need to expand that program dramatically in order to--  
--to make sure we are meeting that need.

After school services have suffered  
through the budget cuts. We all offer after school,  
which is a wonderful thing, and children need a safe  
and enriching place to come after school. But,  
unfortunately, we haven't been able to maintain that  
quality of service as well as we would like to, as  
well as meet the needs of all the children that come  
in to see us after school. So a restored--the  
restored \$65 million founding will enable us to  
expand those programs to make sure we have homework  
assistance, we have activity assistance, we keep  
those children in great after school quality  
programming. That ensures that we are investing in  
our young people and helping them to realize all of  
the potential that they have through the library.

The three libraries have pioneered a  
collaborative effort for early learning through the  
early literacy--through the Early Learning Network.  
And early childhood education, as we all know, is the  
key to future academic success. And parents and  
caregivers are their children's best first teachers.  
And we have several new initiatives across the entire

borough to give kids a head start. Our first UPK class is graduating just in the next few days. We have two more classes that we are adding next year, and we are looking to expand Early Learning across the boroughs with things like Family Place and Kickoff to Kindergarten. My colleagues in their boroughs have, you know, many more early learning opportunities that they are offering as well. But again, it doesn't meet the need. We don't have it in every single library, and this is a need in every community to make sure that the birth through five that those critical years things that libraries have always served as critical opportunities for education and supported are funded. And right now they're not, and we need to expand that.

And as Tony also mentioned, our city partnerships IDNYC and My Library NYC, the Citizenship Corners. We work with SBS with DYCD with NYPD. We have so many robust partnerships across the city because when libraries, when the three systems are asked to work with an agency, you know what we say? We say yes. Before we even start to really put the pennies together, we say yes. We want to be partners. We want to be part of the city's outreach

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efforts to make sure that all New Yorkers have access  
because are trusted institutions where people know  
that they can come and they, you know, will receive  
quality services and their--with their trusted  
community members. So, we want to continue to do  
this, but it really does stretch already limited  
resources. So we need this investment to make sure  
we con--continue to be good partners with--with all  
of the city agencies as well as with other community  
based organizations. And this week Brooklyn Public  
is sponsoring and hosting the announcement of the New  
Citizenship Corners, which is a wonderful thing that  
will give great access to even more information about  
citizenship opportunities. But again, you can't get  
them unless your libraries are open. You can't get  
to those little corners of information unless the  
doors to the libraries are open. And those  
partnerships with the--with the city and agencies are  
really just scratching the surface. We have other  
really wonderful partnerships across the city. One  
example that we are fostering and--and hope to grow  
is one with Planned Parenthood where have training  
with our staff to make sure that they can sensitively  
field questions and provide quality referrals about



sexual and reproductive health. Another partnership  
is we are looking to become accredited with the  
Bureau of Immigration Appeals so that we can provide  
really quality resources and references for our new  
Americans and our immigrant library users. And in a  
city with such a heavily immigrant population, this  
is really a high value service. But again, we're not  
in every library. We need to be in every library  
across the city to provided these services.  
Otherwise, some communities have it, and some don't,  
and that's not equitable. We want to make sure we're  
providing equitable services across the city.

So, as you can see, you know, we have a  
lot of unmet needs. We do a great job with what you  
already invest in us but we can and need to do so  
much more because the community needs it and demands.  
So I could go on all day, but I won't. I would like  
to turn it over to Linda who will talk a little bit  
more about our capital needs.

LINDA JOHNSON: Good morning. Not to  
self: Last is not the right place to be. My  
colleagues have done a wonderful job. I'm Linda  
Johnson. I'm President and CEO of Brooklyn Public  
Library and I will talk this morning a lot about our

capital problems. As the Council is all too aware,  
New York City's libraries face enormous capital  
challenges many of which have been decades in the  
making. And we are grateful to the administration  
for including libraries in the city's Ten-Year  
Capital Plan for the first time in recent memories.  
As a result, the City will approach the needs of  
libraries as it does the infrastructure needs of  
other publicly owned assets with consistent reliable  
funding around which long-term capital plans can be  
developed. But ultimately, our goal is to provide  
New Yorkers with the inviting, inspiring and modern  
facilities the literary capital of the world  
deserves. I often say every great city needs a great  
library, and we strive for excellence everyday. And  
we've proven that with adequate resources, we are  
more than equal to the challenge.

Following the renovation and expansion of  
Staten--of the Stapleton Library in Staten Island,  
program attendance increased by 177%, visits by 33%,  
and circulation by 51%. In Cambria Heights, Queens,  
a beautiful new teen room has become a community  
gathering space for young people in the neighborhood  
many of whom would not otherwise have a safe place to

1 go after school and over the summer. And our own new  
2 Kensington Branch, both flexible shared working  
3 spaces with a modern environmentally sustainable  
4 design. Visits to that branch increased 32% with the  
5 opening of the new facility while circulation rose  
6 from 13th to--the 13th highest to the 5th highest in  
7 our system. These are examples of what New York  
8 City's libraries will do with sufficient resources.  
9 And the branches that you see now are examples of the  
10 vast challenges that we face throughout our system.

12           Corona Library in Queens is bursting at  
13 the seams. Programs for patrons of all ages  
14 frequently draw crowds two times larger than the  
15 facility can safely accommodate. The 125th Street  
16 Library, an original Carnegie branch, suffers from  
17 leaks and outdated windows. With sufficient funding  
18 a large unused space on its third floor would house a  
19 much needed education center or computer lab. And in  
20 Brooklyn New Lots Library bustles with activity in  
21 less than inspiring spaces with poor lighting and  
22 windows that don't open. The exterior of the  
23 building features a damaged facade and tarped roof to  
24 keep out water.

The message that we send every day to patrons who visit overcrowded damaged branches is that New York City, all of us, do not care about its libraries or the people who rely upon them. While we're encouraged to have been included in the Ten-Year Capital Plan, we need help from the administration and from Council to address a maintenance crisis that threatens our ability to serve your constituents. We will continue to seek public-private partnerships and creative solutions to our capital crisis, but we, New York City's libraries, cannot solve the \$1.4 billion capital crisis on our own. Libraries are the only civic institution with a presence in every New York neighborhood. As you've heard, more people visit our branches than attend all of the city's sports, entertainment and cultural venues combined. Meanwhile, New York City ranks second to last in the State of New York in hours of operation. We lag behind peer cities like Chicago, Seattle and Boston in an area where we should be peerless.

More than a hundred years ago, New York City entered into a covenant with its residents. Excellent libraries would be the right of every New

Yorker, opened every day to families in every  
neighborhood. Andrew Carnegie provided an  
extraordinary generous financial gift to build new  
libraries throughout the city. Near--nearly all of  
them serve the public to this day, and nearly all of  
them also face considerable capital challenges.  
Would that there was an Andrew Carnegie in the wings  
today. But I am convinced that if the City invests  
in libraries, this administration and Council will be  
remembered a hundred years from now with the same  
admiration that we feel today for Carnegie and the  
civic leaders who shared his vision.

More than ever before the public  
recognizes that time--the time has come to invest in  
libraries. New Yorkers support our plan to expand  
hours and programs while creating hundreds of jobs.  
It isn't often that the editorial boards of the  
city's three--of the city's daily major dailies  
agreed--agree on everything. But, as you can see,  
even they have been unanimous in their support of our  
request for fair sufficient city funding. People  
from every walk of life, writers, readers, job  
seekers and new Americans, seniors, students,  
teachers, parents, elected officials and more love

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New York City's libraries. That's why we are asking  
the City to invest in libraries and New Yorkers who  
depend on them by retorting--by restoring our expense  
funding to its 2008 level. And providing sufficient  
capital dollars for us to repair our aging branches,  
and provide our patrons with the modern spaces they  
deserve. It's not too late for the City to invest in  
libraries in its Fiscal 2016 Budget. Thank you for  
your support of Brooklyn Public Library, Queens  
Library and New York Public Library. We look forward  
to continuing to work with you over the next few  
weeks.

CHAIRPERSON FERRERAS-COPELAND: Thank you  
very much for your testimony. We very much  
appreciate it. Two things. This is kind of  
different than the normal hearing that we have  
because we usually have an agency before it, and a  
commissioner to respond, and a commissioner that has  
been in negotiations with OMB. But in this case,  
it's almost like we're speaking to ourselves. We're  
speaking to you the passionate advocates. We're  
speaking to you the very people who we get  
information from so that we can continue to  
negotiate. So I think these questions will be a

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little different and probably not as extensive from  
the budget perspective, which would be mine. Because  
I'm very clear my mandate is to go find a billion  
dollars, and go find \$65 million. That's clear. How  
about that? [laughs] So, I say that also to  
acknowledge everyone that is here. This is  
important. The fact that you're here and show  
support. Although you're not going to here to  
testify today, it sends a clear message to us in the  
Council, and it's great to have so much public  
participation. So we all thank you from the Council  
for joining us through this budget hearing. And, I  
want to speak about--I know that this was brought up  
very quickly, but the Broadband Technology  
Opportunities Program--Sustainability Program. The  
budget includes \$1.4 million for all three library  
systems for an intercity contract with New York  
City's Department of Information Technology and  
Telecommunications. The contract is to provide New  
Yorkers with provided broadband access and technology  
instructions geared towards economic recovery,  
workforce development, digital literacy and new  
education enrichment. Can you provide the committee

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with more details on how you plan on rolling out  
[sic] this program and the impact that it would have?

TONY MARX: Thank you, Madam Chair. So,  
of course, we are grateful to be partners with the  
BTOP, the sustainability program. We've been able to  
add instructor led computer training in 32 low-income  
areas across Manhattan, the Bronx and Staten Island.  
I know my colleagues in Queens and Brooklyn have been  
doing the same. We've added a coding instruction for  
the first time for free, teaching coding particularly  
in low-income neighborhoods where the demand seems to  
be huge. Which is great because we want to increase  
our ability to help people get skilled into the--into  
the fastest growing job sector in this city. We have  
office readiness programs. We have teaching people  
how to do--create their own websites. So this is  
crucial for us together with our basic tech connect  
programs teaching people the basic skills of  
technology. Can I just say, like with capital for  
buildings, though, you can have theoretically all the  
money in the world for training, but if you don't  
have the facilities open and if you don't have  
computers and software and hardware that works, it's  
not going to work. And we I think are not alone,



1 Madam Chair, in wanting to have a robust conversation  
2 about some of the rules of city funding in terms of  
3 also buying capital meaning computers. We live in a  
4 world that is increasingly mobile and increasingly in  
5 the Cloud, and we--we're going to need to think of  
6 how working together we can adjust those rules so  
7 that city funding can be spend where the citizens it.  
8 So that we will have the hardware and the capacity to  
9 use the BTOP money to provide the training of which  
10 we are the leading free providers in New York.

12 CHAIRPERSON FERRERAS-COPELAND: Yeah, I  
13 would think that that's something we discussed here.  
14 We find it challenging also when we want to fund  
15 laptops and one year you can fund them, another year  
16 you can't. Then we're trying to get even away from  
17 laptops now and just do tablets, and what that--and  
18 the challenges we are--we're going through that also.  
19 So we would look forward to engaging with you in that  
20 conversation for the future of capital spending.  
21 Clearly, that's a much bigger conversation. But it's  
22 almost like the minute that you buy something it's  
23 outdate. So there--there is something to be said  
24 about the five-year and longevity of some of the  
25 products. So I guess if you can--all three of you

can kind of communicate, and this is an opportunity  
to communicate because we--we have the message pretty  
clear. But just to get it on the record, can you  
speak about how you can leverage city dollars.  
Because it's more than just getting \$65 million to  
fund programs. It's more than just the capital  
investment to make these buildings safe, and to make  
it a place where people want to come and learn. But  
can you speak to your own leveraging opportunities  
that are missed if we don't step up and--and do the  
city's portion?

LINDA JOHNSON: Happily. You're  
absolutely correct, Madam Chair. We, of course, do  
need that basic funding. It's, as I speak about it,  
it's what will take us from being a good library to  
being a great library. And we certainly are already  
great in many aspects of what we do. But we do it  
with greater challenges everyday, and the--the weaker  
our infrastructure is the harder it is to maintain  
excellent programs in the libraries that we use to--  
to serve the public. I also think that on a more  
nuanced level, the commitment that the city makes to  
libraries speaks volumes about the importance that  
the Council and administration and that actually all

New Yorkers place on the value of the people who take  
advantage of the services we offer day in and day  
out. And the commitment that the City is willing to  
make will certainly drive in many respects the  
commitment that private citizens will--will make in  
partnership with libraries. There is for--for sure  
an example that needs to be set, and a level of  
confidence that needs to be communicated if we expect  
private citizens to partner with us as well. There  
is a concern, of course, that private philanthropists  
have that with the investment of everyone of their  
dollars, it's a dollar that the City will take away  
from us. And the fact that we are here today talking  
about the 2016 budgets, and asking just to get back  
to where we were on the expense side in 2008, doesn't  
make private citizens or foundations comfortable the  
way they should be with the City's commitment to the  
services that we offer.

BRIDGET QUINN-CAREY: I know Tony speaks  
eloquently about this, and I will let him, but I had--  
I had a specific example in one of our experiences  
where public funding is reduced from specific  
programs for example family literacy. So funding for  
family literacy from city availability has--has

reduced over the last few years. So, our private donors that have been investing in that are not as eager. They don't want to replace those city dollars. They want to complement them and make it able to be expanded not to, you know, replace what they feel that needs to be a part of that public-private partnership in doing that. So you're absolutely right, Madam Chair, that the investment the City puts in there is the best leverage that we have to bring other stakeholders to the table to invest in libraries so that we can create, you know, the great libraries that we need to be, and that should be a public-private partnership. And that's what makes us strong when many stakeholders come to the table. But as a public institution, as an institution that welcomes in anybody through our doors and provides free services, the bulk of what we do really needs to be provided through public financing.

TONY MARX: So, Madam Chair, the New York Public Library is in a particular position. We are the quintessential public-private partnership. Literally half of our budget is private and half of it is public, primarily from you and the Mayor and

the citizens of New York. The private money  
disproportionately pays for the research libraries,  
which are available to all New Yorkers and attract  
people from all over world, and one of the crown  
jewels of the cultural world and literary world of  
New York and beyond. Let me answer your question  
very directly. When it comes to capital, when it  
comes to asking donors to help with capital needs,  
the response I get--and we raise somewhere in the  
area of between \$70 and \$100 million a year of  
private money--the response I get is the city has to  
live up to its obligation under the Carnegie  
Agreement because that's an example of how the City  
maintains those agreements with donors. And, we know  
that only if we have the sense, and again, with great  
thanks particularly to the Mayor for putting us into  
the Ten-Year Capital Plan for the first time. Right.  
Not enough money yet, but for the first time, and  
that's big and historic. It means we can say to  
donors we can plan and we can partner with private  
support so that we can do these projects with OMB as  
a partner, and with City Council additional funding  
where necessary or where we can find it. And we can  
get those projects done in half the time and half the

1 money. And that means the City of New York, the  
2 citizens, the taxpayers, and the private donors are  
3 getting twice as much bang for their buck, right. We  
4 can address--it--it--it's so obvious as a matter of  
5 municipal and fiscal management. And it's great that  
6 we're there. With some more funding, we'll really be  
7 there, and the private donors will be, I think,  
8 excited to--to join us in partnership.

10 On the operating side, again, the New  
11 York Public Library provides private funding to pay  
12 for the vast majority of the research libraries, but  
13 also a portion of the branch libraries. Let me be  
14 very clear. In the last couple years, we have turned  
15 to private donors for the first time in our history  
16 to allow us to start to grow the educational programs  
17 that you all have been such powerful advocates for.  
18 After school, Pre-K, English language, citizenship,  
19 computer skills, coding, the works. And we've been  
20 very clear with those donors. We need the private  
21 money to move to show that what we can do at scale so  
22 that the city can return to its full commitments as a  
23 partner. Simply restoring our funding so that those  
24 programs can be maintained, and grown even further.  
25 And that's what we are eager to do. If we do not

1 have that partnership, the private funding will dry  
2 up and those programs will have to be cut back. I  
3 don't to--you know, I don't like to dwell on the  
4 negative, but we were very clear about how we wanted  
5 this private-public partnership to move us into new  
6 arenas. But now we need the city under your  
7 leadership to really come forward as equal partners  
8 in that regard.  
9

10 LINDA JOHNSON: I'd like to add one point  
11 and that is many foundations and--and private funders  
12 are eager to help us with experimental or new more  
13 creative programming that they have long-term impact.  
14 But they're not willing to fund it forever. The idea  
15 is that it's seed money, and that we'll get something  
16 started. And if it's successful, then it will be  
17 incumbent upon us to figure out how to actually pay  
18 for that in our regular operating budget. It's not--  
19 it's not that funders expect to fund the same  
20 program, you know, forever. So once we've--once  
21 we've gotten funding, once we've proved that the  
22 program we wanted to do is successful, these programs  
23 can't be cut off. They need to actually be  
24 institutionalized. They need to become part of what  
25

we do everyday, and that's why we need adequate  
funding from the city.

TONY MARX: This is too important. I  
apologize. Let me give you just two specific  
examples. We began three years ago with the My  
Libraries NYC Program. We got a grant from Citibank  
for \$5 million for the three systems to create that  
that enables every teacher in the school systems of  
New York to order up to 100 books from our  
collections. So that they are great collections for  
the students to work with, to do their homework, to  
do their research, to write their papers. That was a  
one-time grant to cover the startup and the basic  
costs of doing it. To operate the program, is being  
funded, and we hope it will continue to be funded by  
in this case the Department of Education. Because  
they are getting better library services for less  
money in terms of the collections. All right,  
building on their great staffing as well. I assure  
you if that--if that stopped and I went back to  
Citibank and said now I need you to help me help  
another project, I don't want to put words in their  
mouth, but why would they believe me that it is--that  
there is a sustainability model there. Similarly, on



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the Wi-Fi hot spot that we were allowed to partner  
with you all, and--and the Mayor's Office and so  
important, and now leveraging billions of dollars of  
federal money. But that rested on an initial \$2  
million plus of private money that we were able to  
raise to get it started. Again, if there isn't  
sustainability and public partnership, I can't go  
back to those donors honestly and say we can build  
together. It just--we'll lose in both directions  
when instead we should be building together.

CHAIRPERSON FERRERAS-COPELAND: Thank you  
and agreed. We've been joined by Council Member  
Levine, Levin, Rodriguez, Lander, Koo, Crowley and  
Miller. We will hear from both of our co-chairs and  
then we will open it up to questions for-- Oh, and  
Corney, and Corney.

CHAIRPERSON VAN BRAMER: Thank you very  
much, Madam Chair, and, you know, I just want to  
start off by saying that it's--I find this very  
frustrating that we are all here again having the  
same conversation. And that you three are put in the  
position that you are right now. The truth is the  
service that you provide is a basic city service, a  
core service, an essential city service. This

restoration should happen, and it should be based on-

- The budget dance has not only not ended but, in fact, we seem to be dancing faster than ever when it comes to libraries. In fact, we're inventing new dances because this is a time where the city is doing incredibly well. And yet, we are still approaching libraries from a point of deficits. We are not talking about restoring and adding library service. We are still talking about even a \$10 million restoration that happened last year that was not baselined. And that if it's not in the budget this year, you will, in fact, be cut in a year when we are talking about spending billions more. That's outrageous. That's absolutely unacceptable. We've got to stop dancing when it comes to libraries. We should--we must restore \$65 million, baseline that funding and take you all out of the equation.

Libraries are not a football to be kicked around the field go up, forward, backwards, sometimes sideways.

There are children, families, immigrants, new Americans, people who desperately rely on libraries every single day. And, we must do better for libraries. This is the year to do it. And so it's frustrating because you all obviously share my

passion for libraries. You represent the great  
library staff and workers, and the people who rely on  
libraries. The administration will be here tomorrow,  
and--and can answer some questions. But you are not  
the administration. You are hard-working library  
workers like yourselves. So, I want to say the \$10  
million that was restored last year, not enough by  
far. You did some good things with it, and maybe you  
can share a little bit of that. And also, what would  
happen if you didn't get that \$10 million restored  
back. It's a restoration of a restoration. That's  
what we're talking about for libraries. Not  
stabilizing libraries, and we've just got to do it.  
So maybe you can talk a little bit about, you know,  
the \$10 million. What would happen if that didn't  
get restore? But really, what would happen with \$65  
million restoration. How many more New Yorkers would  
get jobs? How many more New Yorkers would get  
served? How many more children would have their  
lives changed like Alejandro in Woodside spoke of on  
Friday evening when I was there for the rally. So  
maybe the three of you can speak to those issues.

LINDA JOHNSON: Thank you, Mr. Chairman.

It is frustrating to be having this conversation, and

1 it's even more frustrating to be talking about trying  
2 to crawl back to where we were last year when we were  
3 hoping that at this point we would be talking about  
4 what we could do over and above that. Because in the  
5 event we were not to receive the \$10 million, the  
6 baselined amount from last year, we would actually be  
7 scaling back the hours that we added, which would be  
8 devastating. And we'd be--the way we were able to  
9 add hours to our then existing scheduled was, of  
10 course, by hiring more people. There's a direct  
11 correlation between headcount and hours of service.  
12 In Brooklyn's case, we hired amazing, you know,  
13 children--the young adult librarians who are doing  
14 really superb work. We kicked off summer reading  
15 last week. Last year, our summer reading program hit  
16 a record of 138 people who signed up--138,000 people  
17 who signed up . I mean that's an extraordinary  
18 number and what that, of course, translates to is a  
19 much smaller summer slide. The--the--the progress  
20 that people have--that students have made through the  
21 years is actually maintained instead of--instead of  
22 regressing. So, it's horrible to think that we would  
23 have to let go of those wonderful librarians that we  
24 hired, and to actually step back instead of forward.

1 If we had the additional, the full \$65 million that  
2 we're asking for, we would increase the number of  
3 Saturdays or six-day service that the--that the  
4 libraries would be open, and that's a big goal for  
5 all of us. We would go from 23 to 39 branches with  
6 six--with six-day service, and we would expand  
7 Saturday service from 40 branches to 47. So just to  
8 explain the numbers in many cases where we have--we  
9 have Saturday service, where we have five-day service  
10 if you're wondering how those numbers dovetail.

12 But--but it also means additional jobs.  
13 I think the number across the three library systems  
14 is as high as 920--I'm sorry--700 additional jobs  
15 that would be added across the three systems. In the  
16 case of Brooklyn, it would be 166 total staff, 150 of  
17 which would be Union and 16 not. And so this would,  
18 this would be a see change, and as I said in my  
19 testimony, the goal here is--is to hit excellence in  
20 everything that we do. To have more programs that  
21 are the quality of our summer reading program. But  
22 in areas that have--across a broader range of the--of  
23 the patrons that we serve.

24 BRIDGET QUINN-CAREY: Yeah, I mean we  
25 don't even like thinking about what we'd have to do

[laughs] because it's--it is a--it keeps you up at  
night. But we are in the very uncomfortable position  
of planning for our Fiscal Year '16 Budget based on  
the Executive Budget that's out now that would go to  
our board for approval later this month that has to  
reflect the fact that \$10 million isn't in there.  
And the places where we added was--was, as in  
Brooklyn's case, it was personnel and it was  
materials. So that's where it would have to come  
back out unfortunately. We don't want to revisit  
those dark days where we're not filling positions  
where we don't have a materials budget. And yet,  
that's what we're faced with. You know, we--we have  
asked so much of our library employees to just  
maintain what they have with fewer and fewer people,  
and--and wanted to say 900 positions have been lost  
over the last seven years across the city. And yet,  
we have maintained as much service as we possibly  
can. The fact that we've got five-day service and  
six-day service and--and, you know, the number that  
we do is really a testament to how dedicated they are  
and how hard they work. But they need reinforcements  
and we can't continue to even stay level and--and  
think that we can maintain that service. So those--

1 those reductions would have to come in those two  
2 areas, the places where we really can least afford to  
3 have them. So it's something that we don't like to  
4 think about, but it is something we have to plan for,  
5 unfortunately.  
6

7 LINDA JOHNSON: And I would just add that  
8 with the \$10 million what we're accomplishment, what  
9 we're doing by really pushing our staff, and they've  
10 been amazing and willing to do it, but consistency is  
11 really important in the world of library service.  
12 And if you're spread too thin, what ultimately  
13 happens is that the hours that you've planned you  
14 can't sustain, and that you end up with emergency  
15 closings. And we're sort of at that teetering point  
16 right now where we're pushing very hard to do what  
17 we're doing, and in order to maintain that level over  
18 any kind of period of time, we really need better  
19 staffing.

20 TONY MARX: So again, the--as reiterating  
21 my colleagues, the \$10 million increase last year  
22 when it came was--was a--a great a first move.  
23 Obviously, we need to continue that. It is unfair to  
24 expect people to put in the kind of service that they  
25 are that we all agree is so essential and to feel

vulnerable as to whether that funding is continuing  
and we need to do more. But for the \$10 million  
again working with the City Council and the Mayor we  
focused on adding ESOL classes. We have 10,000  
slots. We added 3,000 after school positions;  
211,000 attendees of Early Childhood Literacy  
Programs; 90,000 attendees in basic computer skills;  
36,000 attendees in job search and financial literacy  
classes with thousands getting jobs who would not  
otherwise. For that, our portion of the \$10 million  
increase last year we were able to hire eight--55 new  
staff, 18 public service staff, particularly young  
adult librarians; 28 education program staff because  
of the priorities of the City Council and the Mayor.  
Five in digital preservation, and four in the  
Municipal ID Program. So we actually reallocated  
staff positions so that we could deliver on what the  
City Council and the Mayor asked us to deliver in  
terms of the ID program, which is great. In terms of  
\$65 million for the New York Public Library, that  
would be 320 new jobs. We would increase our after  
school significantly tripling roughly. It would  
probably add another 50% of Childhood Literacy  
programs, a significant increase in computer skills,



1  
2 against doubling again of English language. But  
3 again, it has--we need that funding and we need it to  
4 be baselined so that we can invest with confidence in  
5 the great staff that we need to provide these  
6 essential services.

7 CHAIRPERSON VAN BRAMER: Thank you all so  
8 very much for making a compelling case, and for doing  
9 the work. And Bridget, you talked about UPK in--in  
10 and at the Queens Library, the Woodhaven program,  
11 obviously the Ravenswood program that we're working  
12 on together, but it just highlights again how  
13 libraries are there when it comes to IDNYC to  
14 participatory budgeting to UPK, to access to  
15 technology. Everything that this city is actively  
16 engaged in right now to end inequality, you all are  
17 active participants in. We simply have to do better  
18 for libraries this year. We must do for libraries  
19 what libraries are doing for people in the City in  
20 New York. So I know that we have a lengthy day  
21 ahead, and folks from the Cultural community are  
22 hovering. But all of our colleagues have important  
23 questions on libraries equally important. So right  
24 now, I'll hand it over to our Co-Chair Costa  
25

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Constantinides before all of the members get to ask  
questions.

CHAIRPERSON CONSTANTINIDES: Thank you  
Chair Van Bramer and Chair Ferreras-Copeland. It's  
great to see you all again. I feel like we've done  
this quite a few times already this year. [laughs]  
I think I share my Chair's feelings that this is--  
it's always odd. It's a love fest. We know what we  
need. You know what we need. We're sort of speaking  
back and forth to one another knowing what everyone  
is about to say. But I'll--I'll ask a few questions  
and I try to do my best to be brief because this is--  
this is quite serious, and we all take it that way.  
As much as I'd love to see you, I'd love to see you  
more if we had \$65 million to talk about, and how  
that great money was going to be spent. And we'd be  
even more excited to hear about how you would  
spending the \$1.4 billion over the ten years. So we  
need to get to that point, and I think that we can.  
But we need to definitely continue this  
communication. And Invest in Libraries Coalition has  
been such a strong advocate. So I want to commend  
you on that great work. It's really highlighting the  
needs in the city that we need. As far as--I've

1 talked about it before I'll just ask two or three  
2 questions. When it comes to ADA compliance, we talk  
3 about equity and having everyone be able to use the  
4 libraries in the same way. I know both the branches  
5 in my neighborhood, and I think it's a--you know,  
6 we're getting there. We funded one project and we  
7 are hopefully funding another, but that is a common  
8 theme that we're just not where we need to be when it  
9 comes to capital funding, when it comes to ADA  
10 compliance. Where--how, you know, where are we and--  
11 and would we get there with the \$1.4 billion?

13 BRIDGET QUINN-CAREY: We would absolutely  
14 get there with \$1.4 billion. Across--I'm speaking  
15 for Queens. We would get there with the--with the  
16 \$400 million that we had asked for in the Ten-Year  
17 Plan that would enable us to address all of our ADA  
18 compliance issues. So in--in Queens for our public  
19 accessibility about 10% of our branches are not fully  
20 ADA compliant for the public. The added challenge is  
21 making sure that all of the interior spaces those are  
22 also that are available for staff or ADA compliance.  
23 So we have a ways to go. We are starting to address  
24 them. Those are our highest priorities when you  
25 think about allocating \$100 million that the

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1 administration has--you know, we are grate--we are  
2 grateful for the amount that they have already  
3 pledged. We will look to those high priority  
4 projects including ADA accessibility to make sure  
5 that those facilities are available for people to go  
6 in. Because again it's not the--it's not the hours.  
7 It's can you physically get into a library and that  
8 is so important. So yes, the full allocation for  
9 capital in the Ten-Year Plan for Queens, it would  
10 address all of our ADA needs.

12 LINDA JOHNSON: The same is true for  
13 Brooklyn. The money that we've asked for on the  
14 capital side would cover ADA compliance in all the  
15 branches that need additional work in order to get  
16 there, which is 14 and our total--our total spend  
17 would be \$14.2 million to make--to make that happen.  
18 But it's, you know, shame on all of us actually that  
19 in 2016 we're talking about ADA compliance in--in  
20 buildings that are open to the public.

21 TONY MARX: So, the New York Public is  
22 particularly proud for instance to be the regional.  
23 Not just New York City but the Tri-State provider  
24 through federal funding of--of through the Andrew  
25 Heiskell Braille and Talking Book Library we served--

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I think last year we did something close to 600,000  
circulation of those items that that community saw.  
So we take that very seriously. We're very proud of  
that work. We also--I agree with what Linda said the  
truth is the New York public has the oldest of the--  
of the library physical stock and, therefore, has  
arguably proportionately the largest challenge here.  
Because we have many buildings that were constructed  
long before ADA was envisioned. The needs range from  
rough half a million dollars to close to \$2-1/2  
million per branch and we're eager to--to get to that  
project, and to work with you to do so.

CHAIRPERSON CONSTANTINIDES: As you see  
beautiful pictures of the Carnegie branches, and--I  
mean that the Astoria branch it's in that--the best  
of the libraries for sure. You know circa 1920, a  
beautiful branch, a treasure in our community, but a  
branch that we went to a rally last week and a woman  
stopped me and said, Council member I love this  
branch. I just have--you know, those chairs--those  
stairs are really rough. I can't get up and down. I  
think that's a common theme in some of the older  
branches. So we want to help you meet that mandate.  
And then secondly, when it comes to emergency repairs

1 and being able to sort of pivot quickly with the lack  
2 of capital bandwidth, how are you able to sort of--  
3 You know, if the air conditioner goes down, if we  
4 have those sorts of challenges, does the library have  
5 a budget to even fix them on the fly?

7 LINDA JOHNSON: The problem is that with  
8 the way we're funded now, everything we do is  
9 emergency because we don't have money to do the  
10 preventative work that we should be doing. Which  
11 would, of course, minimize the amount of emergency  
12 projects that we have to fund. And so we are  
13 constantly shifting funds around to take care of the  
14 most--well, the squeakiest wheel to use a cliché.  
15 And--and we've got wheels coming off, you know, the  
16 car. So, you know, we've--we're now trying to plan  
17 for emergencies. That's kind of pathetic as well.  
18 So we know we're going to have some air conditioning  
19 HVAC problems this summer, and we're trying to get  
20 out ahead of them, changing library hours to make  
21 sure that the branches with weakest HVAC systems are  
22 open earlier in the morning, but close earlier in the  
23 afternoon. So that they're not open during the  
24 hottest part of the day. They're work rules that--  
25 that protect not only the patrons--the workers, but

1 the patrons from being in the library when the  
2 conditions reach a certain level. And we know that  
3 this summer despite our planning, that we will be  
4 dealing with emergencies. But, you know, like  
5 anything, you learn how to cope, and we've gotten  
6 fairly adroit at figuring out how to address  
7 emergencies like leaky roofs. And--and when it gets  
8 to the point where you've got to close a library, we  
9 are able to be fairly nimble.

11 BRIDGET QUINN-CAREY: I mean the  
12 challenge with fixing the emergencies is that it  
13 takes funds away from things we would otherwise spend  
14 it on like programs and services and materials and  
15 hours. But when you have to set aside so much to  
16 deal with--with the emergencies that is an  
17 ineffective way. And we've talked about that before,  
18 too, an ineffective way to plan moving forward. So  
19 we have nine HVAC systems that are over 25 years old.  
20 And so our--we have a great team--thank goodness for  
21 them--that keep them running. But that's just  
22 inefficient, and it means that at any time any one of  
23 them could go, which means we don't have service and  
24 it's very costly to repair. We have eight roofs that  
25 are over 20 years old, and some of them are leaking.

1 So, you know, the \$100 million that we're--that we  
2 will be receiving as well as other funds from our  
3 Council Members and the borough president, those will  
4 go to address those. And thankfully, that will help  
5 us to address those needs. But you're right, when--  
6 when a sewer line goes at the Broadway Library, and  
7 it's closed for a week and a half, the funds to pay  
8 for that, you know, that comes out of another pot  
9 that otherwise would go to pay for something out. So  
10 it's inefficient, and it doesn't give us the ability  
11 to really put the resources where they should be  
12 going, which is services and staff for our  
13 communities.

15 TONY MARX: The--so in our Capital  
16 Request into the Ten-Year Capital Plan, while we  
17 asked over ten years for roughly \$200 million to be  
18 able to do complete renovations of the ten branches  
19 most in need in the neediest neighborhoods consistent  
20 with the Mayor's priorities and--and what we  
21 understand to be those priorities going forward,  
22 we've also asked for \$300 million over ten years. So  
23 \$30 million. It's consistent with what we've gotten  
24 in the past to be able to do the critical maintenance  
25 that you've heard described. The simple fact is if



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1 we can't plan to be able to do that, the cost to the  
2 taxpayers go up both in terms of closed facilities, a  
3 loss of access, but also the physical costs of  
4 repair. Because any of us who--who've done this in  
5 our own homes know that if you don't do it, if you  
6 don't say on top of it, it just gets worse and more  
7 expensive. And then you end up needing to do much  
8 more work. We want to get to a much more rational  
9 place, and we're so excited that we seem to be moving  
10 in that direction with you and the Mayor's  
11 leadership.  
12

13 CHAIRPERSON CONSTANTINIDES: Thank you  
14 for that. I definitely agree when it comes to  
15 preventative care. If it was a person the most  
16 costly place is to wait until you're very sick in  
17 order to get treated. Here, you know, we have an  
18 opportunity to--we've already passed that actually  
19 [laughs]. It's time to take care of things and get  
20 us to a place where we can take care of the libraries  
21 as needed instead of having to constantly patch up  
22 and lose service like you talked about. So thank you  
23 for your attention, and I'll pass it back to our--our  
24 chair.  
25

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5 CHAIRPERSON FERRERAS-COPELAND: Thank  
6 you, Chair. We will now hear from Council Member  
7 King followed by Council Member Rodriguez.

8 COUNCIL MEMBER KING: Thank you, Madam  
9 Chair and Chairs. I'll be real quick and simple.  
10 Thank you, thank you and thank you. To keep it real  
11 simple, our libraries pretty much are just learning  
12 havens for all New Yorkers. So I feel like I'm  
13 lobbying myself here today, but in deference [sic] to  
14 everybody and everything on here, I just want to say  
15 to Mayor de Blasio and all of us, just restore, just  
16 restore, just restore.

17 CHAIRPERSON FERRERAS-COPELAND: [off mic]  
18 All right.

19 COUNCIL MEMBER KING: Thank you.

20 TONY MARX: Yeah, well done.

21 CHAIRPERSON FERRERAS-COPELAND: I love it  
22 and you didn't use your five minutes. [laughter]  
23 Council Member Rodriguez followed by Council Member  
24 Levine.

25 [pause]

COUNCIL MEMBER RODRIGUEZ: Look for me--  
first of all, thank you for the work you're doing. I  
had the honor to have your mother as one of my

1 constituents who live in Inwood. And--and, of  
2 course, you have on your team great leaders who have  
3 a vision on how--where to take the library. For me  
4 like one of my concerns is at least coming from a  
5 positive place, I have seen that the library has been  
6 doing important investments when it comes to expand  
7 areas for bilingual books and videos and other. But  
8 what is--how do you--where do you see the need to  
9 continue growing on investing more resources to  
10 expand the area in the library that have to have more  
11 books and more services for the non-English speaking?  
12

13 TONY MARX: Well, thank you, Council  
14 Member, and--and yes it's wonderful. We share  
15 Inwood, and--and our time together at that branch.  
16 So, there's so many ways in which the libraries have  
17 always been for generations the most welcoming place  
18 for the newcomers to this city who become the engine  
19 of growth and of culture in New York. And that has  
20 been true forever in the history of the city. But we  
21 have--we are the leading free providers of English  
22 language instruction outside of the public schools in  
23 CUNY. So for all New Yorkers of all ages we've I  
24 think doubled those numbers at the New York Public in  
25 the last--in the last two years. But we are not

anywhere close to meeting those needs. We've added the Citizenship Corners, again partnering with you and giving more of those services. Helping people get connected so that in any language they can use the--the--what is online. We have--because of funding we have reduced our ability to purchase books by about 600,000 books even though we've been putting some private money in to shore that up, a large percentage of that will be books in languages other than in English. And every neighborhood that you go to, there's a branch that will have a--a huge collection in the languages that are represented in those neighborhoods. And we have great librarians and library staff helping us keep up with that. But without the funding, whether it's staffing, whether it's books, whether it's educational program, English language, citizenship, computer all of those things or helping people find jobs.

COUNCIL MEMBER RODRIGUEZ: Okay.

TONY MARX: Which is also essential for the immigrant community. We want to be your best partner in all of that.

COUNCIL MEMBER RODRIGUEZ: Okay.

TONY MARX: That's what we're aspiring to  
be.

COUNCIL MEMBER RODRIGUEZ: And again,  
like we have seen the improvement. I know that I  
can tell you that as someone who came here in 1983  
when I went to the public library in Inwood at the  
beginning in the '80s, it was only a few books that  
we have in Spanish. Now, we have a completely  
expanded area not only for book borrowers but for  
other service. So we have seen the investments. My  
second area of concern is about bringing more  
robotic, a STEM program for children. And this is  
something that we have shared with you. I have  
shared with ours, too. [sic] We are committed to be  
a partner and invest in there. As someone with two  
daughters, what I've been going with my daughters  
looking for program of robotic. What I have  
experienced is that most places of robotics for  
children is all white male. Even for children in  
many places she's the only--she's the only personal  
color and the only--and the only female. I mean in  
many places where we have robotics for children I  
don't talk about the library. I'm talking about  
programs citywide. We need to approach the investing

1 and exposing our children to robotics. And I think  
2 that the robotics since we have space to grow, and I  
3 know that we're going to be working together to bring  
4 us as much capital as possible that capital  
5 improvement that we make in the library should be  
6 also used to build or expand tech for children.  
7

8 TONY MARX: So again, I couldn't agree  
9 more. I would say STEM or STEAM. So I would add the  
10 arts there, but the--I think it's--two examples of  
11 what we've tried to. One is the coding classes  
12 including for high school kids in neighborhood where  
13 there's no free instruction in coding. We see that  
14 that industry, the tech industry is growing fast--  
15 faster than any other industry. It is, shall we say,  
16 not a diverse industry, and they are looking for more  
17 folks who have those skills, and we want to help  
18 provide it to them. In terms of robotics, et cetera,  
19 we've created amongst our after school programs  
20 innovation labs working with middle-school kids  
21 whether it's coding computers or building robots or  
22 whatever their passion is. Because you want to get a  
23 kid where their passions are. The fact that middle-  
24 school kids are coming voluntarily, middle-school  
25 kids coming voluntarily to the library multiple times

a week regularly to learn robotics, that speaks  
volumes in terms of that, you know, that they're  
eager for those opportunities. And we know that in  
so many neighborhoods in New York they simply are not  
readily available. Inwood is only one of those, and  
we need to--we need to get at that, and I'm  
particularly sympathetic to the concern, Mr. Council  
Member, because as we speak my daughter is presenting  
in her physics--her physics expo at the end of her  
school year. So, I'm very much thinking about that.

COUNCIL MEMBER RODRIGUEZ: Thank you, and  
you always will have our support.

CHAIRPERSON FERRERAS-COPELAND: Thank  
you, Council Member Rodriguez. Council Member Levine  
followed by Council Member Lander.

COUNCIL MEMBER LEVINE: Thank you, Madam  
Chair and Chair Constantinides. Great to see you  
all. Very compelling presentations. I'm proud to  
have four NYPL branches in my district. They're all  
heavily used, and they're an incredible asset to  
their neighborhoods. One of them is the Hamilton  
Grange--grant--branch on 145th Street where I  
understand the boiler has blown out. It's going to  
require a million dollars to replace. This I presume

1 is the kind of capital problem that occurs when we  
2 don't have--and you don't have the money to provide  
3 regular upkeep. I don't think it was that specific  
4 case. You don't have to address that, but is this  
5 what you were referring to? It's really kind of a  
6 penny wise/pound foolish approach where we don't give  
7 you money for upkeep, and then you have to get big  
8 money on the back end for capital?

10 TONY MARX: That would be it, sir.

11 COUNCIL MEMBER LEVINE: Very concise.

12 CHAIRPERSON FERRERAS-COPELAND: [off mic]

13 Thank you.

14 COUNCIL MEMBER LEVINE: The dilemma that  
15 we're faced--

16 TONY MARX: [interposing] I see the Chair  
17 watching me. [laughs]

18 COUNCIL MEMBER LEVINE: The dilemma that  
19 we're faced with now is that they've--they've turned  
20 to me for funding out of discretionary capital, which  
21 I very much want to do. But, you know, in the Parks  
22 Department, which similarly relies on council members  
23 to provide a lot of discretionary for innovations and  
24 parks. The department itself has a pot of money for--  
25 -for less sexy projects, fixing a retaining wall,



fixing a bridge--there's really bridges in the parks.

And these are not the kinds of things that really the public even sees, and therefore it's hard for a Council Member to justify investing in them, though they are critical needs. And I might put a boiler in that category as well. So, are you not provided with any central pot of money that can invest in the kind of infrastructure that it's hard to get an elected official to pay attention to?

BRIDGET QUINN-CAREY: There's not been a--the administration has provided capital funds to the libraries over the years. So, you know, we've received \$5 million in--in funding to be able to address capital projects. We've used that, you know, to shore up shortfalls in projects. We've used that, you know, solely for other projects. We've used it for maintenance. So that's been very helpful, but \$5 million across, you know, \$400 million worth of need doesn't go very far. And I should note, too, that the Ten-Year Plan starts with Fiscal Year '17 and Fiscal Year '16, there's no funding right now allocated for those kinds of capital needs for the libraries. So that is something that we need to, you know, think about and address.

LINDA JOHNSON: And just to really make clear the--the conditions that we're talking about, we each--Queens and Brooklyn Public Library have over a million square feet of real estate. We're talking about \$5 million to cover needs over a million square feet of real estate, which, you know, translates to a paltry number when you're talking about it on a per square footage basis.

TONY MARX: The simple answer is we have--with--with--as grateful as we are for council members' discretionary support and the Mayor's support, the libraries are almost I believe unique in never having gotten more than one year of funding at a time. The amounts are too small, as you've just heard from our colleagues, and we can't be--we can't rely on them, and be consistent with them. In our case, while we are so grateful to be in the Ten-Year Capital Plan, and that's a huge move. Again, if there isn't sufficient funds, it won't get us where we need to get. We'll be back scrounging year by year spending twice as much money, taking twice as long because we can't plant, and that does no one any good. If--if we go forward with the current allocation in the Ten-Year Plan, we will focus on

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five years of five branches that we will totally gut  
renovate in the most needy neighborhoods identified  
by the administration and that's essential. But it  
means we won't have anything left for the roughly \$30  
million a year of the kind of maintenance needs that  
we have to get at. Otherwise, again, as Linda said,  
between us, we have, I don't know, four million  
square feet or whatever the number is. It's some  
incredible number. The fact that you turn the page--  
up until this year--you turn the page in the Capital  
Budget and every other agency has multi-year  
commitments, and the library there's no next page is  
wacko. That would be the technical phrase.

[laughter]

COUNCIL MEMBER LEVINE: Just like it's  
hard to get a boiler funded out of council member  
discretionary money, it's going to be hard to get it  
funded out of private contributions I'm sure for the  
same reason. We would hope the admin has that--that  
money. You mentioned the Carnegie obligations. Just  
very quickly, was there an explicit promise at the  
time these buildings were donated to the City [bell]  
that the City itself would maintain the physical  
structures, and are we living up to that obligation?

TONY MARX: We'll be happy to send you the contract, Council Member. The--we don't want to be too legalistic here, but yes, Andrew Carnegie's gift to the library systems of New York, which was and remains the largest philanthropic gift in the history of philanthropy in today's dollars. It helped to create the branch systems based on an explicit deal, which is he would pay to build the branches out of his generosity. And the city would ensure in that contract sufficient operating funds and upkeep funds. And let us just say that the contract makes clear about the hours in which it was expected it would be open, and we are nowhere near close to that historic obligation. Again, I don't want to make--turn this into a legalistic conversation, but that is the history.

CHAIRPERSON FERRERAS-COPELAND: Thank you.

COUNCIL MEMBER LEVINE: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Council Member Lander followed by Council Member Koo.

COUNCIL MEMBER LANDER: Thanks very much to all three chairs. It takes, you know, three chairs to move forward the library--the Council's

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strong support. And it's great to be a--a real  
member of the chorus and to see all that folks have  
done across the city to build up this Invest in  
Libraries Campaign this year. And it's been fun to  
see on the ground when we did Bike to Branches and I  
got to all seven of the libraries that are near my  
district. The library awards with those magnificent  
videos, and I think if people haven't had a chance to  
see them I dare you to watch them without crying, and  
then committing to invest in the libraries. And you  
really get a sense of just how diverse they are in  
the way you just--you kind of--it's--it's tremendous  
in New York City and how it learns together and grows  
together, and finds itself together. And, I'm  
pleased also in my district participatory budgeting.  
There were three branches that either hosted poll  
sites or meetings, and that this is the fourth year.  
And in every one of those years, my constituents have  
voted to provide some additional capital to library  
projects this year included. And so, I very much  
join the chorus for the additional \$65 million.  
We've got to get to six-day service. In my district  
at the Pacific Street branch still only five days a  
week. It's closed Mondays. Only one evening a week.

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I want to ask just a couple of questions about capital to make sure I understand what we need to do this year. So just to get clear for the \$1.4 billion in total, that's all new needs. Some of the money in our Capital Budget is roll of past projects, but we need \$1.4 billion in new money, the \$300 million the Mayor is putting in, is \$300 million of that \$1.4 billion. But that leaves us \$1.1 billion more that we need to find over the--\$1.1 billion more we need to find in the coming ten years. Do I have that right?

LINDA JOHNSON: That's correct.

COUNCIL MEMBER LANDER: Okay. Now in the traditional years in the past, the ad that the Council and the administration have done has generally done at budget adoption time about \$30 million. Last year I think Brooklyn fought extra hard and got an extra five. So the total up was \$35 million between the Council-- Yes, we're taking some pride in that. But we added \$35 million between the Council and the Administration at budget adoption last year. Do I have that right?

LINDA JOHNSON: Yes.

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5 COUNCIL MEMBER LANDER: All right. So I  
6 think my mat is good here because if you take \$1.1  
7 billion and divide it by \$35 million, I'm pretty sure  
8 you'll get that it would take us 30 years to get to  
9 the \$1.1 billion that we need except that we have all  
10 those needs today.

11 LINDA JOHNSON: And they get more  
12 expensive with every passing day so it's--

13 COUNCIL MEMBER LANDER: Okay. So we have  
14 to do a lot better this year than just adding \$30 or  
15 \$35 million between the Council and the  
16 Administration to the budget at adoption. You know,  
17 I don't know whether that means we can try to double  
18 that number to \$60 or \$70 million. We're not going  
19 to come up with \$1.1 billion probably this year.  
20 We've got to do it over ten, but one of the things I  
21 really hope we can focus on because this has been  
22 helpful for me understand what a task we have. Is  
23 that adding \$30 or \$35 million on the capital side at  
24 adoption, the historic pattern between the Council  
25 and the Administration leaves us far, far short of  
where we need to be to get the cap--the current  
immediate urgent capital needs of the library system?

LINDA JOHNSON: Yes.

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5 COUNCIL MEMBER LANDER: Okay. I think  
6 we're clear and we have our work cut out for us. So  
7 thank you very much.

8 CHAIRPERSON FERRERAS-COPELAND: Great.

9 Council Member Koo followed by Council Member  
10 Crowley.

11 COUNCIL MEMBER KOO: Thank you all the  
12 Chairs and thank you for the--Administration--from  
13 the libraries to come in to testify. Before I ask  
14 questions, I want to give my thoughts on the library.  
15 I think the library is really important in our city,  
16 and having a good library system is the best  
17 investment. And alleviating our society's use and  
18 deficiencies. Why? Because the present  
19 administration talk about we have so many gaps.  
20 Poverty gaps, education gaps, even social gaps. You  
21 know, all these gaps are related to knowledge. So if  
22 you give citizens at least the access to knowledge,  
23 we empower them, you know, so they can move up the  
24 ladder more easily. So that's why we always have to  
25 support the library system especially in the under-  
served areas and in poor neighborhoods. And also,  
having a robust library will help the local economy,  
too, because people at division library they will go



buy an ice cream or go shop at McDonald's right?

Have a snack. So the local economy, the local  
merchants love a robust library. The more people go

to the library, the better, and being a council

member from Queens representing Flushing, I am

honored I am honored and privileged to work with one  
of the most busy libraries in the whole country. So

what happens with all those good works? I have to

criticize something. So especially in my area and I

think it happens in other library systems, too. You

know, I think we have to improve the infrastructure

especially the bathrooms. If a health inspector go

to a library--go to a restaurant and find such

deficiencies, they will close the restaurant. But in

the library, we have no inspectors, right. So

division itself is very important because as the

population is getting older they use bathrooms more.

And then because it's so congested, so many people in

the library, when they--when they first designed the

bathrooms, they didn't think of that many people

would come to the library. And so there's not enough

space. So then--so having a decent clean bathroom is

more than critical. In your homes, in our homes and

also in the libraries. Because now this is expect

really easy. With all these fumes coming. In Korea they have these rows [sic] and luckily we don't it here. So we have to make cleanliness the first priority in our library system. So my question is how often do we--or do we have enough personnel to clean the libraries, to maintain the libraries clean with like bleach solutions to clean the tables, things like that?

BRIDGET QUINN-CAREY: Thank you, council member, for your support of the libraries, and also a very good question. I mean that gets to the heart of the service that we provide everyday. Having clean operational bathrooms is an important thing in a public library, and as you pointed out, in one of or several of the busiest libraries that are in your districts, they certainly do see a lot of use. One of the things we've been able to do thanks to the restoration that came in the Operational Budget this year was get away from having contract cleaning. We were able to end those contracts and hire custodians so we have them on staff, and we were able to add those positions back into community libraries. That really does help our ability to make sure through that throughout the day, we are keeping up with those

1 maintenance and custodial needs as far as the day to  
2 day cleaning. But, when you have literally thousands  
3 of people coming through your doors everyday, it is a  
4 huge challenges. So, yes, we could use more. We  
5 could use more custodians. We could use more  
6 maintainers to help us keep our facilities in a state  
7 of good repair. And we also need to think about  
8 investing our capital dollars to expand them. In  
9 some of our oldest facilities there may only be one,  
10 you know, one bathroom, and that's not enough for the  
11 children and families that need to use them. As well  
12 as having them be accessible for anybody that might  
13 have mobility issues or other challenges. So it's,  
14 you, know, it's a multi-faceted issue, but it is one  
15 that is certainly on our radar. And that we hope  
16 with restored funding we can do an even better job of  
17 making sure that the facilities we offer for people  
18 are clean, well lit and well maintained.

20 COUNCIL MEMBER KOO: Okay. So my second  
21 question is--this applies to all the other bodies  
22 here. Do we have Wi-Fi with all the libraries now,  
23 or just some libraries. All?

24 LINDA JOHNSON: [off mic] Yes.  
25

COUNCIL MEMBER KOO: That is good. Thank  
you and one more last questions. What are the  
critical maintenance that you can--or at least what  
are the critical maintenance needs at the branches,  
and how much funding is needed to address these  
needs?

BRIDGET QUINN-CAREY: Critical  
maintenance in our infrastructure for Queens it is,  
you know, we've got priority one infrastructure needs  
for primarily HVAC and roofs. Although in some  
places masonry is also an issue. But we're looking  
at just for our priority lists, and those are roofs  
that, you know, are over 20 years old or our HVAC  
systems that are--in some cases we have one that's  
50--over 50 years old. The--the maintenance needs we  
have on that is if you put priority 1 and 2 together,  
it's over \$20 million just in those kinds of  
projects. And as Linda stated, they get more  
expensive every year. It can cost almost a million  
dollars to an HVAC system based on, you know, how big  
that--that system is or how the library is. So it  
is--it's a costly proposal. And unfortunately, the  
deferred maintenance has made it a real funding  
crisis.

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5 CHAIRPERSON FERRERAS-COPELAND: Thank you  
6 Council Member Koo. Council Member Crowley. We've  
7 been joined by Council Member Rosenthal.

8 COUNCIL MEMBER CROWLEY: Thank you to all  
9 our Chairs. Good morning. I have a few questions.  
10 First, I want to follow up on the question the  
11 question that Council Member Koo asked. I'm happy to  
12 hear from what I understand Queens Library is no  
13 longer contracting out as it relates to maintenance  
14 workers, and that's 100% accurate, correct?

15 BRIDGET QUINN-CAREY: Custodials. For  
16 custodians, yes,

17 COUNCIL MEMBER CROWLEY: Okay.

18 BRIDGET QUINN-CAREY: Our last contracts  
19 ended the end of this month. So that as--because we  
20 already had our contracts in place through June 30th.  
21 So at the end of this month, we will no--we are not  
22 renewing those. So we will not have any more  
23 contracted workers.

24 COUNCIL MEMBER CROWLEY: And the  
25 employees that will be working directly for Queens  
Library--

BRIDGET QUINN-CAREY: [interposing] Uh-  
huh.

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5 COUNCIL MEMBER CROWLEY: --and this is a  
6 question for all our libraries. I would like to know  
7 if they are being paid prevailing wages, those that  
8 are cleaning and maintaining the cleanliness of the  
9 libraries?

10 BRIDGET QUINN-CAREY: They're union  
11 employees. So they are part of our--they are part of  
12 DC 37 and for us it's our Local 1321. They're part  
13 of our general workforce.

14 LINDA JOHNSON: The same for Brooklyn.

15 TONY MARX: All of ours are as well.

16 COUNCIL MEMBER CROWLEY: Okay, because  
17 there's also a 32BJ, which is a different union,  
18 which has different wages. And the city passed the  
19 Prevailing Wage Law two years ago that may--may not  
20 be--the libraries may not be aware of. But it pretty  
21 much says that the wages have to be X amount for  
22 certain positions. And so it may even be more than  
23 what you're paying for. So I do--I think we'll  
24 circle back and I'll just forward over those  
25 particular wages. Because there was a lawsuit about  
that particular law brought on by the previous mayor.  
But it was all settled in December. So I'm curious  
to know as it relates to the capital needs is \$400

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million for all three branches or just one? That's  
just Queens. And this year the Mayor is planning to  
give \$10 million as opposed to the previous fiscal  
year. No? That's not a guarantee?

BRIDGET QUINN-CAREY: There's no  
allocation currently in the budget for Fiscal Year  
'16 for capital at all.

COUNCIL MEMBER CROWLEY: Has that--  
because I, you know, remember hearing that somewhere  
that that was going to go up. But there's been no  
discussion from the Mayor's Office about increasing  
that number?

BRIDGET QUINN-CAREY: No.

COUNCIL MEMBER CROWLEY: No?

BRIDGET QUINN-CAREY: Not that I know of.

COUNCIL MEMBER CROWLEY: And now earlier,  
I heard the Manhattan Library, which I know  
represents the Bronx and Staten Island as well. Did  
you mention that you raised about \$70 or \$80 million  
outside of city funds in financial assistance for  
capital programs.

TONY MARX: So again, the New York Public  
Library is in a particular position. It's an  
endowment. So we get a return on endowment and we

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2 raise the kind of significant private donations  
3 annually, and in return, we in effect operate--pay to  
4 operate the research libraries for all five boroughs  
5 as well as for any body from anywhere in the world.  
6 So the--the main building is the Schwarzman Building  
7 but also the Library for Performing Arts. The  
8 Schaumburg in Harlem and the Science Industry and  
9 Business Library on 34th Street.

10 COUNCIL MEMBER CROWLEY: But you have  
11 your philanthropic endowment as well as private  
12 fundraising. It brings you to a budget of  
13 approximately \$80 million?

14 TONY MARX: Our total operating funds--  
15 our operating budget is about \$300 million a year.  
16 Roughly half of that comes from the City. That's why  
17 I say it's the perfect public-private partnership.

18 COUNCIL MEMBER CROWLEY: Sure.

19 TONY MARX: That's a great thing. It's  
20 not an easy thing, but it is only possible to raise  
21 that kind of private money and continue this  
22 partnership with the donors see that the City is  
23 doing its part. And--and in a sense it goes up  
24 together, but it can go down together as well.

25



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5 COUNCIL MEMBER CROWLEY: Yeah, how does  
6 that relate to your Capital Budget? Your Operating  
7 Budget is--

8 TONY MARX: [interposing] The Capital  
9 Budget is almost entirely--comes from public funds,  
10 though we are happy to find some private partnership,  
11 especially where it means we can then work with OMB  
12 and get the job done faster and for less money, which  
13 we're eager to do. But it will never be more than a  
14 small portion of--of the actually costs of the  
15 capital improvements needed. It's simply not  
16 possible--

17 COUNCIL MEMBER CROWLEY: [interposing]  
18 But are you lowering your Capital Budget into your  
19 Operating Budget? I'm just trying to get a handle on  
20 it.

21 TONY MARX: [interposing] No, you asked  
22 me the separate--the separate operating.

23 COUNCIL MEMBER CROWLEY: [interposing]  
24 But what is it about--I'm sorry to be pushing, but  
25 it's only 25 seconds. What is that a year that  
you're spending on capital? I'm just trying to  
compare it to the other two branches.

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5 TONY MARX: So, what we've said that we  
6 need is--I think we've been at roughly on average \$45  
7 million a year of capital. But I'll come back and  
8 confirm that to you.

9 COUNCIL MEMBER CROWLEY: Okay, last  
10 question.

11 TONY MARX: [interposing] We also have  
12 more branches than the other two systems.

13 COUNCIL MEMBER CROWLEY: No, no I  
14 understand. I was just trying to figure that. The  
15 last question has to do with the Google program that  
16 Queens Library is doing and technology programs. How  
17 many of your branches are you able to provide that  
18 type of program, and how given your current budget  
19 are you going to be able to maintain that, and how  
20 would you look to expand that to other libraries?

21 BRIDGET QUINN-CAREY: We received 5,000  
22 tablets post-Sandy with the partnership between  
23 Google and the Department of State. And as you know,  
24 we developed a proprietary app that provides the--the  
25 platform that runs those tables. So right now we  
have those in 24 of our libraries, and the plan is  
hopefully that by the end of the year we will have  
those in all of our libraries. So that anybody that

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5 wants a Google Tablet can find it in their own  
6 community library. So we are looking to, you know,  
7 get all of those rolled out. Eventually, we would  
8 love to expand it just because we think the demand is  
9 going to be high for those tablets across the  
10 borough. And we use them for programmatic support,  
11 too, for our Adult Learning Center and our Job and  
12 Business Academy.

13 [pause]

14 CHAIRPERSON FERRERAS-COPELAND: Your mic  
15 is off.

16 TONY MARX: So we spend about \$70, \$75  
17 million a year on capital. Of that maybe \$3 million  
18 comes from private sources. So, when we raise that  
19 kind of money privately, it almost all goes for the  
20 operations particularly of the Research Library, not  
21 for the capital. Which would--that would be  
22 impossible to imagine raising that kind of money  
23 privately for the capital needs that are of city  
24 buildings.

25 CHAIRPERSON FERRERAS-COPELAND: Thank  
26 you. And we've been joined by Council Member Cumbo.  
27 We will now hear from our last council member before

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5 we go onto the Cultural Affairs. Council Member  
6 Rosenthal.

7 COUNCIL MEMBER ROSENTHAL: Thank you,  
8 Chair Ferreras and all the Chairs today, and thank  
9 you so much for coming in. I really appreciate the  
10 hard work you do on behalf of our libraries. I'm  
11 really in the--I'm chair of the Contracts Committee  
12 and I'm interested in understanding how the library  
13 systems work together separately for managing the  
14 capital contracts and making sure that there are  
15 efficiencies. If there's coordination, if it's all  
16 done separately, what controls you have in place. I  
17 don't think you go through MOCS, the city system  
18 right. And, Tony, I was particularly interested in  
19 what you just said that, you know, when there's  
20 private money involved you can work with OMB, and get  
21 the money through faster, and projects can be done  
22 more quickly. My goal would be for all the projects  
23 to get through faster, and more [laughs]  
24 inexpensively. So I'm wondering about those two  
25 things. So, (a) what are your cost controls, quality  
control measures? How do you make sure that there  
aren't smoking rooms being built, to bring up a bad

topic. And secondly, how do we make it all go  
faster?

BRIDGET QUINN-CAREY: The current process  
when we receive City funds that those all of those  
projects go through DDC. So while we are partners  
with, you know, DDC and the construction of those  
facilities, when City capital pays for the entire  
project altogether, it goes through DDC as just, you  
know, pro forma. That's just what happens. If we  
are able to bring other funds to the project, either  
State funds or private funds, and the project is over  
\$1 million, it can be eligible for a pass-through  
project. OBM and DDC, you know, we've been speaking  
with both of those as far as options for that moving  
forward. And would love to have a more robust  
dialogue with both of those agencies and the  
libraries and perhaps the Council about how to make  
that, you know, a more viable option for all of us.  
And what the criteria would be for those moving  
forward because that does enable us to move projects  
forward more quickly. As far as the internal  
controls, we are all about internal controls now.  
Let me tell you. [laughs] One of the things that  
we've been doing over the last year, you know, seven

1 or eight months is to make sure that our Board of  
2 Trustees is aware of all of our capital projects. We  
3 went through an exhaustive project--process where we  
4 listed every capital project that we had and every  
5 single source of funding, with a status update to  
6 make sure the Board was fully aware of where every  
7 penny was being spent. And if they had questions,  
8 you know, to ask those so that our stakeholders,  
9 which is obviously the Council. But also the borough  
10 president and the Administration feel good and know  
11 that the people that are in charge of taking control  
12 of the finances and responsible, have the fiduciary  
13 responsibility at the library are aware of what all  
14 of our capital needs are.

16 COUNCIL MEMBER ROSENTHAL: And when you  
17 did that process, did you find anything? Anything  
18 you found that you said, oops, let's not do that? OR  
19 did you find everything was in order?

20 BRIDGET QUINN-CAREY: Well, any time you  
21 look at a process like that you can, you know,  
22 discuss what options would be. So we certainly did,  
23 and we would go and speak with our council members.  
24 We met went--we met with every council person in our  
25 district to say here's the projects that have been

1 funded. Here is where we think there might be some  
2 opportunities to think differently, and then we  
3 brought that back to the--the board for discussion.  
4 So it is a very collaborative process now between the  
5 board, the Council and the funders as far as what  
6 those priorities are. And where we want to go as far  
7 as requests in the future.

9 COUNCIL MEMBER ROSENTHAL: Yes, someday  
10 it would be really great if--if what you--your  
11 response to that would be is yes our total allocation  
12 was \$88 million. We went through with every council  
13 member. We thought through the projects very hard,  
14 and we came up with \$5 million in savings that we're  
15 now going to put into our HVAC system. But that's  
16 not the nature of the dialogue. It's this is how  
17 much we spent? So, if we can, you know, that's how  
18 much we spent.

19 BRIDGET QUINN-CAREY: Unfortunately, you  
20 know, the--the--the costs are going up now at 6% a  
21 year. So even if we had two years ago an allocation  
22 from a council member for a library--and this is part  
23 of the challenge, too, if you've got a--if you have a  
24 \$6 million project--

COUNCIL MEMBER ROSENTHAL: [interposing]

But wait, this is what happens. I mean when I'm in negotiations for a library in my school system, you know, most recently, it's been dragging on for 12 years of my predecessor, I said no I'm not adding any more money, and they reconfigured the library to make it work. So what I'm asking you is how do you work within your budgets regardless of the cost increase to, of course, provide, you know, a quality structure?

BRIDGET QUINN-CAREY: Oh, absolutely those discussions have been on an ongoing basis with our council members to figure out what the scope is and what we can do, [bell] what the estimate is and what we can actually deliver. Particularly if we're working with EDC to make sure we're all aligned and on the same page of what we can actually build.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much. We thank you to all the three library systems for testifying today. It's been informative, but then again we're preaching to the choir. But it's a great opportunity to get everything in for the record. This helps us negotiate as we move forward. So thank you for coming to testify. We are going to



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5 end this portion of the hearing, and we will resume  
6 with DCLA in five minutes.

7 [pause]

8 [background comments]

9 [gavel]

10 CHAIRPERSON FERRERAS-COPELAND: We will  
11 now resume the City Council's hearing on the Mayor's  
12 Executive Budget for FY2016. The Finance Committee  
13 is joined by the Cultural Affairs Committee Chaired  
14 by Majority Leader Van Bramer. We just heard from  
15 the libraries, and now we hear from Tom Finkelpearl,  
16 the Commissioner of the Department of Cultural  
17 Affairs. In the interest of time, I will forego  
18 making an opening statement. But before we hear  
19 testimony, I will open the mic to my Co-Chair  
20 Majority Leader Van Bramer.

21 CHAIRPERSON VAN BRAMER: Thank you very  
22 much, Madam Chair for your service in the Library  
23 Committee that we just heard from. Commissioner  
24 Finkelpearl, always good to have you here, and our  
25 cultural leaders and members of the creative  
community across New York City who are here. Welcome  
to this very important Executive Budget hearing with  
respect to the Department of Cultural Affairs. As

everybody here well knows, the department's budget is robust, and we are a city that invests in culture and the arts. And, in many ways, as I'm sure the Commissioner outlined, the city has--[sneeze] blessed you. The city has invested significant funding in the arts this past year whether we're talking about the arts and education, and our initiatives at the City Council, CASA, the Cultural immigrant initiative, Coalition for the Arts, [sic] are strong in the City of New York. Having said that, I know that there is a movement afoot to increase funding for the Cultural Institution Group members and for all of the DCLA program organizations as well. I support that effort. I think that the more funding we invest in the arts, the better city that we are. The more vibrant that we are, and the investment that we make in culture. And the arts comes back to our city in such greater proportion with respect to the tax rolls and tourism. But it's really beyond money. It's really about the soul, and it's really about what the arts do for all of us making us better people, challenging us, more thoughtful and more creative. And so you can't really put a price tag on the value of the arts in the City of New York. We

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can only begin to talk about money in terms of  
funding and programs and services. But it's really  
impossible to put a number on the value of what the  
cultural community gives the City of New York. And  
Commissioner Finkelpearl is just beyond his first  
year in this position. I believe he has done a  
terrific job working with all of us, and I look  
forward to hearing from him. And then being able to  
ask some questions, and as Chair Ferreras-Copeland  
mentioned, the public testimony is tomorrow. So I'm  
sure we'll have some folks from the cultural  
community here again tomorrow to speak. But today it  
is the Commissioner's turn, and I will hand it over  
to Commissioner Finkelpearl.

COMMISSIONER FINKELPEARL: Thank you,  
Commissioner. Before you begin, my Counsel Rebecca  
Chasen will swear you in, and then you may begin your  
testimony.

LEGAL COUNSEL: Do you affirm that your  
testimony will be truthful to the best of your  
knowledge, information and belief?

COMMISSIONER FINKELPEARL: I do.

CHAIRPERSON FERRERAS-COPELAND: [off mic]  
Thank you.

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2 COMMISSIONER FINKELPEARL: Good morning,  
3 Chair Ferreras-Copeland, Jimmy Van Bramer, Chair Van  
4 Bramer and members of the Committee on Finance and  
5 Cultural Affairs. I am Tom Finkelpearl, Commissioner  
6 of New York City Department of Cultural Affairs. I  
7 am pleased to present testimony regarding the Mayor's  
8 Fiscal 2016 Executive Budget. I am joined today by a  
9 number of colleagues from the Department of Cultural  
10 Affairs. When the Mayor hired me, the mandate was  
11 clear to ensure that arts and culture for everyone in  
12 New York. Today, I'd like to start by telling you  
13 about some of our new initiatives and provide updates  
14 on programs we are working on to fulfill this  
15 mandate. As you know, in addition to sustaining the  
16 largest local arts funding agency in America, we  
17 continue to work to increase the opportunities for  
18 all New Yorkers to participate in the transformative  
19 power of arts and culture. For instance, across the  
20 city, there are small community based arts and  
21 culture groups that have amazing program ideas, but  
22 often struggle with the challenges of institutional  
23 stability and growth. These groups serve as anchors  
24 in lower income communities. So helping them to  
25 thrive is a top priority. In the past, I have

mentioned our capacity building initiative, the  
Community Arts Development Program, which has been  
funded by Federal Department of Housing and Urban  
Development since 2009. In this budget process, my  
staff highlighted the good work this part of our  
agency has been doing, and worked hard get additional  
funding in our 2015 budget. We are excited to now  
extend the program's reach into more neighborhoods  
across the city. With new funding in the Executive  
Budget compared to the existing program, we will  
roughly triple the resources available to provide  
capacity building to community based cultural  
organizations.

IDNYC is a hit, and I'm happy to report  
that as of April 30th, over 8,000 memberships of CIG  
members have been redeemed by card holders. And  
indications are that the rate of uptake is increasing  
are more people receives their cards and the weather  
[sic]improves. Just last week under the headline, *ID  
Cards Lift Immigrants and the Arts*, the *Wall Street  
Journal* ran a report on the ways that the card is  
helping institutions reach new members and  
encouraging New Yorkers to engage in civic--in our  
city's cultural assets. We've heard stories of

immigrant families taking their kids to zoos for the first time, and the young New Yorkers getting multiple memberships so they can visit museums and see a play while keeping their costs low.

In January, the agency announced a major initiative to promote diversity among staff, sports, and audiences of the City's cultural organizations. The first step a comprehensive survey of our grant recipients will be undertaken this summer, which results expected later in the year. Last months this--last month this initiative was the talk of Florence, Italy as it was the centerpiece at First Lady Chirlane McCray keynote remarks at a conference there.

Later this week, I will have the honor of delivering a keynote on the topic of diversity along with NEA Chairman Jane Chu in Chicago at the Americans for the Arts National Convention. This issue has been discussed for years, and now it is time for action. The response from our partners has been overwhelmingly positive with groups from Carnegie Hall to the Ford Foundation and the Mellon Foundation pledging their support and placing New York at the forefront of this national debate.

I was delighted to join many of you on two separate occasions for bill signings that will help the agency build its work of expanding access to the arts and culture. The Mayor signed legislation sponsored by Council Member Van Bramer and Levin that requires the agency to create a comprehensive cultural plan for the City of New York. The plan will help us unify our initiatives aimed at lifting up all New Yorkers through the arts and culture. As the Mayor put it, we will seek a robust feedback--robust feedback from the residents. We see this as a major opportunity to engage a broad constituency on the work my agency does, and we look forward to working with you on its development.

The second bill signing was for legislation sponsored by Council Members Van Bramer and Cumbo that mandates greater public input into the review process Percent for the Art Commissions. The bill requires DCLA to post notices on its website and hold meetings on the proposed projects in the affected district early in the process. As you may know, I was a Director of the Percent for Art Program early in--in the early '90s, and I saw first hand how early and substantial engagement with the public can

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transform a commission into something more meaningful  
and powerful for both the artists and for the  
community. Thank you for helping bring these two  
important pieces of legislation to fruition.

Turnaround Arts is a program initiated by the  
President's Committee on the Arts and Humanities  
Chaired by Michelle Obama. The idea is that intense  
immersion in the arts can turn low-performing skills.

We announce last week that the program is coming to  
New York in particular four schools in Flatbush,  
Crown Heights and Brownsville, Brooklyn. Aside from  
professional development and new arts programming,  
each school is partnered with a well know artist.

Our list: Paula Abdul, Marc Anthony, Misty Copeland  
and Edward Norton, each of whom will work with the  
students, schools and communities to promote the  
program schools and highlight their school's success.

If you follow Paula Abdul on Twitter, and I know you  
do, you may--she has eight million or seven million  
followers--you may have seen her surrounded by  
excited students and staff P.S. 165 in Brownsville on  
her first visit last week. We are very proud to  
start working with Turnaround Arts to support the



Administration's commitment to providing a quality  
arts education for all public school students.

Earlier this year, the Mayor announced  
our plan to build 1,500 affordable housing units and  
500 affordable work space--work spaces for artists.

We need to keep New York City as a place that artists  
can live and work. The arts are at the center of so  
many things that make our city such an extraordinary  
place. This is a critical part of our wider efforts  
to help New Yorkers of all backgrounds to make home  
here. HPD is on track to issue an RFP for  
affordable housing project with an arts component by  
the end of the year. And we have started to identify  
a number of sites for affordable work space. As I've  
said before, increasing the transparency in public  
engagement to the agency is one of my top priorities.

One of the ways we're doing this is to offer insight  
into our programs on our relatively new social media  
channels. You can follow us on Twitter at

nyccultureinstagram@nycculturalaffairs. Facebook  
where you can search for New York City Department of  
Cultural Affairs and our Percent For, Tumblr blog  
that showcases permanent public art around the city.

Please like, share, follow and whatever else you can

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do to help us connect your constituents to everything  
our arts and cultural community has to offer.

Taken together, these programs represent  
our new efforts to work with our constituents--with your  
constituents to provide access to cultural resources  
across the five boroughs. Whether it's IDC, IDNYC  
cultural benefits, expanding our support for  
community based cultural organizations or promoting  
diversity in cultural organizations, we are committed  
to investing in all of our communities, whether  
you're at Lincoln or P.S. 284 in Brownsville, art and  
culture are for everyone.

By now, you are probably familiar with the  
programs my agency manages. My staff makes it a  
priority to keep you up to date on information  
important to your constituents. Here are updates on  
a few of these programs. The Cultural Development  
Fund provides grants to around 900 non-profits each  
year for publicly accessible arts programming that  
reflects the incredible diversity of our city. The last  
of the 19 panels convened for Fiscal 2016 grants will  
conclude later this week. And we appreciate the  
Council's contribution to this process. The public  
program for this year's SPARC, Seniors Partnering

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with Artists Citywide are underway. If you'd like to  
know of any events happening in your district, my  
staff would be happy to follow with you. I would be  
happy to provide information on other wonderful  
programs that we manage including Materials for the  
Arts, Percent for Art and the Community Arts  
Development Program, Affordable Artist Housing and  
Work Space and Social Impact to the Arts project  
during my question and answer.

Now, I will review the Mayor's Executive  
Budget Proposal for the Department of Cultural  
Affairs. For Fiscal 2016, Mayor de Blasio's  
Executive Budget allocates \$150 million for cultural  
affairs. This includes \$109.6 million for the  
Cultural Institutions Group; \$28.5 million for the  
Cultural Development Fund; \$5.1 million for the  
Cultural After School Adventures Program; and Funding  
for Agency Operations and other programs. As I said  
at the Preliminary Budget hearing, these figures are  
consistent with Fiscal 2015 Adopted Budget excluding  
any one-time initiatives or discretionary funding  
that may have been added at adoption. The revised  
Fiscal 2015 with one-time adds currently stands at  
\$158.3 million.

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We continue to work with you and your  
colleagues in the City Council on the borough  
presidents--and the borough presidents to provide and  
manage capital allocations for cultural organizations  
across the city. DCLA's current Four-Year Capital  
Plan includes \$735 million for \$418 projects at 218  
different cultural organizations. This substantial  
investment allows us to keep non-profits--help non-  
profits improve accessibility, reduce energy  
consumption, expand programming space, purchase  
equipment and provider New Yorkers from every  
neighborhood with world class cultural institutions.  
I'm always pleased to join you and your colleagues  
for the groundbreakings and the ribbon cuttings such  
as when I joined Chair Van Bramer and Council Member  
Chin for the unique ceremony that saw the South  
Street Seaport Museum's Wave tree ship towed away by  
tug boats at Staten Island's dry dock. Or, when we  
saw First Lady Michelle Obama at the Whitney opening  
speak so movingly about our obligation to open the  
doors of cultural institutions to groups who have  
felt excluded. Other upcoming highlights include the  
Brooklyn Cultural District's South Site where we have  
selected four organizations including Alacada [sic]

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5 as was recently announced to create vibrant new  
6 cultural facilities in the base of a residential  
7 development. The reconstruction of the Bronx River  
8 Art Center, creating administrative space for Louis  
9 Armstrong House in Queens, and renovating the Snug  
10 Harbor Music Hall in Staten Island. In closing, I'd  
11 like to thank Chairs Ferreras-Copeland and Van Bramer  
12 for their leadership, community members and all our  
13 colleagues in the City Council for your continued  
14 support. I'd be happy to answer any questions.

15 CHAIRPERSON FERRERAS-COPELAND: Thank  
16 you, Commissioner Finkelpearl. We've been joined by  
17 Council Members Cumbo, Crowley, Levin and King. I  
18 have a few questions. One of them is about capacity  
19 building.

20 COMMISSIONER FINKELPEARL: Yes.

21 CHAIRPERSON FERRERAS-COPELAND: The  
22 Executive Plan includes \$300,000 in Fiscal 2016, and  
23 2017 for capacity building grants and \$120,000 in  
24 Fiscal 2016 for capacity building workshops. This is  
25 part of your new initiative to supports arts and  
other cultural organizations to help them integrate  
in different neighborhoods and bring culture. Can  
you explain in more detail how you see this kind of

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5 building that sustainability that we need in our--in  
6 our city.

7 COMMISSIONER FINKELPEARL: Yes, so I've  
8 witnessed the workshops, community arts development  
9 workshops, and when you have organizations all over  
10 the city, and what we want to do is to get them up  
11 the ladder [coughs] in our funding. So in other  
12 words that they are getting maybe just a little bit  
13 of money from the Borough Arts Council, maybe we can  
14 move it up to the more substantial grants that they  
15 can build their boards. They can build their  
16 financial reporting capacity, the fundraising  
17 capacity, their publicity. The ways that cultural  
18 organizations grow is, you know, sort of both passion  
19 and great programming. But also the sort of  
20 bureaucratic side that you have to have a solid  
21 background--backbone with the organization. And  
22 that's something that I think needs to be targeted,  
23 that we need to find those small organizations that  
24 need to be brought. There are a certain kind of--we  
25 were doing all this federal money, and there were  
certain restrictions on how we could spend the money  
and where we could spend it. So to have some city

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money in the budget makes it more flexible, and  
allows us to triple what we've been doing.

CHAIRPERSON FERRERAS-COPELAND: Thank  
you. Can you just walk me through how organizations  
in neighborhoods were selected. And is there a target  
for a number of organizations in neighborhoods that  
will ultimately be reached?

COMMISSIONER FINKELPEARL: So again with  
the--so, you know, for example, the El Sistema based--  
the Corona Youth Orchestra is a good example of  
that. That they were chosen with--through this very  
strict federal criteria that had to do with who  
they're serving. It had to be very low-income  
communities. We're still looking to low-income  
communities, but we will have an open call. It will  
be an RFP, if I am correct. Yes. [laughs] The  
people who actually run the program are sitting right  
over here. So we'll have an RFP for those  
organizations again targeting the target communities,  
low-income communities, capacity building for those  
organizations.

CHAIRPERSON FERRERAS-COPELAND: So, I--

COMMISSIONER FINKELPEARL: [interposing]  
So it will be an RFP process.

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5 CHAIRPERSON FERRERAS-COPELAND: --I just  
6 want to--just to say this for the record, and I know  
7 that your intention would never be this. But we're  
8 going through a baseline RFP here in the Council with  
9 some other providers where they RFP doesn't  
10 necessarily speak to the needs that were being  
11 addressed or organizations that have historically  
12 provided us service if someone else comes in because  
13 they were awarded the RFP because they won by a  
14 couple of points. And I understand that there's a  
15 procurement process, that it's becoming a challenge  
16 for us. So I would just urge you to really figure  
17 out how you can have this RFP be able to include  
18 those people. Because what we have found is  
19 sometimes with the RFP process it becomes excludes--  
20 it excludes the people that we are originally  
21 intending to serve.

22 COMMISSIONER FINKELPEARL: I [coughs] am  
23 aware of what you're talking about, and I understand.  
24 In this particular case, you only do it once. So  
25 it's not like we have existing venders where with the  
Corona Youth Orchestra, for example, they're not  
going to do it year after year after year. They're  
going to do the capacity. Then we go onto the next



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5 group. So I don't think we're going to be excluding  
6 the kind of groups you're talking about, which have  
7 traditionally had contracts, that lose the because of  
8 the RFP.

9 CHAIRPERSON FERRERAS-COPELAND: However,  
10 groups that may be already providing services that  
11 apply do you foresee there being challenges? For  
12 example if an organization has been providing this  
13 informal service culturally. Now, there is now  
14 another organization that may apply for the same  
15 area. Do you see an where this other organization  
16 that might not necessarily be providing services  
17 there, example Corona, would come in and with a great  
18 plan they are, you know, were cleared with the RFP  
19 that says you can do capacity building in this  
20 neighborhood. That is what we're trying to avoid.

21 COMMISSIONER FINKELPEARL: Yeah, I get.  
22 So maybe we should talk further about this and we can  
23 consider that possibility. I hear you. Definitely.

24 CHAIRPERSON FERRERAS-COPELAND: Because  
25 it's what we see--

COMMISSIONER FINKELPEARL: [interposing]  
Uh-huh.

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5 CHAIRPERSON FERRERAS-COPELAND: --in  
6 other--with other agencies. Everybody is great, but,  
7 you know, there is--there is something to be said  
8 about counting when people have been there before the  
9 money comes in or before the opportunities come in.

10 COMMISSIONER FINKELPEARL: Yeah.

11 CHAIRPERSON FERRERAS-COPELAND: So, I  
12 wanted to talk about the Cultural Development fund.

13 COMMISSIONER FINKELPEARL: Uh-huh.

14 CHAIRPERSON FERRERAS-COPELAND: The  
15 Cultural Development Fund is an annual grant making  
16 process for the New York City's non-profit  
17 organizations. Through the CDF process, the DCLA  
18 awards grants to programs offered by large and  
19 neighborhood based cultural institutions after  
20 applications are received. How many applications  
21 were submitted for Fiscal 2015, and what percentage  
22 of the organizations that applied were funded?

23 COMMISSIONER FINKELPEARL: I think we  
24 could answers the first part of the question but  
25 maybe not--or maybe not. Okay, for 2015. So, Kathy,  
would you? We got 740 applications for '15. Eighty-  
two percent of those were funded.

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5 CHAIRPERSON FERRERAS-COPELAND: Great.  
6 What's the average award size for small or large  
7 organizations?

8 COMMISSIONER FINKELPEARL: Maybe Kathy  
9 should joined. Maybe Kathy my Assistant  
10 Commissioner.

11 CHAIRPERSON FERRERAS-COPELAND: Come on  
12 up. Thanks. If you could just state your name for  
13 the record.

14 ASSISTANT COMMISSIONER HUGHES: Kathleen  
15 Hughes. In the current year, Fiscal '15, the smaller  
16 organizations those with budgets of under \$250,000  
17 had an average award of \$8,700. And organizations  
18 with budgets over \$250,000 had an average of \$41,000  
19 in awards through this process.

20 COMMISSIONER FINKELPEARL: And the total  
21 number of awards, please?

22 ASSISTANT COMMISSIONER HUGHES: The total  
23 number of awards is 880 give or take one or two.

24 CHAIRPERSON FERRERAS-COPELAND: Did you  
25 see any decline between applicants or have you just  
seen an increase between 2014 and 2015?

ASSISTANT COMMISSIONER HUGHES: I don't  
think there was an increase between '14 and '15.

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5 Between '15 and '16, the current year, there was a  
6 slight increase.

7 CHAIRPERSON FERRERAS-COPELAND: A slight  
8 increase?

9 ASSISTANT COMMISSIONER HUGHES: A slight  
10 increase, and some of that is because organizations  
11 don't return annually because of the cycle of the  
12 work they do. And some of that is because the number  
13 of organizations that are in a multi-year grant cycle  
14 changes. So that group might be larger this year and  
15 smaller the next year slightly.

16 CHAIRPERSON FERRERAS-COPELAND: Great.  
17 And Commissioner, do you--I'd like to better  
18 understand. We've had--we've had several debates  
19 about the panel structure.

20 COMMISSIONER FINKELPEARL: Uh-huh.

21 CHAIRPERSON FERRERAS-COPELAND: So how  
22 have you--how do you visualize moving forward? Is  
23 the panel structure something that you'd like to keep  
24 or--

25 COMMISSIONER FINKELPEARL: [interposing]  
26 Yes. I mean so I think the panel structure is good.  
27 What I would like to focus on between this year and  
28 next is to spend more time out and about in the

1 communities spreading the word that this is  
2 available. And so, I have some plans to do that. I  
3 mean I think that we do that already. There are very  
4 robust outreach in every borough, but I think that  
5 just from whatever my experience in your district,  
6 there are groups that still haven't even heard of us.  
7

8 CHAIRPERSON FERRERAS-COPELAND: Right.

9 COMMISSIONER FINKELPEARL: And I want to-  
10 -to spend some more time on that. Again, this is not  
11 criticism. The outreach that's being done is very  
12 robust. Every borough is covered, but I think we  
13 could do more. I don't think that the panel process-  
14 -I think the panel process is very good. I  
15 participated in those panels when I was back at the  
16 museum. And it's a peer panel process, which is  
17 considered sort of the--the way to do it in the  
18 highest level of the National Endowment for the Arts,  
19 et cetera. So I think it's a good process.

20 CHAIRPERSON FERRERAS-COPELAND: Okay. I  
21 know we've had some debate about your panel here in  
22 the Council so perhaps we can engage eventually with  
23 the other part relative to panel. I have two  
24 questions and then I'll give it over to our chair.  
25

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2 The Cultural Institution Retirement System. Are you  
3 familiar with this?

4 COMMISSIONER FINKELPEARL: Yes.

5 CHAIRPERSON FERRERAS-COPELAND: So it  
6 seems that it's about \$7 million short from the  
7 number that it would adequately 20,000 participants,  
8 40% are Cultural. Have you engaged at all with OMB?  
9 What are those conversations with them? I know it's--  
10 --you are one-third of the conversation, but--

11 COMMISSIONER FINKELPEARL: [interposing]  
12 Yeah.

13 CHAIRPERSON FERRERAS-COPELAND: --what do  
14 you--?

15 COMMISSIONER FINKELPEARL: So, so this is  
16 a complicated question. We didn't--we met with the  
17 Union DC37 last week, and this is something that we  
18 have to--to continue to discuss with OMB. I think  
19 that the--how those numbers are understood might be a  
20 little bit different from one side to the other. So  
21 we have to reconcile that. I'm very aware of the  
22 issue, and we did sit down with the Union to talk  
23 about it last week.

24 CHAIRPERSON FERRERAS-COPELAND: And just,  
25 you know, to put it on the record, it's something

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2 that's very important to this Council, and at average  
3 those retirees are making about \$30,000 and it makes  
4 a very big difference to give people peace of mind to  
5 be able to build towards a retirement. And that it's  
6 sustainable and that it will be there when they  
7 retire is probably the most important part of the  
8 conversation.

9 COMMISSIONER FINKELPEARL: We agree and  
10 having a robust, you know, retirement program is one  
11 of the things that [coughs] I think is important to  
12 the employees of the cultural institutions.

13 CHAIRPERSON FERRERAS-COPELAND: Great and  
14 we're going to follow up with OMB and ask the same  
15 questions of Dean Fuleihan. And then we're going to  
16 go back to super local, the Louis Armstrong House.  
17 Ms. Selma Heraldo recently bequeathed her home to the  
18 nearby Louis Armstrong House Museum to support the  
19 institution. Can you describe the scope of work to  
20 convert the residential home into an administrative  
21 support facility, and how do you anticipate the  
22 project will be completed?

23 COMMISSIONER FINKELPEARL: Do we have--

24 ASSISTANT COMMISSIONER BURMEISTER: [off  
25 mic]

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5 COMMISSIONER FINKELPEARL: So this is my  
6 Assistant Commissioner for Capital projects--

7 CHAIRPERSON FERRERAS-COPELAND:  
8 [interposing] I know. Got it. You have to repeat  
9 it.

10 COMMISSIONER FINKELPEARL: Okay.  
11 [coughs] So we're--we're--Maybe Andy should come up.  
12 We're--we're in the beginning of that project. We're  
13 working with the organization to created the scope  
14 for the Capital Budget.

15 ASSISTANT COMMISSIONER BURMEISTER: Andy  
16 Burmeister--

17 COMMISSIONER FINKELPEARL: [interposing]  
18 Andy Burmeister, Assistant Commissioner for Capital  
19 Projects.

20 CHAIRPERSON FERRERAS-COPELAND: Great.

21 ASSISTANT COMMISSIONER BURMEISTER:  
22 Hello.

23 CHAIRPERSON FERRERAS-COPELAND: Hi.

24 ASSISTANT COMMISSIONER BURMEISTER: Yes,  
25 we are fully aware of that project. We are working  
very closely. I have a project manager assigned to  
it working closely with the organization developing



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5 and finalizing the program, which we'll send over to  
6 the Department of Design and Construction.

7 CHAIRPERSON FERRERAS-COPELAND: Okay,  
8 because I know that we have some capital requests,  
9 and the last thing I want to do is to put money on  
10 projects that I'm not moving so--

11 ASSISTANT COMMISSIONER BURMEISTER:  
12 That's one that we are very excited about--

13 CHAIRPERSON FERRERAS-COPELAND:  
14 [interposing] Great.

15 ASSISTANT COMMISSIONER BURMEISTER: --  
16 about getting--getting moving.

17 CHAIRPERSON FERRERAS-COPELAND: Thank  
18 you--

19 ASSISTANT COMMISSIONER BURMEISTER:  
20 [interposing] Okay.

21 CHAIRPERSON FERRERAS-COPELAND: --very  
22 much. And I feel that I have to say the Queens Museum  
23 and the Hall of Science, and I am in trouble because  
24 I am in trouble because I should be mentioning all my  
25 cultural amazing decisions. But now I'll give it to  
my Chair, Chair Van Bramer.

COMMISSIONER FINKELPEARL: Thank you.

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2 CHAIRPERSON VAN BRAMER: Thank you very  
3 much, Madam Chair, and I know Andy and Decelea [sic]  
4 are equally as excited about all of the capital  
5 projects in your pipeline, and ready to move as  
6 wonderful as the Louis Armstrong House project is.  
7 Commissioner, I want to say thank you for your  
8 commitment to diversity and all of the work that you  
9 re doing to engage communities, and will be doing  
10 over the next several years. Along those lines, the  
11 plan that is now the law of the City of New York  
12 will--will commence. And I wanted to ask you for an  
13 update on that. Will you be hiring someone  
14 specifically to take that on? What's the fiscal  
15 impact to the agency, and when will you start and how  
16 excited are you to get going?

17 COMMISSIONER FINKELPEARL: [laughs] Very  
18 excited. So we've been doing research. We met with  
19 the people who did the plan in Denver, the Corona  
20 research last week. So, we're trying to understand,  
21 you know, the best way to do the RFP to fund the  
22 consultant. We will need to work with a consultant  
23 to do that. So our plan in terms of timeline--as you  
24 remember, there's a 24-month window in the law--is to  
25 continue to do the research sort of until January

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5 1st. To begin the--you know, to begin to do that RFP  
6 at that time, and to ask for money, or get money into  
7 the budget next year. And that will be the year in  
8 which we spend a full year doing the plan. So again,  
9 we're actively doing the research. I'm going to  
10 Chicago next week. I'm going to talk to the  
11 Commissioner of Cultural Affairs there about here  
12 plan, Michelle Boone, and meeting her. So it's  
13 actively on our agenda. The, you know, question of  
14 whether it's hiring staff or using the consultant is  
15 all under discussion.

16 CHAIRPERSON VAN BRAMER: Great. We're  
17 looking forward to continuing that discussion with  
18 you. Now as you are probably well aware, the  
19 cultural community is seeking a \$30 million increase  
20 in funding for the arts, \$15 million for our Cultural  
21 Institution group members and \$15 million for our  
22 program groups, and I'm sure you agree with that.  
23 [laughs]

24 COMMISSIONER FINKELPEARL: Is that a  
25 question or a statement?

26 CHAIRPERSON VAN BRAMER: No, the question  
27 because I know you really can't speak to all of that.  
28 The question is actually one that I--I think you can

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2 answer, which is what would \$30 million additional  
3 funding for the arts mean? In your opinion, how  
4 could \$30 million be used, and do you think it would  
5 be beneficial for the City of New York?

6 COMMISSIONER FINKELPEARL: Okay, you  
7 know, as you said, I'm here to present the Mayor's  
8 Executive Budget, which does not include this  
9 additional funding. But I would also like to say  
10 that there is additional funding already in our  
11 budget. And this administration, as you know,  
12 approved out with the Department of Education \$23  
13 million. The money HPD's going to spend to build  
14 that housing is not in our budget, the new money for  
15 the, you know, capacity building. So, I mean I just  
16 say I'd like to look forward to working with you, and  
17 with the stakeholders to understand the proposal  
18 better. And to understand the impact it would have  
19 on the cultural community. I think that there's more  
20 work to be done in the proposal as well from the  
21 field as well our understanding of it to get to the  
22 point of understanding what the impact would be.

23 CHAIRPERSON VAN BRAMER: Fair enough, but  
24 if we agree, which I think we do, that a robust

25

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investment in culture and the arts is good for the  
City of New York?

COMMISSIONER FINKELPEARL: We agree.

CHAIRPERSON VAN BRAMER: And--and so it  
would--it would follow if we invested even more in  
culture and the arts that would be even better for  
the City of New York. And, you know, and I certainly  
respect your position as the Commissioner in  
representing the Mayor here, and I look forward to  
working my colleagues, yourself and all of those here  
to seek an increase in funding for the arts, which I  
believe is a great investment. And I also wanted to  
ask about our--our Percent for Art Bill--

COMMISSIONER FINKELPEARL: [interposing]

Yes.

CHAIRPERSON VAN BRAMER: --and--and the  
work you'll now do in creating even more community  
engagement.

COMMISSIONER FINKELPEARL: Uh-huh. It's  
already happening.

CHAIRPERSON VAN BRAMER: Great. Maybe  
you could tell us about that.

COMMISSIONER FINKELPEARL: So I would  
just say that, you know, my new Percent for Art

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Director Kendal Henry working with her--his Deputy  
Director had his first meeting in which he announced  
to our client agency that these--this announcement is  
happening. So it's been enacted already. In fact, I  
think that was right at the time that the bill hadn't  
even passed, but we knew it was going to pass. So,  
yeah, you know, I--I think community involvement.  
There's already community involvement in these  
Percent for Art projects. We've done 300 projects.  
The impact has been fantastic, and generally quite  
well received. More community involvement is a good  
thing. I'm for it. We agreed on this. I'm really  
happy that the law passed and we're already doing it.

CHAIRPERSON VAN BRAMER: It's been an  
exciting year, Commissioner, where we've passed two  
major pieces of cultural legislation in the last  
couple of months. Always good to see you at those  
bill signings with Mayor de Blasio and, you know,  
working together all of us at the City Council, the  
department, the Administration to make sure that  
culture remains at the forefront of our city's  
agenda. And--and I might add, and you mentioned it  
in your testimony, but the role that our cultural  
organizations have played in IDNYC can't be

1 overstated. It's been an incredible success, one of  
2 the biggest success stories of--of the year for both  
3 the Mayor, the Speaker, the Council and--and a lot of  
4 the folks seated here had an incredible role to play  
5 in that. So I wonder if you could say a little bit  
6 more about that impact, and whether or not there's  
7 any financial impact to the organization and  
8 institutions?  
9

10 COMMISSIONER FINKELPEARL: So, I think  
11 [coughs] the fact is it's still quite early. So if  
12 you look at the--we were tracking it month to month.  
13 We're getting statistics from the institutions. And  
14 institutions who had 40 new members, then had 150 new  
15 members, and then 500 new members. It's going up  
16 quite quickly. And again, as the weather is getting  
17 better so, you know, there's over 8,000 people signed  
18 up. [coughs] Look, what we believe and as--is that  
19 these are new members. So no one is canceling their  
20 membership and joining for free. In fact, if you've  
21 been a member for the last two or three years, you  
22 cannot. But everybody has memberships that they can  
23 get right. So might be a member of the Met but not  
24 of Natural History or Queens Museum or Bronx Museum,  
25 whatever. [coughs] So, I--I believe that it's

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5 giving people access--giving institutions access to  
6 people and people access to institutions. It's  
7 mutually beneficial. Hopefully, in the long run  
8 these people become long-term visitors and long-term  
9 members.

10 CHAIRPERSON VAN BRAMER: It's--I agree  
11 and I just want to say it's been a terrific 12 or 13  
12 months for us working together in this capacity.  
13 Obviously, Chair Ferreras-Copeland and I both know  
14 you from--from a different life, and for a long time.  
15 It's really been tremendous to work with you in this  
16 capacity. So look forward to fighting for additional  
17 resources for the arts with everyone here and  
18 yourself and my colleagues and passing more pieces of  
19 cultural legislation.

20 COMMISSIONER FINKELPEARL: [laughs]  
21 Okay, thank you. It's a pleasure.

22 CHAIRPERSON FERRERAS-COPELAND: Thank  
23 you, and we've been joined by Council Member Levin  
24 and King, and we will now hear from Council Member  
25 Cumbo followed by Council Member King. We usually do  
a first of five minutes and a second round. We--  
members are walking in and out. So we're just going  
to give Council Member Cumbo who very wisely asked



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5 for her second round and second round to be joined.

6 So she wants eight minutes.

7 COMMISSIONER FINKELPEARL: Okay.

8 CHAIRPERSON FERRERAS-COPELAND: So we're  
9 going to give her eight minutes because we think you  
10 deserve to hear from Council Member Cumbo for eight  
11 minutes. You may bring your questions.

12 COUNCIL MEMBER CUMBO: Thank you so much  
13 for that wonderful introduction, Chair, and I also  
14 want to thank Chair Jimmy Van Bramer as well. And I  
15 also want to recognize today that I understand today  
16 is the passing of the torch of Arnold Lehman as CIG  
17 President to Thelma Golden as the new chair, and I'm  
18 so very excited about that. As well as Arnold  
19 Lehman's tireless support. As we all know, he is  
20 retired this year, but still was up here and an  
21 active voice in City Council budget hearings. Wanted  
22 to jump right into my questions. Commissioner, I'm  
23 so glad that you're here. Wanted to follow up on the  
24 questions that Council Member Jimmy Van Bramer asked  
25 just to get a little bit more specific questions that  
I had. So the IDNYC has been a bit hit as was said.  
My question was are the CIGs that were given access  
to participate in this program to give wider access

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2 to the city, are they being compensated in any way in  
3 this first year for their support in launching the  
4 CIG Free Membership Program?

5 COMMISSIONER FINKELPEARL: No.

6 COUNCIL MEMBER CUMBO: Do we have an  
7 understanding at this time what has been the cost  
8 those particular institutions. Because, as you know,  
9 major institutions of that size memberships run  
10 between \$50 to \$100 just for one of the low tier  
11 levels of member. So do we understand what it's  
12 costing those institutions and is there any thought  
13 about providing them support of assistance in  
14 maintaining the IDNYC program moving forward.

15 COMMISSIONER FINKELPEARL: So, I don't  
16 have a number for that, and I think again the impact  
17 of this is going to be something we're going to be  
18 able to see much more clearly in three or four more  
19 months.

20 COUNCIL MEMBER CUMBO: Uh-huh.

21 COMMISSIONER FINKELPEARL: Again, they're  
22 not losing any members.

23 COUNCIL MEMBER CUMBO: Uh-huh.

24 COMMISSIONER FINKELPEARL: They're  
25 gaining new members for which they're not being

1 compensated. So, now we don't have the number for  
2 that. We don't have plans to give additional funding  
3 to the groups for that. But I will say it also, you  
4 know, there's been robust long-term funding of these  
5 groups. As you saw from our testimony \$109 million  
6 of money going to the Cultural Institutions Group.  
7 This is a long-term partnership that started in the  
8 19th Century that has deep roots. And again, the  
9 people of New York city have invested hundreds of  
10 hundreds of billions--actually, billions of dollars  
11 into these institutions. So the people of New York  
12 City are getting the benefit. They get the benefit  
13 everyday of these incredible institutions. So that  
14 was a partnership that, you know, was understood to  
15 be mutually beneficial to the organizations and to  
16 the people of New York City.

18 COUNCIL MEMBER CUMBO: Because my--my  
19 questions really goes into the fact that we are all  
20 celebrating the success of IDNYC, and it's been a  
21 bigger success than anyone anticipated. So I guess  
22 the concern is may of the organizations that so  
23 graciously signed up and said yes, we're on board, at  
24 year end may be feeling like we didn't understand it  
25 was going to be this big. And we both know that the

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5 dynamics of new members in terms of--I understand the  
6 groups maintain their membership at the same level  
7 that are paying as well. So that could mean  
8 everything from a free much, a free T-shirt, a  
9 catalog, site visits. All of these--

10 COMMISSIONER FINKELPEARL: Uh-huh.

11 COUNCIL MEMBER CUMBO: --different sorts  
12 of things. So that is a concern in terms of the  
13 budget to make sure that it--that those organizations  
14 have some level of compensation for the fact that it  
15 does use staff hours, time and resources. But also  
16 that many organizations that are not CIG would also  
17 have the opportunity to participate as well, who are  
18 feeling like they don't want to get lost in all of  
19 the exciting work that's happening with IDNYC.

20 COMMISSIONER FINKELPEARL: Agreed and so  
21 we're trying to figure out what the second year will  
22 look like.

23 COUNCIL MEMBER CUMBO: Uh-huh.

24 COMMISSIONER FINKELPEARL: And we're--we  
25 don't--and that we'll start not in the fiscal year,  
but in the calendar year.

COUNCIL MEMBER CUMBO: Uh-huh.

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COMMISSIONER FINKELPEARL: So that's when  
the--

COUNCIL MEMBER CUMBO: [interposing]  
Okay.

COMMISSIONER FINKELPEARL: --when we'll  
start. [sic] So, we're--we're talking about that.  
We're, you know, thinking about to expand to other  
groups. Is the CIG going to end their benefit after  
one year. All of this is under discussion now, and I  
think in the fall we'll have a better understanding.

COUNCIL MEMBER CUMBO: Can you talk to  
us, although Council Member Van Bramer did mention it  
and did ask this question. And I--I understood the  
energy in which the question was received, but still  
want to go into it. Can you talk to us about how  
your negotiations with OMB are going in terms of the  
\$30 million. Because now is the crunch time, and  
many organizations are very excited about this. And I  
actually feel that this could be a wonderful solution  
to perhaps expanding the IDNYC program to both larger  
as well as smaller institutions. But maybe that's  
just a wonderful idea that I'm just sharing with you.

COMMISSIONER FINKELPEARL: Well, that's  
certainly the first time I've heard that idea, but

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again just to say, you know, I'm hear presenting the  
Mayor's budget, which is a robust budget that  
includes and increases elsewhere throughout city  
government and support for the arts. And I look  
forward to talking and working with you, and other  
council members about that budget proposal going  
forward.

COUNCIL MEMBER CUMBO: Got it the second  
time. Wanted to into the Cultural Development Fund,  
which provides grants to around 900 not-for-profits  
each year. So when I was in that world, I remember  
that that numbers was somewhere in the ballpark of  
everyone would say 700 to 800 groups. This is the  
first year that I've really heard that it's 900  
groups. So that means more arts organizations are  
applying in that particular category.

COMMISSIONER FINKELPEARL: Yes.

COUNCIL MEMBER CUMBO: So what's  
happening there? Is the amount of resources  
increasing to accommodate the fact that more  
organizations are applying? Are grants actually  
diminishing in size because more groups are applying  
or how are we compensating for the fact that more  
groups are applying? Is it just that the grant sizes

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5 have gotten smaller because we haven't kept pace with  
6 the amount of groups that are applying?

7 COMMISSIONER FINKELPEARL: So, the number  
8 you're referring to are the amount of groups that are  
9 funded, not that--not that are applying because the  
10 application is higher than that.

11 COUNCIL MEMBER CUMBO: Do we know how  
12 many apply actually?

13 COMMISSIONER Well, I guess 82%. Kathy  
14 said that 82% of the groups. There's another 20%  
15 that didn't get anything.

16 COUNCIL MEMBER CUMBO: Right.

17 COMMISSIONER FINKELPEARL: So you can add  
18 20% to 900, and it would be 1,200.

19 [background comments]

20 COMMISSIONER FINKELPEARL: 1,100.

21 COUNCIL MEMBER CUMBO: Okay.

22 COMMISSIONER FINKELPEARL: So, again, and  
23 that number has gone up a little bit. The other  
24 thing you have to understand, Council Member Cumbo,  
25 is that the number of grantees on a given year is  
dependent upon a couple of things. One is that there  
are these multi-year grants.

COUNCIL MEMBER CUMBO: Uh-huh, right.

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5 COMMISSIONER FINKELPEARL: So, you could  
6 have people--so we have three-year grants. So lots  
7 of organizations. You could people who have--who  
8 aren't supplying this year not because they're not  
9 good organizations or because they don't deserve  
10 funding, but because they're in the middle of a  
11 cycle. So, I guess we--we could do the analysis and  
12 maybe get back to you--

13 COUNCIL MEMBER CUMBO: [interposing]  
14 Okay.

15 COMMISSIONER FINKELPEARL: --about--to  
16 answer your question very specifically is the average  
17 grant gone down or up or--unless we have that, you  
18 know, we'll have to get back to you. We'll have to  
19 get back to you on that answer.

20 COUNCIL MEMBER CUMBO: I want to push two  
21 questions into this one minute because I took my two  
22 rounds all at the same time. [laughs] So, hold on  
23 Andy King. The Community Art Development program can  
24 you explain more about this program? How are groups  
25 made aware of this program, identified and what type  
of panel review process, if any, is in place to award  
these groups funding? And the second question is in  
January the agency announced the Diversity



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Initiative. How is that reflected in the budget?

And in your testimony you stated now is the time to  
take action. What will that action look like, and  
how will it be supported in the budget? I also want  
to talk about those 1,500 affordable housing units.

COMMISSIONER FINKELPEARL: Okay. So, I  
could answer the diversity question. [laughs].

COUNCIL MEMBER CUMBO: [bell] Oh,  
perfect. [laughs]

COMMISSIONER FINKELPEARL: Okay.

COUNCIL MEMBER CUMBO: Okay.

COMMISSIONER FINKELPEARL: The Diversity  
Initiative is being privately funded.

COUNCIL MEMBER CUMBO: Okay.

COMMISSIONER FINKELPEARL: It's not in  
the budget.

COUNCIL MEMBER CUMBO: And what will it  
look like?

COMMISSIONER FINKELPEARL: We're going  
to--all of our--everybody who's a grantee will be  
required to fill out a survey. But the survey will  
be very matter of fact in terms of certain kinds of  
demographic data. Then there will be more a in-depth  
questionnaire that goes after that. That's being

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5 developed now. It's going to be distributed in the  
6 summer. We're going to get the results in the--in  
7 the--later near fall, the late fall.

8 COUNCIL MEMBER CUMBO: So, this is more  
9 information gathering?

10 COMMISSIONER FINKELPEARL: Yeah.

11 CHAIRPERSON FERRERAS-COPELAND: Council  
12 Member Cumbo--

13 COUNCIL MEMBER CUMBO: [interposing] Yes,  
14 ma'am.

15 CHAIRPERSON FERRERAS-COPELAND: --with  
16 all due respect, I've given you the eight minutes. I  
17 want your questions to be answered, but we have to  
18 get our hearing over.

19 COMMISSIONER FINKELPEARL: So we could  
20 talk about this further--

21 COUNCIL MEMBER CUMBO: Okay.

22 COMMISSIONER FINKELPEARL: --offline.

23 CHAIRPERSON FERRERAS-COPELAND: Okay,  
24 offline. Thank you.

25 COMMISSIONER FINKELPEARL: After. Yes.

CHAIRPERSON FERRERAS-COPELAND: Council  
member King.

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5 COUNCIL MEMBER KING: Thank you, Madam  
6 Chair and Mr. Chair. I'm going to use about three  
7 minutes of that.

8 CHAIRPERSON FERRERAS-COPELAND: [off mic]  
9 Great. Better.

10 COUNCIL MEMBER KING: My question is  
11 going to be a little bit more direct to my district.  
12 Other than Mind-Builders, which I know is a culture  
13 that does work, I'm not really sure if every  
14 investment that's in the 12th district that provides  
15 culture assistance or does cultural programs. Can  
16 you get that information?

17 COMMISSIONER FINKELPEARL: Yes, I don't  
18 have it in my head now. I saw Madaha [sic] here from  
19 Mind-Builders.

20 COUNCIL MEMBER KING: Okay.

21 COMMISSIONER FINKELPEARL: So, let's  
22 talk. I'd love to talk to you further. Maybe come  
23 to your district and speak.

24 COUNCIL MEMBER KING: Okay, great.  
25 Secondly, \$28.5 million for cultural development fund  
it's in the budget. What does that actually mean for  
you, cultural development fund?

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5 COMMISSIONER FINKELPEARL: That's the  
6 grants that are given out by panel process. It would  
7 include Mind-Builders in that. So those are the  
8 grants that Kathy is saying the average for the  
9 smaller groups is eight--\$8,000. The average for the  
10 larger groups is \$41,000. So those 9,000 groups all  
11 over the city.

12 COUNCIL MEMBER KING: Okay.

13 COMMISSIONER FINKELPEARL: That's what  
14 it's sitting at.

15 COUNCIL MEMBER KING: Okay, are you  
16 capable, are you willing to, are you looking to  
17 invest in new programming or establish a new program  
18 at sites? So, for instance, I have a site that I  
19 want to bring some new cultural, new stuff to the  
20 district, are you willing to help me establish that?  
21 Do you do that and--

22 COMMISSIONER FINKELPEARL: It depends but  
23 I'll--I will visit that site with you.

24 COUNCIL MEMBER KING: Okay.

25 COMMISSIONER FINKELPEARL: Let's go with  
that then.

COUNCIL MEMBER KING: All right. So I  
look forward just talking a little bit more offline.

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2 COMMISSIONER FINKELPEARL: Okay.

3 COUNCIL MEMBER KING: And, Madam Chair--

4 COMMISSIONER FINKELPEARL: [interposing]

5 After July 1st.

6 COUNCIL MEMBER KING: Okay, after July

7 1st, yes. Thank you.

8 CHAIRPERSON FERRERAS-COPELAND: Thank you

9 Council Member King, and with that we're going to

10 call this portion of the hearing over. We will

11 resume in 30 minutes. I know it's unheard of. We're

12 going to actually eat lunch today. We will resume in

13 30 minutes with NYCHA in this very room. Thank you,

14 Commissioner, Tom Finkelpearl.

15 COMMISSIONER FINKELPEARL: Okay.

16 [background comments, pause]

17 CHAIRPERSON FERRERAS-COPELAND: We will

18 now resume the Council's hearings on the Mayor's

19 Executive Budget for FY2016. The Finance Committee

20 is joined by the Committee on Public Housing chaired

21 by my colleague, Council Member Torres. We just

22 heard from the Department of Cultural Affairs, and we

23 will hear from the New York City Housing Authority.

24 In the interest of time, I will forego making an

25 opening statement. But before we hear testimony, I

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5 will open the mic to my co-chair, Council Member  
6 Torres.

7 CHAIRPERSON TORRES: At the last  
8 committee hearing, I gave a 20-minute opening  
9 statement. So, I think I should forego an opening  
10 statement as well in the interest of time.

11 CHAIRPERSON FERRERAS-COPELAND: So  
12 appreciative. We will--I will now have my counsel  
13 Rebecca Chasen swear you in and then you may begin  
14 your testimony.

15 Thank you.

16 LEGAL COUNSEL: Do you affirm that your  
17 testimony will be truthful to the best of your  
18 knowledge, information and belief?

19 Yes.

20 LEGAL COUNSEL: Thank you.

21 [pause]

22 MICHAEL KELLY: [coughs] Chairs Ritchie  
23 Torres and Julissa Ferreras, members of the Public  
24 Housing and Finance Committee, and other  
25 distinguished members of the City Council. Good  
afternoon. My name is Michael Kelly. I'm the  
General Manager of the New York City Housing  
Authority. Joining me today are Richard Couch, the

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Executive Vice President and Chief Financial Officer  
and Raymond Ribeiro, the Executive Vice President for  
Capital Projects. I served as NYCHA's General  
Manager from 2009 to 2011, and I was pleased to  
accept Mayor de Blasio's invitation to return to  
NYCHA to transform the way it does business and set  
us on a path toward financial sustainability. Last  
month the Mayor and Chair Olatoye released Next  
Generation NYCHA, our ten-year strategic plan to  
preserve public housing in New York. We appreciate  
this opportunity to take you through the plan and  
explain why it is so urgent that we act now to put  
NYCHA on solid footing for the next generation.

Next Generation NYCHA would chart a  
pathway to financial health for our organization so  
we can address the tremendous capital needs of our  
aging buildings. Achieving financial stability and  
diversifying our funding for the long term will  
enable us to create safe, clean and connected  
communities for residents, and ensure that NYCHA is  
here to serve our coming generations. This  
afternoon, we will also update the Council on  
financial statements for NYCHA's first quarter, which  
is January through March, and present a re-forecasted

1  
2 estimate for 2015. For more 80 years, NYCHA, the  
3 nation's largest and oldest public housing authority  
4 has enabled millions of low and moderate income  
5 families to build a better life for themselves with  
6 safe, secure and affordable housing as their  
7 foundation.

8           Today, more than 400,000 New Yorkers call  
9 NYCHA's 328 developments home including nearly  
10 200,000 seniors and children. We also administered  
11 the country's largest Section 8 program supporting  
12 another 213,000 people with federally subsidized  
13 rental vouchers. In a city where the median rental--  
14 median market rent is only \$2,900 a month, there are  
15 270,000 families on our public housing waiting list,  
16 drawn to the promise that their rent will never  
17 exceed 30% of their income. But as a result of  
18 longstanding financial disinvestment and recognizing  
19 that NYCHA is in the worst financial shape of its  
20 history, Mayor de Blasio tasked the chair with two  
21 mandates upon her appointment: To reset the  
22 relationship with all of NYCHA's stakeholders  
23 including residents, employees, elected officials and  
24 community advocates. And to create a long-term plan  
25 that will enable the authority to overcome its



challenges and to ensure its future. So, we got to  
work on what we call Next Generation NYCHA, both a  
stakeholder process and a plan that will bring NYCHA  
back from the brink. We examined the most pressing  
issues demanding practical solutions: Aging  
buildings in need of repair, federal funding  
shortfalls of more than \$2 billion since 2001;  
money that should have gone toward regular  
maintenance as well as major renovations and  
modernization. A large senior population that's  
aging in place, and a 270-family waiting list.

At the Preliminary Budget hearing in  
March, we projected a \$98 million operating deficit  
for Fiscal Year 2015. If we continue on the path of  
the status quo and not make the tough choices, we  
will be confronting an approximately \$425 million annual  
deficit in ten years due to the rising expenses and  
continued government underfunding. Cumulatively, the  
annual operating deficits would amount to \$2.5  
billion. Ten years ago, NYCHA had three and a half  
months of operating reserves, a standard best  
practice in organizational finance. But to stay  
afloat and serve residents amid insufficient funding,  
NYCHA has had to dip into these reserves steadily

depleting them to the point where we have only one  
month of expense in reserves today. Compounding a  
dire fiscal predicament is the fact that 60% of our  
nearly 2,600 buildings were built before 1965.  
Decades of funding shortfalls have meant that all  
elements of our aging infrastructure roofs, facades,  
elevators, heating systems, et cetera have gone  
without the repairs and replacement they need. These  
delays have increased maintenance needs as well as  
the cost to accomplish them. Clearly, the path we're  
on, a constant tough choice for the use of limited  
funding and diminished quality of life for residents  
is not sustainable for our organization and for those  
we serve.

Since last March, we've engaged thousands  
of residents, employees, elected officials and  
community advocates as part of the Next Generation  
NYCHA process to get their input on what we can do to  
turn NYCHA around and improve the quality of life for  
our residents. As part of our process, we made over  
100 to developments and held over 150 meetings with  
stakeholders including--including with nearly every  
elected official who represents our communities. We  
held community engagement sessions at three of our

developments, Van Dyke and Brownsville, Brooklyn,  
Ingersoll in Downtown Brooklyn and Millbrook in Mott  
Haven, Bronx. We asked residents about what issues  
that are important to them, and their vision for  
their community. In committees, residents developed  
strategies to address their priorities in  
collaboration with NYCHA and other community  
partners. We also worked extensively with NYCHA's  
senior leadership who formulated ideas for how we can  
realistically do things better and different.

The result of all of that feedback from  
this enhanced engagement process is the Next  
Generation plan. And the plan's overarching vision  
is based on something that we heard everywhere we  
went that residents want and deserve safe, clean and  
connected communities. To realize this vision, Next  
Generation NYCHA is organized around four goals:  
Achieving short-term financial stability and  
diversifying funding for the long term; operating as  
an efficient and effective landlord; rebuild, expand  
and preserve public and affordable housing; and  
engage residents and connect them to quality  
services. This is not a kitchen sink plan. We've  
focused on 15 specific strategies that will guide us

1 in accomplishing these goals. I'll highlight a few  
2 particularly those that benefit NYCHA's bottom line  
3 and provide vital funds to enhance residents' quality  
4 of life. Next Generation NYCHA is meant to be a  
5 holistic approach. Its initiatives go hand-in-hand  
6 and we must pursue all of them to become a solvent  
7 21st Century housing authority. Even those  
8 initiatives that may be difficult and unpopular.  
9 Starting this fiscal year, the City will waive  
10 NYCHA's Payment In Lieu of Taxes, its pilot, which  
11 is--it has paid to the City every year since 1949.  
12 Along with the relief of payments to NYPD, this is  
13 \$100 million we can direct toward serving residents  
14 every year. I want to thank the Mayor and the City  
15 Council for this unprecedented level of support,  
16 which will help Next Generation NYCHA be a success.

18           The Mayor also committed \$300 million in  
19 capital funds over the next three years for replacing  
20 roofs. With these new roofs starting at 66 buildings  
21 this year, we'll address one of the root causes of  
22 mold, protect the health of our residents and reduce  
23 our maintenance workload and operating expenses. By  
24 working closely with residents and changing internal  
25 procedures, we will improve the collection of our

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resident rent and fees to yield and additional \$30  
million in revenue in total. For instance, we are  
exploring options to make it easier for residents to  
pay the rent such as bi-weekly payments. NYCHA will  
generate up to \$6 million in revenue annually by  
maximizing the leasing of over \$2 million square feet  
of non-residential ground floor space, and by raising  
parking lot rates to local market value. NYCHA will  
ensure that parking lots are better maintained and  
more secure. We will also continue to provide  
residents with first priority for parking spots, will  
cap rates for residents, and will phase in price  
increases through the end of 2017. NYCHA will cut  
expenses by shrinking the central office workforce by  
nearly 1,000 through attrition and integration of  
some operations and positions in other city agencies.  
This will be done without layoffs or impacting  
services to residents, and is expected to achieve  
annual savings of approximately \$90 million by 2018.

NYCHA's extensive portfolio has enormous  
untapped potential to improve the lives of residents  
and the Authority's financial position while  
contributing to the city's affordable housing  
resources. In support of Housing New York, the

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2 Mayor's plan to secure 200,000 affordable apartments  
3 by 2025, NYCHA will provide unutilized land for the  
4 creation of 10,000 new affordable housing units in  
5 buildings that are 100% affordable. We will release  
6 requests for proposals this summer. We're also  
7 exploring opportunities to develop buildings  
8 containing a mix of affordable and market rate  
9 housing at a limited number unutilized NYCHA sites.  
10 Fifty percent of the apartments in each of these  
11 buildings would be dedicated to families making no  
12 more than \$46,600 a year, which is 60% of area median  
13 income. These initiatives will bring amenities to  
14 NYCHA residents and generate revenue for the  
15 Authority to stabilize its operation and finances.  
16 And revenue generated will fund critical building and  
17 apartment repairs at NYCHA developments.

18 I want to stress that all new development  
19 will involve a transparent resident engagement  
20 process, an approach that we launched last summer.  
21 HUD preservation strategies used by many public  
22 housing authorities nationwide, include the Rental  
23 Assistance Demonstration Program, the RAD Program,  
24 which will also help the Authority obtain financial  
25 stability. For instance, NYCHA has HUD's approval to

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convert approximately 1,400 units at Ocean Bay  
Bayside apartments in Far Rockaway to a project based  
Section 8 funding stream through RAD. This will  
enable NYCHA to rehabilitate and preserve these  
properties, and will reduce our overall capital needs  
by nearly \$90 million. At the same time, resident's  
rights and affordability will be protected.

We are in the early stages of a robust  
engagement process with local residents and elected  
officials. To improve social service delivery to  
residents, the New York City Department Youth and  
Community Development will now operate 24 additional  
community centers. And the Department of Aging will  
operate 17 additional senior centers. This will save  
NYCHA approximately \$16 million a year. These  
centers lack the dedicated funding source, and it is  
not financially sustainable for NYCHA to continue  
paying for their operation. This transition will be  
accomplished without layoffs, closures or disruption  
in services to residents. By facilitating access to  
all of these services and programs from specialized  
providers, we will make the greatest impact on help  
residents enhance their lives through opportunity.  
And, we will be able to focus on our core mission of

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providing quality affordable housing. NYCHA will  
launch the Fund for Public Housing, an independent  
non-profit organization that will seek to raise \$200  
million philanthropic dollars in its first three  
years to provide additional support for our  
residents. The implementation of all Next Generation  
NYCHA's 15 strategies will result in fiscally sound  
operations, enabling NYCHA to tackle its immense  
capital needs. And that means serving residents  
better by replacing appliances, fixing floors and  
ceilings and modernizing common areas.

Now, I'd like to discuss our 2015 Budget.

As you know, NYCHA manages two major programs, the  
Public Housing and the Housing Choice Voucher Program  
known as Section 8 or the Leased Housing Program.  
Public housing represents two-thirds of the  
Authority's overall spending or about \$2 billion, and  
the Section 8 Program is approximately \$1 billion or  
one-third of total spending. When the Chair  
testified at the Preliminary Budget hearing in March,  
she explained that NYCHA's Board of Directors  
approved the 2015 through 2019 Budget in November  
2014. With expenses of \$3.2 billion exceeding our  
revenues of \$3.1 billion, this 2015 Adopted Budget



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projected a deficit of \$98 million for 2015. This gap is mostly due to federal underfunding and the high cost of operating nearly 5,000 unfunded non-federal public housing units. To better understand the current fiscal picture, we'll compare the Adopted Budget with the actual figures from the first quarter of 2015. Although we still have a deficit, the first quarter figures are better than expected due to lower than anticipated expenses. The Adopted Budget passed in December projected operating revenues of \$254 million for quarter one. From January to March, NYCHA actually received \$252 million. The Adopted Budget projected \$476 from federal operating subsidy and Section 8 housing assistance payments. NYCHA actually received \$468 million due to higher than expected public housing subsidy and a half proration of 101.25%. In recent years, Congress has appropriate substantially less than public housing authorities across countries need to maintain their operations. HUD then has to prorate the amount it disburses to every housing authority accordingly.

The Adopted Budget projects--projected \$803 million for total expenses for quarter one. NYCHA spent \$778 million. The Adopted Budget

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projected \$318 million for expenses related to  
personnel services for quarter one. NYCHA spent \$297  
million. This was due to the fact that health  
insurance and pension charges were delayed until  
later in the year. The Adopted Budget projected  
total revenues of \$3.116 billion for 2015. By  
continuing the first quarter trends for revenue, we  
expect to receive \$3.121 billion, an increase in \$5  
million. The Adopted Budget projected total expenses  
of \$3.214 billion for 2015, and we are now projecting  
\$3.195 billion, a decrease of \$19 million.

With better than expected first quarter  
and the initial success of three Next Generation  
NYCHA initiatives, we are now projecting a lower  
deficit for 2015 of \$74 million. The specific Next  
Generation NYCHA missions are: The waiver of the  
rest of this year's pilot; improve collection of  
resident rent and fees; and the leveraging of HUD  
preservation programs. NYCHA is working to fully  
close the 2015 deficit with the following: Higher  
than expected federal subsidies; increase in  
insurance reimbursements; higher staff attrition;  
operating reserves and utilizing proceeds from last  
year's innovative public-private partnership to

revitalize and preserve six Section 8 developments.

By implementing all of Next Generation NYCHA's 15  
strategies together with HUD support, we will reduce  
our annual operating deficit by 2017, and begin  
achieving annual operating surpluses in the tens of  
millions of dollars.

Over the next ten years, Next Generation  
NYCHA's initiatives will generate a cumulative \$230  
million operating surpluses. This is represented at  
the top line of the Power Point graph. Doing nothing  
an sticking the status--with the status quo would  
mean a cumulative \$2.5 billion deficit in that same  
time period depicted by the bottom line of the graph.  
Again, obtaining financial stability requires the  
implementation of all of Next Generation NYCHA  
initiatives. With that financial stability, we can  
better deal with declining federal funding. We can  
tackle a significant portion of our vast capital  
needs. HUD capital funding for the next five years  
is \$1.715 billion, which is only a fraction of  
NYCHA's approximately \$17 billion in capital needs.

But, Next Generation NYCHA's 15  
strategies will reduce the \$17 billion in capital  
needs by more than 25%. Through Next Generation

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NYCHA initiatives that include disaster recovery  
funding and new capital support from the city and the  
state, \$4.6 billion of critical rehabilitation work  
will be funded over the next five years. To contend  
with the dire fiscal reality, NYCHA must make some  
tough choices and must change. As I mentioned, NYCHA  
did find itself in this state overnight. It's a  
result of many years of underfunding and continuing  
aging buildings. So we're not going to get out of  
this crisis overnight. With the support of the Mayor  
and our partners, including Speaker Mark-Viverito and  
the Council, we will continue to successfully  
implement Next Generation NYCHA. In doing so, we  
will better serve residents and our city and ensure  
NYCHA's longevity. As we make progress, the Next  
Generation NYCHA's engagement process will continue  
to drive us forward. We will work with our  
stakeholders every step of the way gathering feedback  
and input and refining the plan as needed. We report  
out on our progress with Next Generation NYCHA, and  
we will continue to provide information about our  
performance through NYCHA's metrics and the NYCHA  
alerts on heat and hot water outages.

1  
2           Thank you for being a crucial part of  
3 this new necessary direction for the Authority.  
4 NYCHA is too important for our city for there to be  
5 any other way. We look forward to continuing to work  
6 together to strengthen and preserve this vital  
7 resource for this next generation. Thank you again  
8 and we're happy to answer any questions that you  
9 might have.

10           CHAIRPERSON FERRERAS-COPELAND: Thank you  
11 very much for your testimony. I have a few questions  
12 before we open it up to Chair Torres. The NYCHA  
13 reforecast--NYCHA's reforecast of 2015 Operating  
14 Budget projects an overall deficit of \$74 million, a  
15 significant decrease from the deficit compared to the  
16 \$98 million forecasted at the same time the Operating  
17 Budget was adopted this past November. Do you  
18 anticipate any deficit in the general fund, or  
19 housing choice voucher budgets?

20           MICHAEL KELLY: No. We actually have  
21 some strategies that we think will meet the demands  
22 of the budget for the end of this--this fiscal year,  
23 and we think there will be no additional burdens to  
24 others as proposed.

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5 CHAIRPERSON FERRERAS-COPELAND: And--  
6 okay. So, I just wanted to make sure that--that you  
7 don't anticipate any other deficit issues other than  
8 what was projected.

9 MICHAEL KELLY: No. This is Richard  
10 Couch.

11 RICHARD COUCH: Yes, so the--

12 CHAIRPERSON FERRERAS-COPELAND: Just  
13 state your name for record.

14 RICHARD COUCH: Yeah, Richard Couch,  
15 Chief Financial Officer, NYCHA. The Section 8 Leased  
16 Housing program is projected to have no deficit for  
17 2015 as was adopted in the budget. The original \$90  
18 million deficit currently is forecasted to be \$74  
19 million down from the \$98. We are working on some  
20 strategies to continue to reduce that, but right now  
21 we're at \$74 million.

22 CHAIRPERSON FERRERAS-COPELAND: Okay, and  
23 I'm going to say that assuming your strategy includes  
24 some savings deficiencies and-- Okay. I wanted to  
25 just talk about staffing projects. In NYCHA's 2015  
Adopted Operating Plan included 11,318 budgeted  
positions. With the number of budgeted positions  
declining to 11,001 by 2019, NYCHA anticipated these

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5 reductions will generate \$600--\$63.7 million in  
6 savings in 2015, and \$306 million in total savings  
7 for 2015 through 2019. How many budgeted positions  
8 are there under the 2015 Reforecast Operating Budget?  
9 I now that you talked about the Next Gen thousand,  
10 but can you just walk me through that?

11 RICHARD COUCH: Yes, so the--I think what  
12 we are referring to is the--the Five-Year Adopted  
13 Plan 2015 through 2019. We did have some expected  
14 projected reductions in the central office. The  
15 Next Generation NYCHA plan for the 1,000 headcount is  
16 all central office, and that will be conducted and  
17 implemented over the next three years ending 2018.

18 CHAIRPERSON FERRERAS-COPELAND: And how  
19 many--what--what are those positions? So, what--  
20 where--why would be--where will-- Wow, it's been a  
21 long day. Where will we see these reductions, and  
22 what types of positions are there? Will they be  
23 transferred to other agencies? Are you looking to do  
24 layoffs? And do you anticipate reductions in staff  
25 can be accomplished without impacting service?

26 MICHAEL KELLY: Well, for too many years,  
27 NYCHA was considered a standalone agency, not  
28 embedded in the hear and the practices of the city.

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Under the de Blasio Administration, there's a concerted effort to incorporate our operations within the City operations. For example, we have a fleet operation separate from the city's fleet operation. And that there's work that's being done in community centers by DFTA and DYCD that--that is complementary, but separate from what NYCHA has done. And that is just the beginning of the type of looking at redundancy. So it's a matter of strategy. We're looking to try to find where those redundancies are. Seeing where our staff can now be supportive, will be put into there positions in the city. We're frankly still very much in the early stages of--of figuring that out. But we think that this is a way of reducing our central costs overhead in our system in which we're currently way over the HUD allowable limits. So we're actually getting--we're not getting funding from HUD for the level of central office staff that we currently have. We think this is a way of reducing that staff without causing any diminution of services to our public housing residents. And to being way of incorporating our operations more into how the city operates.



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5 CHAIRPERSON FERRERAS-COPELAND: Now, you  
6 know, while I--I understand and, of course, we want  
7 to make sure that you are within your funded  
8 capacity, the challenge for us is that we have a  
9 budget that's very robust. And we never want to hear  
10 layoffs--

11 MICHAEL KELLY: [interposing] Right.

12 CHAIRPERSON FERRERAS-COPELAND: --unless  
13 you have a hard. So I'm hoping that we are clear,  
14 and that we understand that you will fully engage  
15 with making sure that we have those employees located  
16 in another city agency.

17 MICHAEL KELLY: Absolutely clear. As a  
18 matter of principal and priority there will not--  
19 there will not be layoffs in these transitions.

20 CHAIRPERSON FERRERAS-COPELAND: Great and  
21 in fiscal--I want to talk about the senior centers  
22 and in fiscal 2016, DYDC will begin to operate the 24  
23 community centers currently managed by NYCHA and DFTA  
24 will begin to operate 17 senior centers currently  
25 managed by NYCHA. For the Fiscal 216 Executive  
Budget includes \$29.1 million for DYCD through 2019  
for the operation of community centers and \$5.7  
million for DFTA through 2019 for the operation of

1 those centers. What is going to happen to the  
2 remaining 16 senior centers managed by NYCHA and does  
3 NYCHA's 2015 Re-forecasted Operating Budget reflect  
4 the funding and staff costs needed to support  
5 programming at the 15 senior centers after June of  
6 2015?

7  
8 RICHARD COUCH: No, we do not budget for  
9 that--items. We are--we are good for one more year  
10 for the 15 centers, and we are going to be working to  
11 ensure that there--that the services are--that there  
12 are no diminution of services on that, but we are not  
13 funded after that period.

14 CHAIRPERSON FERRERAS-COPELAND: So you  
15 work on the calendar year. So when you say we're  
16 good for one more year, are we going to be--have to  
17 re-engage in this conversation December 31st or  
18 before then?

19 RICHARD COUCH: Yeah, we're--we're good  
20 through June 30th.

21 CHAIRPERSON FERRERAS-COPELAND: We're  
22 good through our fiscal year?

23 RICHARD COUCH: Yes.

24 CHAIRPERSON FERRERAS-COPELAND: Yes.

25 Okay, and as we move forward in the budget process,

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5 are there any funding concerns you would like to  
6 notify the Council of regarding funding in these  
7 particular centers?

8 MICHAEL KELLY: No. At this point we  
9 understand that there is funding available to  
10 continue services at those centers.

11 CHAIRPERSON FERRERAS-COPELAND: But do  
12 you have the number or the level that you're  
13 currently funded at?

14 [background comments]

15 MICHAEL KELLY: No, let's see. Do we--  
16 I'm sorry.

17 CHAIRPERSON FERRERAS-COPELAND: What  
18 level are the centers currently funded at?

19 MICHAEL KELLY: Yeah, we need to pull  
20 that answer for you in just a second.

21 CHAIRPERSON FERRERAS-COPELAND: Okay.

22 [background comments, pause]

23 MICHAEL KELLY: Council, if I can have  
24 Melanie Hart tell you. [sic]

25 CHAIRPERSON FERRERAS-COPELAND:  
Absolutely. If you can just state your name for the  
record.

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1  
2 MELANIE HART: Good afternoon. I'm  
3 Melanie Hart. Thank you. I'm Melanie Hart, the  
4 Executive Vice President of Community Program and  
5 Development. So we are looking for funding for the  
6 remaining--these 15 centers that will remain open  
7 with NYCHA for this--for this coming year. We're  
8 funded through June 30th of 2015. This ongoing  
9 negotiation for--for funding for the remainder--for  
10 the next year during which time we will issue an RFP  
11 to ensure there's no reduction in services during  
12 that year. So we do--we don an engagement process,  
13 and also go out into the market to make sure we get  
14 service providers for those remaining 15 centers.

15 CHAIRPERSON FERRERAS-COPELAND: So I'm  
16 concerned. You haven't put up an RFP yet, but you  
17 would be funded to June 30th of '15?

18 MELANIE HART: No, we're funded to June  
19 30, 2015.

20 CHAIRPERSON FERRERAS-COPELAND: Okay,  
21 which means like a couple of weeks?

22 MELANIE HART: Yes.

23 CHAIRPERSON FERRERAS-COPELAND: Right.  
24 Okay.

25

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2 MELANIE HART: We also have an ask in  
3 right now. There's ongoing conversation about  
4 funding for the remaining 15 centers. Centers such  
5 as Woodcock closed this year.

6 CHAIRPERSON FERRERAS-COPELAND: Okay.  
7 What I'm saying is are you going to do--if your  
8 process is doing you said and RFP, could you just--

9 MELANIE HART: For--for 2000--for--to  
10 start operation in July of 2016.

11 CHAIRPERSON FERRERAS-COPELAND: Okay,  
12 that's what I needed to get clear.

13 MELANIE HART: Yes.

14 CHAIRPERSON FERRERAS-COPELAND: Okay,  
15 understood.

16 MELANIE HART: Okay.

17 CHAIRPERSON FERRERAS-COPELAND: Great.  
18 So we will also be following up with OMB tomorrow on  
19 those conversation. I want to talk about NYPD  
20 officers and I know the Chair--he was here. As of  
21 January 2016, there are about 2,200 NYPD officers  
22 that patrol NYCHA's 328 Developments. Last week, the  
23 Administration announced a return of the Summer All  
24 Out Program, which moved 330 officers to additional  
25 locations. Will NYCHA receive additional police

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officers for the summer months? If so, will the 15  
developments under the Mayor's Action Plan for  
neighborhood safety or MAP be prioritized?

MICHAEL KELLY: Well, I know the MAP  
projects are prioritized by NYCHA for all of the  
physical improvements that--that are committed to  
being part in that. The issues of NYPD and their--  
and their allocation of staffing really I think needs  
to go back to NYPD.

CHAIRPERSON FERRERAS-COPELAND: Well, I  
guess our suggestion is that we understand. We don't  
want these summer months to be problematic in any of  
these sites. And if we're hearing that there is a  
move in strategy that perhaps you would be able to  
get some portion of these 330 officers.

MICHAEL KELLY: Right.

CHAIRPERSON FERRERAS-COPELAND: So I hope  
that they're engaging in these conversations in some  
way with you.

MICHAEL KELLY: Yeah, we are definitely  
in partnership with NYPD and looking at the critical  
summer months particularly.

CHAIRPERSON FERRERAS-COPELAND: Okay.  
We've been joined by Council Members Johnson, Cumbo,

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5 Gibson, Richards, Mendez, Van Bramer and King. Chair  
6 Torres.

7 CHAIRPERSON TORRES: Thank you, Madam  
8 Chairwoman. I should that that the Public Housing  
9 Committee will hold a series of hearings on Next Gen  
10 NYCHA. So today is the beginning of a longstanding  
11 conversation. But as I understand the overarching  
12 objective of Next Gen NYCHA is to stabilize the  
13 financial position of the Housing Authority--

14 MICHAEL KELLY: [interposing] That's  
15 correct

16 CHAIRPERSON TORRES: --so that NYCHA can  
17 address the \$17 billion capital need of the public  
18 housing stock. And if we do nothing or too little,  
19 NYCHA's deficit is projected to rise to about \$300  
20 million within five years and then \$400 million  
21 within those ten years. If Next Gen NYCHA is  
22 implemented as envisioned, what impact will it have  
23 on both the deficit and the overall capital need of  
24 the public housing inventory.

25 MICHAEL KELLY: We will look to actually  
be in the black after the--the Next Generation ten-  
year time period. So we're no longer dependent on--  
to the whims of HUD, et cetera. But as importantly,

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5 we're looking to cut into the--the critical \$17  
6 billion worth of capital need substantially. So it's  
7 a critical program, and again, Chair, thank you for--  
8 for-- You know, I look forward to a series of--of  
9 continued hearings on this because it's a--it's a--  
10 it's a strategy that's going to require all the  
11 strategies to be adopted and adhered to for it to be  
12 successful.

13 CHAIRPERSON TORRES: The numbers. So  
14 what precise affect will that have on the deficit and  
15 the capital need? So currently it would be at \$17  
16 billion at the moment. What would it be without Next  
17 Gen NYCHA? And what would it be with the  
18 implementation of Next Gen NYCHA both the deficit and  
19 the capital need?

20 RICHARD COUCH: Yes, so I'll--I'll  
21 address the--the operating needs, and I'll hand over  
22 the capital needs to Ray Ribeiro. But the--the  
23 operating needs and the deficit we're looking  
24 eliminate the deficit at the end of Year 2017 and go  
25 positive, and that will be approximately a \$62  
million surplus by Year 2017. There's a number of  
the initiatives as the GM had discussed in the



testimony that we'll look to implement over time, and  
they'll be realized over time.

CHAIRPERSON TORRES: Okay. So, let's--  
let's discuss those initiatives, right. What's the  
Next Gen strategy for closing the deficit? What are  
the new revenues you're generating? What are the  
existing expenses you're cutting? Just break it down  
one by one for me.

RICHARD COUCH: Sure. So, first  
mentioned was the relief of the city payment or the  
pilot.

CHAIRPERSON TORRES: Uh-huh.

RICHARD COUCH: That's approximately \$30  
million a year. This year for 2015 we'll--we'll make  
a benefit of half that payment, or forgiveness or a  
waiver on that payment. We're looking to increase  
the effectiveness of our rent collection. Ultimately  
that will be approximately \$30 million once fully  
realized. We're looking to increase revenues through  
ground floor space and parking revenues. That will  
be \$5 to \$6 million once fully realized. As  
mentioned in the testimony we're looking to reduce  
central office cost to the tune of \$90 million. That

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5 will be implemented at the end of year three of the  
6 plan, and an addition number of--

7 CHAIRPERSON TORRES: [interposing]  
8 What's the dollar amount there?

9 RICHARD COUCH: \$90 million, 9-0.

10 CHAIRPERSON TORRES: Okay.

11 RICHARD COUCH: And then there are a  
12 number of housing development revenue generation  
13 strategies. They start off in year one of  
14 approximately \$35 million, and they continue to  
15 increase to the tune of about \$100 million over time  
16 to about \$150 million by year seven.

17 CHAIRPERSON TORRES: What are those  
18 strategies, those revenue generation strategies?

19 RICHARD COUCH: The affordable housing  
20 units, some of the unfunded units. As mentioned at  
21 the previous testimony, the 4,900 unfunded City-State  
22 units.

23 CHAIRPERSON TORRES: Can you just tell me  
24 one-by-one and the dollar amount for each what's the  
25 affordable housing units?

26 RICHARD COUCH: Well, just specifically  
27 about the dollar amount, there is different dollar  
28 amount each year. So for some of the development

revenue generation, there's--it's not necessarily a  
one-way type figure where--like the operating  
expenses where you get \$90 million and continue to  
make that benefit. So I can give you a particular  
year and the dollar benefit, but it will be different  
from year to year over the Ten-Year Strategy.

CHAIRPERSON TORRES: Uh-huh.

RICHARD COUCH: So, if I'm looking at  
year three, the 10,000 affordable units approximately  
\$15 million. The high value land is \$6 million. The  
unfunded units about \$17.5 million, and the RAD  
should bring in about a million dollars.

CHAIRPERSON TORRES: And I'll--I'll ask--  
I'll ask more detailed questions about land lease,  
but I--my understanding is that you're generating a  
sustainable revenue stream from both the market rate  
and the affordable housing units that you're  
developing. Are you suggesting that the revenue is  
going to vary from year to year, and if so why?

RICHARD COUCH: I'm sorry. Repeat that,  
please.

CHAIRPERSON TORRES: Is the revenue that  
you're going to generate from the lease payment for  
both the market rate and the affordable housing

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5 development is it going to vary from year to year?

6 And if so, why? Why would it vary?

7 RICHARD COUCH: Well, the--I think,  
8 Chair, the--the one issue we do know about is that  
9 there's been some proration at HUD on the subsidy  
10 piece. So that--that part there is no certainty of  
11 moving--moving forward. However--

12 CHAIRPERSON TORRES: [interposing] Well,  
13 I get--I get the uncertainty around federal funding,  
14 right. I'm talking about the--the land--the land  
15 lease payments. Where would there be variation--  
16 year-to-year variation in the--in the revenue that  
17 you're generating from land lease? But that's not  
18 intuitively obvious to me as to why that would be the  
19 case.

20 MICHAEL KELLY: Yeah, I think that we're  
21 now looking at--at an estimate, a range of what we  
22 think on the back on the back on the envelope.

23 CHAIRPERSON TORRES: What is the range?

24 MICHAEL KELLY: Well, it's between \$300  
25 and \$600 million for--

CHAIRPERSON TORRES: That's a big range,  
right?

MICHAEL KELLY: [interposing] Right.

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5 CHAIRPERSON TORRES: \$300 million to \$600  
6 million. That's--

7 MICHAEL KELLY: Yeah, but it also depends  
8 on--so much of it depends on further analysis of the--  
9 -of the specific real estate deals, where they're  
10 located, what we think we can--what kind of assistant  
11 subsidies that we would be getting. I know--I think  
12 I understand your question, Mr. Chairman. We just  
13 don't have an options. [sic]

14 CHAIRPERSON TORRES: I actually have been  
15 supportive of Next Gen NYCHA because I see the value  
16 in stabilizing the Housing Authority, but I want to  
17 make sure that we can have confidence in the numbers,  
18 right. So when I hear a range like \$300 to \$600  
19 million, that's such a wide gap that it raises  
20 questions about the credibility of these numbers to  
21 me.

22 MICHAEL KELLY: Yeah, Bill Crawley I  
23 think might be able to answer some more questions.

24 BILL CRAWLEY: Hi. Bill Crawley, Vice  
25 President for Development. Good to see you, Council  
Member. Yeah, the explanation is really driven by  
the site-by-site analysis and how much revenue you  
can yield. So what we're doing internally is looking

1 at the entire portfolio. Looking at under-utilized  
2 within the portfolio throughout the boroughs to  
3 determine what that revenue number will be. So the  
4 reason we can't pinpoint with a great deal of  
5 accuracy a specific number the way you're asking the  
6 question is that it really just depends on the site.  
7 And the--and the type of financing that goes into  
8 development deal has an impact on our overall yield.

9  
10 CHAIRPERSON TORRES: But I respect you  
11 have site--you have estimates on each site?

12 BILL CRAWLEY: I beg your pardon?

13 CHAIRPERSON TORRES: You have estimates  
14 for each site where you--

15 BILL CRAWLEY: Yes, we do. We have  
16 estimates based on a site-by-site basis, but again,  
17 you know, we're talking about, you know, affordable  
18 housing and market rate housing. And each one of  
19 these sites exists in a different submarket.

20 CHAIRPERSON TORRES: I get--I get it.  
21 You--you--you're obviously going to generate--yeah.

22 BILL CRAWLEY: I'm just trying to give  
23 you why you would not have a fixed number to--

24 CHAIRPERSON TORRES: [interposing] I  
25 understand why you would generate more revenue on the

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5 Upper West Side than you might in East Harlem, right.

6 That--that seems obvious to me, right. I guess my

7 question is that once you have a market rate

8 development in the Upper West Side, would you

9 generate the same lease payment from year to year?

10 Am I--am I--?

11 BILL CRAWLEY: Right. Okay, so a lease--

12 CHAIRPERSON TORRES: [interposing]

13 Leasing yes, that would be the--

14 BILL CRAWLEY: It just--it just--it just

15 depends on each deal. Certain deals you're going to

16 generate a larger lease payment that you would in

17 another deal because you can generate more rent in

18 certain markets than you can in others. So, you're

19 going to have a variation in terms of the overall

20 yield depending on what [door bangs] the site is, and

21 the development program is at that site.

22 MICHAEL KELLY: But, Mr. Chairman, to

23 your question, once we've established the actual--

24 BILL CRAWLEY: [interposing] Yeah.

25 MICHAEL KELLY: --development deals, we

will--we will have a stable forecasting of what that

should be.

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BILL CRAWLEY: And that will not vary  
from year to year.

MICHAEL KELLY: Yeah, right.

BILL CRAWLEY: [interposing] And the  
other--

MICHAEL KELLY: Once we have a deal done  
and agreements in place, we will now know with some  
level of certainty what the NYCHA contributions would  
be.

BILL CRAWLEY: Yeah.

CHAIRPERSON TORRES: [off mic] I don't  
know if you wanted to--did you want to--?

CHAIRPERSON FERRERAS-COPELAND: So I just  
wanted to kind of better understand it. So I think  
that when you have these lease deals, they're not  
year to year. They're long term. So what--there has  
to be established leases that you have now that you  
know we're going to generate this amount of money  
from this amount of leases. These are leases that  
are going to expire. So these we're going to  
forecast because they're in negotiations. But, you  
know, to kind of have such a large number, what we're  
saying is what is permanent? What do you have in a



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5 deal right now that you know for the next ten years,  
6 this is going to generate this?

7 BILL CRAWLEY: Well, we--we don't have a--  
8 --we don't have a--a permanent number to give you.

9 There's a variation on the amount of revenue that you  
10 can generate from a site-by-site basis. And we're  
11 also looking at ten-year time horizon to generate the  
12 revenues. So. when you look at each--

13 CHAIRPERSON FERRERAS-COPELAND:  
14 [interposing] So, we're just going to have an  
15 offline conversation because I think if you get into  
16 those it would be better.

17 BILL CRAWLEY: And we will. That's just  
18 fine.

19 CHAIRPERSON FERRERAS-COPELAND: And you  
20 can bring in all your names.

21 BILL CRAWLEY: Sure.

22 CHAIRPERSON FERRERAS-COPELAND: All the  
23 understanding--

24 BILL CRAWLEY: [interposing] Sure.

25 CHAIRPERSON FERRERAS-COPELAND: --and  
we'll engage you with both committees so that you can  
walk us through this.

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BILL CRAWLEY: Okay. Thank you very  
much.

CHAIRPERSON TORRES: I have one more  
question. Since the gap is so wide, I imagine the  
land use is a critical component of your strategy for  
closing the deficit right?

BILL CRAWLEY: We don't have a land lease  
strategy.

CHAIRPERSON TORRES: [interposing] How  
would you characterize it?

BILL CRAWLEY: Well, I--I would say we--  
you know, we have an agenda where we're contributing  
to the affordable housing the city needs. We're also  
trying to generate revenues for Housing Authority to  
use.

CHAIRPERSON TORRES: [interposing] So  
you're not leasing--are you leasing out land?

BILL CRAWLEY: There will be--there will  
be land that we'll be leasing. That's right.

CHAIRPERSON TORRES: That's why I would  
characterize it as a land use strategy. I don't want  
to--

BILL CRAWLEY: [interposing] Okay.

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5 CHAIRPERSON TORRES: --get caught up in--  
6 in--in--

7 BILL CRAWLEY: [interposing]  
8 Nomenclature.

9 CHAIRPERSON TORRES: --characterizations,  
10 but I have one. The FEMA funding last time about a  
11 month ago, about two months ago, the Housing  
12 Authority testified that out of \$3 billion it only  
13 had \$3 million in hand. So has there been progress  
14 since the Housing Authority last testified before the  
15 Housing Authority or before the City Council?

16 RAYMOND RIBEIRO: So, Ray Ribeiro,  
17 Executive Vice President of Capital Projects. So  
18 yes, we've had a significant amount of progress with  
19 FEMA since our--since our last hearing. We have now  
20 in our hand in our possession letters of undertaking  
21 for approximately ten developments for a value of  
22 close to one billion dollars.

23 CHAIRPERSON TORRES: And how many LOUs?  
24 There was one before the hearing. How many now?

25 RAYMOND RIBEIRO: There was one before  
the hearing and there are eight or nine additional  
that are with us ready for execution at this point.

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5 CHAIRPERSON TORRES: And that's eight or  
6 nine out of what, 33 or 34 of those that--

7 RAYMOND RIBEIRO: [interposing] Out of  
8 the total 35 developments in the Sandy Program, 32  
9 that we're awaiting or working on LOUs, yes. So  
10 there are--there are eight or nine plus the one  
11 that's completed of the 32.

12 CHAIRPERSON TORRES: Can you let us--what  
13 are the ten developments for which LOUs have been  
14 finalized?

15 RAYMOND RIBEIRO: I can get it. I don't  
16 have that list with me, but we can provide that.

17 CHAIRPERSON TORRES: Okay, if you can  
18 provide us with that information.

19 RAYMOND RIBEIRO: Yep.

20 CHAIRPERSON TORRES: The forfeiture  
21 funding, actually I have one more question about the  
22 FEMA Funding. When I spoke to I think it was Michael  
23 Rosen I think the VP for Disaster Recovery, I was  
24 under the impression that once you finalize the LOU,  
25 the funding becomes available, and then I found out  
from the hearing that no the funding would go from  
FEMA to the Division of Homeland Security. And then  
it would go to NYCHA and that the Housing Authority

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5 was still figuring out the process by which the  
6 dollars would flow to the federal, the State  
7 government to eventually NYCHA. Has that process  
8 been ironed out? Has the template that was used been  
9 ironed out?

10 RAYMOND RIBEIRO: So, so we've met with--  
11 so it is correct, the FEMA money does not come  
12 directly to NYCHA. It goes through Homeland--State--  
13 Homeland Security. We've met with them several  
14 times, and I would say that we know what the process  
15 will be. I think we testified in that hearing that,  
16 the State will give us 50% of those funds upon  
17 obligation of contracts, upon execution of contracts.  
18 and then we would get additional--additional  
19 allocations each month as we continue to spend down  
20 on the Sandy recovery money. We are negotiating and  
21 putting together the--the specifics of an MOU between  
22 us and State Homeland Security to--to document of  
23 all. But that process is still underway. But, as I  
24 said, the--the--I'd say in terms of that I know you  
25 have already been--discussed with the State.

26 CHAIRPERSON TORRES: But forfeiture  
27 funding. So in December I believe the Manhattan  
28 District Attorney, the Mayor and the Chairperson

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5 announced the \$100 million in forfeiture funding for  
6 security enhancements in those 15 charter  
7 developments. Also, what's the status of those  
8 funds? Has NYCHA received the funding the six or  
9 seven months since the announcement.

10 RAYMOND RIBEIRO: So--so NYCHA has--has  
11 not yet received the funds. And again, we are  
12 working on an MOU with the Mayor's Office of Criminal  
13 Justice and the D.A.'s Office that will specify  
14 exactly how and when that money gets disbursed to  
15 NYCHA. But, in the interim we have prepared all of  
16 the--the necessary design work so that we could  
17 proceed with construction as soon--as soon as the MOU  
18 is executed.

19 CHAIRPERSON TORRES: But several months  
20 seems like a long time. So what's--what's causing  
21 the hold up? Is it--is it the D.A.'s Office? Is it  
22 the Office of Criminal Justice? Is there a timeline  
23 for when you will eventually receive the money?

24 RAYMOND RIBEIRO: So, I--I can't say that  
25 there's one specific thing. I think it's complicated  
when you have multiple agencies trying to work out  
the details on how--how the funding gets exchanged,  
and gets, you know, kind of in the weeds in terms of

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5 when that happens, and what milestones have to be met  
6 for that to happen. And what happens in contingency.  
7 So, I can't say that there's one single thing.  
8 There's been a lot of progress on it in the last  
9 month or so. And we expect that the MOU will be  
10 executed shortly so that we can begin construction at  
11 those locations this--this construction season.

12 CHAIRPERSON TORRES: Okay. The \$100  
13 million in State funding, a topic that I exhausted,  
14 but I'm curious to know does the Housing Authority  
15 have updated information on the kinds of projects for  
16 which the \$100 million is likely to be used? Any  
17 information since the hearing or--?

18 RAYMOND RIBEIRO: We--we do not have any  
19 additional information. We were scheduled to meet  
20 with the HDR. As you know, there was a change of  
21 leadership there. As a result, that meeting has been  
22 postponed. So now we have no--no additional update.

23 CHAIRPERSON TORRES: Have you met with  
24 DASNY since the meeting or--?

25 RAYMOND RIBEIRO: We have not.

CHAIRPERSON TORRES: Okay. The EPC  
Funding. What--what is the status of the \$100

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5 million in EPC funding and the timeline for  
6 completing capital projects funded by the EPC?

7 RAYMOND RIBEIRO: Yeah.

8 CHAIRPERSON TORRES: [interposing] And  
9 the SP Performance Contracts.

10 MICHAEL KELLY: Yeah, to be specific  
11 about the \$100 million, that's intended to be a  
12 series of energy performance contract projects. We  
13 have the current RFP for the first stage is out right  
14 now. We're expecting to get responses to that  
15 request this summer, and then the construction, you  
16 know, the selection will--will resume. Let me just  
17 check the date here. [pause] Yeah, so we're looking  
18 to do selection by September of this year, 2015.

19 CHAIRPERSON TORRES: Okay.

20 MICHAEL KELLY: Again, that's the first  
21 stage.

22 CHAIRPERSON TORRES: Do you have the--  
23 development that are receiving the initial wave of  
24 EPC funding or--?

25 MICHAEL KELLY: Well, again, it's going  
to be a--we've identified that we determine the  
highest needs of developments. So that will come as



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5 part of the--the response to the RFP what that  
6 project will actually look like--

7 CHAIRPERSON TORRES: [interposing] Yeah.

8 MICHAEL KELLY: --and what exactly--

9 CHAIRPERSON TORRES: [interposing] But  
10 which--what are those developments? Do you have a  
11 list of those developments?

12 MICHAEL KELLY: We could provide that to  
13 you.

14 CHAIRPERSON TORRES: Okay. I have one  
15 more question about the--a few more questions about  
16 the land lease. Can--can you assure the committee  
17 that there will be absolutely no sale of public  
18 housing land under Next Gen NYCHA, that it's purely  
19 land lease, that there will be no sale of public  
20 housing land?

21 MICHAEL KELLY: No, we will--cannot do  
22 that assure we'll do that. We'll look at each deal  
23 being differently. What we can assure the committee,  
24 though is that we will be driven by sort of the tree  
25 major principles of ensuring affordability, making  
sure that we're looking at NYCHA's dire financial  
situation and what it takes to stabilize that. And  
ensuring that we're in driver's seat in the actual

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5 construction of the agreements that will guarantee  
6 affordability and guarantee rights for our--for our  
7 public housing residents.

8 CHAIRPERSON TORRES: I mean it seems to  
9 me that with land lease you have a sustainable  
10 revenue stream. With the sale of public housing land  
11 you have the one-time infusion of revenue and then  
12 the land is gone forever. So under what  
13 circumstances would it be more desirable to sell  
14 public housing land rather than lease it out for a  
15 sustainable revenue stream?

16 MICHAEL KELLY: Again, Chair, we would be  
17 looking at each deal and looking at that question as  
18 one of the starting points for--

19 CHAIRPERSON TORRES: [interposing] So  
20 where exactly are you envisioning the sale of public  
21 housing under the City? I imagine that you've given  
22 some thought to the subject?

23 MICHAEL KELLY: This whole process and I  
24 know this is--several questions you've asked along  
25 the same lines.

CHAIRPERSON TORRES: [interposing] Yeah.

26 MICHAEL KELLY: We are bringing to the  
27 committee pretty much for the first time a very

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5 critical component of our Next Gen NYCHA, which is  
6 the new positioning of public housing land for the  
7 Mayor's 10,000 units as well as what we're calling  
8 the 50/50. We are still working out a lot of details  
9 about where they should be located. Issues around  
10 zoning and permitting, and--and market rate  
11 availability and the types of government subsidy with  
12 federal and local that might be able to--to support  
13 these deals. So again, I know the question you've  
14 asked--

15 CHAIRPERSON TORRES: [interposing] I'm  
16 going--I'm going to press you further on it actually.  
17 Do you--on which development--which developments are  
18 you contemplating envisioning for market rate  
19 development?

20 MICHAEL KELLY: Well, again I think in  
21 terms of the 50/50 we'll be looking--

22 CHAIRPERSON TORRES: [interposing] Yeah.

23 MICHAEL KELLY: --at those sites that  
24 are--that have the highest market value.

25 CHAIRPERSON TORRES: Which site are  
those? Do you have a list or--?

BILL CRAWLEY: Yes. So, Councilman,  
yeah, one of tings we're doing is we're going to be

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5 working with HPD and HDC and our city partners in the  
6 process of evaluating the optimal sites for the 50/50  
7 program that you're referring to, and what the  
8 financing will be for those developments. So as we  
9 work within and our partners, we'll come up with an  
10 overall development program that will reflect the  
11 goals that the General Manager just expressed with  
12 more details around the financing.

13 CHAIRPERSON TORRES: I'm not asking about  
14 the details around the financing. Okay, so this is  
15 not on chartered territory, right. The Bloomberg  
16 Administration attempted to lease out public housing  
17 land for market rate development, right. I imagine  
18 the Development Department has a treasure trove of  
19 data about which--you know, it's not--like this is--

20 BILL CRAWLEY: [interposing] Right.

21 CHAIRPERSON TORRES: --it's the notion  
22 that the Housing Authority has no information about  
23 where it's going to develop market housing--market  
24 rate housing, which just strikes me as--Frankly, it  
25 just strikes me as odd.

26 BILL CRAWLEY: Yeah, so--so just in terms  
27 of timing, we'll be able to come back to you with the  
28 first two to four sites in August.

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2 CHAIRPERSON TORRES: In August?

3 BILL CRAWLEY: Uh-huh.

4 CHAIRPERSON TORRES: Four to two sets.

5 Okay.

6 BILL CRAWLEY: Two to four sets.

7 CHAIRPERSON TORRES: Okay. The community  
8 centers. Obviously, one of the features of Next Gen  
9 NYCHA is the--frankly the privatization of the NYCHA  
10 run community centers. And I'm wondering did NYCHA--  
11 did NYCHA conduct an evaluation of the NYCHA run  
12 centers before deciding to contract them out?

13 MELANIE HART: [coughs] Excuse me. I  
14 think an evaluation of centers was done prior--in  
15 prior years. One was not done this year. There have  
16 been several years in which centers have either been  
17 closed or the operation of the centers have gone over  
18 to DYCD and/or DFTA including senior centers. But a  
19 specific evaluation this year was not done on what  
20 the--the remaining 24 community centers, if that's  
21 the question. Indeed, what we're looking for was the  
22 financial assistance of the centers to ensure there  
23 would be no interruption in services, and if the  
24 staff would be laid off that there would be  
25 absolutely no interruption of services. As well as

1 trying to figure out how to integrate our services  
2 greater into city services as the gentleman just  
3 previously mentioned.

4  
5 CHAIRPERSON TORRES: But it just seems--  
6 but it seems odd to me that the Housing Authority  
7 would decide to contract out the operations of those  
8 centers without actually evaluating how those centers  
9 are performing. If you have a NYCHA run center that  
10 is operating smoothly and is highly regarded by the  
11 residents and the local elected officials, why would  
12 you privatize? Why--why fix what ain't broken. I  
13 don't get that unless have this belief that NYCHA  
14 should not be in the business of operating centers.  
15 You know, I'm curious to know are we deciding it  
16 based on the facts on the ground, or are we deciding  
17 it based ideological belief.

18 MICHAEL KELLY: Well, Chairman, you hit  
19 it the head. We are now as a matter of principle  
20 looking at focusing on the core mission of providing  
21 quality housing services to the residents of NYCHA.  
22 But our core competence--competences does not include  
23 the running of community centers or senior centers.  
24 We are now turning to the other city agencies who  
25 have that core competency.

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5 CHAIRPERSON TORRES: But I'm not clear  
6 that we know that, right, and without an evaluation  
7 of how these centers are performing, it seems odd to  
8 conclude that NYCHA is ill equipped to run those  
9 centers when some of those centers were probably  
10 running well.

11 MICHAEL KELLY: [interposing] Well, it's  
12 not--

13 CHAIRPERSON TORRES: And some of those  
14 centers were probably running well. I mean did--did  
15 you even confer with the elected officials and the  
16 resident leaders before deciding to private--to  
17 contract out the operation of those centers?

18 MICHAEL KELLY: Well, yes. I think, Mr.  
19 Chairman, it's not really looking at--at the--the--  
20 our historic ability to run these centers well. I  
21 have not doubt I'm sure we have done a phenomenal job  
22 of that. I think it really is a question of meaning  
23 this incredible financial crisis we're in and looking  
24 for a long-term sustainable source of income is not  
25 there. We now are turning back to the--the federal  
programs and city programs that we have to--to  
maintain the housing stock.

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5 CHAIRPERSON TORRES: But that's not the--  
6 I mean NYCHA has not borne the cost of the centers  
7 for quite a few years. The City Council actually has  
8 been paying for the operation of those centers. So,  
9 it's not the case that--that this is critical to  
10 closing the deficit or addressing the financial need.  
11 It just seems to me an ideological decision. Is that  
12 you have this belief that NYCHA should not be running  
13 community centers, and you made that decision frankly  
14 without seeking input of the elected officials or the  
15 resident leaders many of whom strong oppose your  
16 decision. And that doesn't seem to be terribly  
17 consistent with the ethic of resident engagement or  
18 stakeholder engagement that the Housing Authority has  
19 been promoting. So I'm just very disappointed with  
20 the decision, and I'm, yeah, you know how I feel.  
21 So, with that said, I think I've asked enough  
22 question. I will give it over to the Chair.

23 CHAIRPERSON FERRERAS-COPELAND: Thank  
24 you, Chair. We will now hear from Council Member  
25 Richards followed by Council Cumbo followed by  
Council Member Mendez.

26 COUNCIL MEMBER RICHARDS: Thank you,  
27 Chairs. A phenomenal job you guys are doing, and



1 thank you General Manager for coming in to testify  
2 today. Just had a few questions. I wanted to follow  
3 up on the Energy Performance Contracts. So I wanted  
4 to know what calculations or savings do you  
5 anticipate through this particular program. And I  
6 guess I asked the--the other questions related to  
7 this. So being that obviously the more energy we  
8 save, the more savings obviously NYCHA would  
9 generate. How do you foresee residents being engaged  
10 in the job process, and will you be doing local job  
11 fairs? How do we get local residents engaged in this  
12 particular contract? And then also with the savings,  
13 the cost savings that you're going to generate, how  
14 do you guys anticipate utilizing those particular  
15 savings? Will it go back into repairs in a  
16 particular development, and I'm anxious to hear about  
17 that.  
18

19 MICHAEL KELLY: Yes, so, just one  
20 clarification. In the Energy Performance Contract,  
21 the way it's structured is that the savings from the  
22 energy retrofits are utilized to help pay for the  
23 project itself.

24 COUNCIL MEMBER RICHARDS: Okay.  
25

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5 MICHAEL KELLY: The energy savings itself  
6 we're looking to project about a 10% reduction in  
7 emissions.

8 COUNCIL MEMBER RICHARDS: And what sort  
9 of--so what sort of projects do you foresee happening  
10 with these contracts? Will you be installing solar  
11 panels, motion sensors, what?

12 MICHAEL KELLY: So, that--so the actual  
13 selection projects will be part of the responses to  
14 the RFPs. So again, we put out the RFP for the--the  
15 lowest performing developments and boilers, and, you  
16 know, the energy service providers will look to bid  
17 on the RFP. We'll come back with, you know, some  
18 innovative solutions for types of work to be done  
19 that will help to create the largest amount of  
20 savings to help to fund the largest project.

21 COUNCIL MEMBER RICHARDS: Okay great, and  
22 how many jobs do you anticipate being created?

23 MICHAEL KELLY: It's currently expected  
24 that several hundred jobs including roughly 350 green  
25 construction jobs.

26 COUNCIL MEMBER RICHARDS: And how many  
27 jobs will go directly to NYCHA residents or do we  
28 anticipate will go to NYCHA residents?

1  
2           MICHAEL KELLY: We'll be looking at the  
3 Section 3 requirements. So it will be 30% of all new  
4 hires.

5           COUNCIL MEMBER RICHARDS: Okay. Now, I'm  
6 hoping that we're going to stay true to that because  
7 we've sort of heard Section 3 for a long time, and we  
8 often hear from our residents that they are not being  
9 given these jobs. So I'm hoping that we're really  
10 going to make an overall effort to ensure that  
11 residents will have first priority at these jobs as  
12 well. I just wanted to go into RAD for a second, and  
13 first I want to commend you guys for obviously come  
14 up with the plan. Because for years NYCHA has just  
15 had no real plan, and I think it's worthy to point  
16 that out. So when do you anticipate RAD to actually  
17 start. Obviously, as a representative of the  
18 Rockaways, Ocean Bay is obviously included in this  
19 proposal, and I'm interested in knowing when do you  
20 see--foresee this project happening if it's going to  
21 happen?

22           MICHAEL KELLY: I'm going to let Bill  
23 Crawley.

24           BILL CRAWLEY: Hi. You know, so we  
25 foresee--both the first phase of resident engagement

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has already started, and thank you for having us out  
a couple weeks ago.

COUNCIL MEMBER RICHARDS: Well, we're  
going to be out in few--

BILL CRAWLEY: Well, yes. We have weekly  
and then---

COUNCIL MEMBER RICHARDS: [interposing]  
The real residents here.

BILL CRAWLEY: --and then another--  
another time--

COUNCIL MEMBER RICHARDS: [interposing]  
Okay.

BILL CRAWLEY: --cleaning, and I'll  
actually be out there with a couple of staff members  
in a couple of days. So we--we foresee--the rollout,  
if you will, to first start with, you know, robust  
resident engagement, and you start that process. But  
probably in earnest we'll start with, you know, a  
capital needs assessment and that sort of thing  
towards the end of the year with an RFP to be issued  
some time probably by the end of next year. We're  
also working in consort with--with our regulator, as  
you know, Councilman, HUD is--is--is still assigning  
certain RAD specific resources to NYCHA so they will

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5 be able to execute the program. But we're in close  
6 contact with the Regional Director as well as the  
7 Washington Office on that.

8 COUNCIL MEMBER RICHARDS: And can you  
9 through what we would anticipate with the 1,400 units  
10 that can--would go through this particular program?

11 BILL CRAWLEY: So the--the development  
12 for RAD, as you know, is designed to try to leverage  
13 private capital to support the rehabilitation of  
14 units within the development. So part of what we'll  
15 first do is, is do an intensive capital needs  
16 assessment to update our capital needs that we've  
17 already done on the development and identify specific  
18 improvements [bell] that will be done. Critical to--  
19 to RAD is the--is the fact that we'll be looking to  
20 make improvements within the apartments. So kitchens  
21 and bathrooms and that sort of thing will be improved  
22 as part of the overall scope of work.

23 COUNCIL MEMBER RICHARDS: So longer a  
24 band-aid, a full renovation or--?

25 BILL CRAWLEY: It will be--I would say it  
would be a--a pretty full comprehensive  
rehabilitation, which is the--which is the goal of

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5 the program is to--is to do as full a comprehensive  
6 rehabilitation as possible.

7 COUNCIL MEMBER RICHARDS: Okay, being  
8 that the chairs have other priorities, I will  
9 continue this conversation with you offline. I just  
10 want to point out that I'm very interested in the  
11 affordability conversation on--on RAD--

12 BILL CRAWLEY: [interposing] Sure.

13 COUNCIL MEMBER RICHARDS: --jobs. Also,  
14 the community center. So those things are going to  
15 be obviously critical as we move ahead with this  
16 conversation. Thank you for coming out, for the  
17 record. [sic]

18 CHAIRPERSON FERRERAS-COPELAND: Thank  
19 you, Council Member Richards. And I have no other  
20 priority than you. I don't know what you're talking  
21 about. Council Member Cumbo followed by Council  
22 Mendez, followed by Council Member Rosenthal.

23 COUNCIL MEMBER CUMBO: Thank you to our  
24 Co-Chairs and thank you all for your testimony. I  
25 have a number of questions and I only have five  
minutes. So I want to try and get the answers as  
quickly as possible and as succinctly as possible.

The first question I have is that the transferring of

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5 the community centers and the senior centers out of  
6 the NYCHA portfolio, what will happen to the  
7 unionized workforce that's currently providing these  
8 services within those developments through an RFP  
9 process?

10 MICHAEL KELLY: Those--those workers will  
11 be offered other city jobs. There will not be a loss  
12 of salary or a loss of nay other union status.

13 COUNCIL MEMBER CUMBO: Okay, so they will  
14 remain within the NYCHA portfolio, but in another--or  
15 excuse me, within the City Administration's  
16 portfolios, but in anther capacity?

17 MICHAEL KELLY: Correct.

18 COUNCIL MEMBER CUMBO: Okay. Will there  
19 be or are there often opportunities for them to be  
20 re-hired through that RFP process? Is that  
21 encouraged that the workforce that's currently there--  
22 So for example in my district, in Lafayette Gardens,  
23 I know that the worker that works there really wants  
24 to stay there. So through that RFP will there be an  
25 opportunity to encourage that?

26 MICHAEL KELLY: It will be through DFTA  
27 and DYCD, but I would think that that would be

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5 encouraged to have folks that know the sites to be  
6 part of the sites in the next--

7 COUNCIL MEMBER CUMBO: [interposing]

8 Okay.

9 MICHAEL KELLY: --in the next operations.

10 MELANIE HART: We would always--we would  
11 definitely make sure that there's--there's always the  
12 jobs, which generally happens when this transition  
13 happens, but if they do go work for the provider,  
14 they would no longer have the city status.

15 COUNCIL MEMBER CUMBO: [interposing] I

16 see.

17 MELANIE HART: That's why they would have  
18 the option of which they would like to do.

19 COUNCIL MEMBER CUMBO: I see. It's very  
20 important to us that we make sure that workers remain  
21 with the ability to have a job.

22 MELANIE HART: Absolutely.

23 COUNCIL MEMBER CUMBO: Thank you. The  
24 second question goes into the affordable housing that  
25 you're talking about in terms of being built is for a  
family or some individual making about \$46,000 a  
year. Is that correct?



MICHAEL KELLY: That's correct. On the  
properties that we're calling the 50/50, it's a  
family of three. Approximately 60% of the area--of  
the area median income, which is about \$46,600 a  
year.

COUNCIL MEMBER CUMBO: Now, if someone is  
making about \$18,200 a year--that's what one make if  
they were working a 40-hour work week making minimum  
wage. So for families that are making minimum wage,  
how will they qualify for the affordable housing  
within NYCHA if what you're raising to is about 46K.  
It seems like many people we might be saying that--  
some people would probably have to live in our  
homeless shelters while stilling trying to live in  
New York on the minimum wage that we have here  
currently.

MICHAEL KELLY: Well, the--the number of  
current NYCHA residents that would meet that 60% we  
have about 80% of so that meet that standard. So  
you're definitely talking about a population that is  
critical. But in terms of numbers, we think the  
majority of the public housing eligible folks in our  
current inventory would be able to quality.

COUNCIL MEMBER CUMBO: How would those residents be selected? Would it be through your computerized system. Or, would people outside of the system be able to qualify for that housing? Would NYCHA residents be--how would you say? Prioritized in the process.

MICHAEL KELLY: Depending on the funding source, there would be a priority for the--the marketing of the sites.

COUNCIL MEMBER CUMBO: And then I have two more questions. The one is--talks about--and some of my colleagues addressed this, but the NYCHA housing is some of the last remaining housing units in New York City that are truly affordable to low-income New Yorkers. The already pressing housing crisis for low-income New Yorkers will only become worse if NYCHA units become unlivable due to poor conditions. Within NYCHA's housing portfolio a total of 257 developments or 75% of all developments are 40 or more years old and require maintenance and upgrades. Our concern is if these upgrades are not made, and those buildings are deemed livable, what will happen to them in the future? Are those potentially those developments that--I guess part of

our concerns is that those would be the developments that would taken over and potentially used for private development.

MICHAEL KELLY: It is. That's the whole spirit behind Next Gen NYCHA. This is a valuable resource that is very much at risk right now.

COUNCIL MEMBER CUMBO: So what would you say in terms of--? Well, let me ask you this question in closing. For those that are talking about Next Gen right now, what are the concrete most specific and succinct way that you could show what is the diff--difference between the Next Gen experience as well as the Bloomberg administration's role for how we close this deficit? So, many people are--are making comparisons saying that they're very similar or they're the same or there are slight differences. If you had to address that question as briefly as possible, what are the major most obviously and clear and succinct differences between these two plans?

MICHAEL KELLY: I believe it's the sincere commitment to engagement to the residents is the major difference. And the second is a commitment to affordability on a much greater and deeper level.

COUNCIL MEMBER CUMBO: Can you talk about what those numbers would look like more succinctly when you say greater affordability? But I do agree that the outreach has been incredible and fantastic particularly in my district. But want to know succinctly by numbers [bell] what do you think is the major difference that you're talking about with these two plans?

MICHAEL KELLY: Well, again, I think that there's a difference about defining affordability. There's an 80% of area market for example versus 60%. That's a tremendous difference in terms of what a family can afford. The 50/50 plan really focuses on the lower end of the affordability scale.

COUNCIL MEMBER CUMBO: Uh-huh, and would you say that that is the major difference?

MICHAEL KELLY: That and the engagement piece.

COUNCIL MEMBER CUMBO: Okay.

CHAIRPERSON FERRERAS-COPELAND: Okay.

COUNCIL MEMBER CUMBO: Well, my time is up. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Cumbo and, of course, you can

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5 always have--continue the conversation after the  
6 hearing, and if can make yourself available--

7 MICHAEL KELLY: [interposing] Absolutely.

8 CHAIRPERSON FERRERAS-COPELAND: --for  
9 additional questions. Council Member Mendez followed  
10 by Council Member King and then to wrap up this  
11 portion of the hearing, Council Member Rosenthal.

12 [background comments]

13 CHAIRPERSON FERRERAS-COPELAND: Okay.

14 COUNCIL MEMBER MENDEZ: Council Member  
15 and Chair. [coughs] Can--can you tell me how much  
16 reserves does HUD require NYCHA to keep?

17 RAYMOND RIBEIRO: So HUD requires  
18 approximately three months of operating reserves.  
19 They do give us a benefit for the, you know, self-  
20 insured. So our workers comp and general insurance  
21 reserves, they do give us credit for those. But from  
22 an operating point of view, we really can't tap into  
23 those resources.

24 COUNCIL MEMBER MENDEZ: Did--didn't HUD  
25 change amounted that you needed to have in reserves a  
26 couple of years back? No?

27 RAYMOND RIBEIRO: I'm sorry, that  
28 question again?

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5 COUNCIL MEMBER MENDEZ: Didn't HUD change  
6 the amount that you needed to keep in reserves a  
7 couple of years back, yes or no?

8 MICHAEL KELLY: Again, you know, HUD has  
9 used this as--as a standard. It's not a requirement.  
10 They--they are highly recommending a three to four-  
11 month reserve figure.

12 COUNCIL MEMBER MENDEZ: So they did not  
13 change it?

14 MICHAEL KELLY: It has not been changed.

15 COUNCIL MEMBER MENDEZ: Okay. Are all  
16 other PHAs nationwide required to keep three months  
17 in reserves?

18 MICHAEL KELLY: Again, it's a--it's not a  
19 requirement but a best practice.

20 COUNCIL MEMBER MENDEZ: Okay, on page 3  
21 of your testimony, you say you've engaged thousands  
22 of residents, employees, elected officials. I have  
23 not--no one has approached me to--to discuss Next Gen  
24 NYCHA. I don't know if you've been approaching  
25 someone of my residents. Margaret Chin has not been  
approached. She and I were two of three council  
members that were scheduled to have infill housing

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5 under Bloomberg. So, can you tell me who you have  
6 met with at least in the City Council?

7 MICHAEL KELLY: I made a list for you,  
8 Council Member. I'll have that at the city.

9 COUNCIL MEMBER MENDEZ: [interposing]  
10 Okay, great. I'd like to know the developments  
11 you've met with, and the elected officials. The--  
12 the-you're saying this Next Gen NYCHA is different  
13 than at least on the Infill Plan. I'm not sure how  
14 except it seems we'll get a little bit more  
15 affordable housing. Is NYCHA committed to doing the  
16 significant amendment process for any infill housing  
17 that it goes forward with? Yes or no?

18 MICHAEL KELLY: I'm not familiar with the  
19 terms. I'm sorry. I'm not familiar with the term  
20 significant.

21 COUNCIL MEMBER MENDEZ: You're not? It's  
22 HUD Rules. It's under HUD Standards. You are  
23 required if you're doing--

24 MICHAEL KELLY: [interposing] Oh, yeah,  
25 yeah, yeah. Absolutely. You know, if it's part of  
the annual plan and our commitment to sharing with  
HUD our--our plans for doing any kind of  
repositioning of property, the answer is yes.

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5 COUNCIL MEMBER MENDEZ: Are you--is NYCHA  
6 committed to doing the ULURP process for any of it's  
7 infill housing?

8 MICHAEL KELLY: No. We will be using the  
9 Section 18 requirements that at a level--

10 COUNCIL MEMBER MENDEZ: [interposing]  
11 Okay, the Section 18 is not the significant  
12 amendment, just letting you know. So that means  
13 you're not committed to doing the significant  
14 amendment process.

15 MICHAEL KELLY: If I can, though,  
16 Councilwoman, this is the--Section 18 is a higher  
17 standard around resident engagement and Tier--

18 COUNCIL MEMBER MENDEZ: [interposing]  
19 Well, let me tell you about your Section 18, a higher  
20 standard? You didn't do it when you transferred your  
21 Section 8 properties into this joint ownership. You  
22 only met with four out of the six developments. So  
23 if that's a higher standard, I'm not quite sure HUD  
24 hasn't called you back on it, even though my  
25 community has. So, I'd like some answers to that  
because at your Section 8 hearing, I asked for all  
the attendance sheets and some of those meeting  
happened after the sale of the buildings. So that's



so much for your higher standard. I prefer the  
Section 18, the significant amendment profit--process  
over Section 18.

MICHAEL KELLY: If I can just for the  
record, the Section 18 program doesn't require that,  
and that was a Section 8 recasting that we had done.

COUNCIL MEMBER MENDEZ: The Section 8  
program you are moving your buildings into ownership  
with other people, and it doesn't require that you  
meet with all tenant associations? No? Yes? Maybe?

MICHAEL KELLY: Oh, well--

COUNCIL MEMBER MENDEZ: You didn't. You  
didn't meet with all of them. So that's part of the  
record.

MICHAEL KELLY: All right.

COUNCIL MEMBER MENDEZ: We can continue  
that conversation at another time if you like. So  
what is the improved methods that NYCHA is using to  
do rent collection?

MICHAEL KELLY: We're looking at  
developing higher levels of communication systems  
with our residents. We are now looking to, first of  
all, share with them the importance of paying rent in  
relationship of rent and getting work orders done.

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5 We're also looking at things like automatic payroll  
6 deductions. Looking at having rent be paid according  
7 to when they're--when they get paid. Looking at  
8 working with social and other social [bell] and  
9 other--social and not-for-profit agencies and other  
10 city agencies that do family counseling and family  
11 budget preparation. So we--

12 COUNCIL MEMBER MENDEZ: [interposing]  
13 Madam and Mr. Chair, I have a lot more questions if I  
14 could be added to the end of the list again. Because  
15 I only got through a third of it.

16 CHAIRPERSON FERRERAS-COPELAND: So,  
17 Council Member, we have a member briefing and there's  
18 Finance Chair waiting for us. So, we can open it up  
19 for the three minutes, if you'd like to have an off  
20 the record conversation with the Commissioner. So  
21 anything that we would have on--

22 COUNCIL MEMBER MENDEZ: If--if there's  
23 time I'd like that. If not, I will continue. We can  
24 set up a meeting at the end of this because I have a  
25 lot of questions.

CHAIRPERSON FERRERAS-COPELAND: Okay.

COUNCIL MEMBER MENDEZ: I'd just--I'd--I'd  
like to know--can I just put this one question?

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CHAIRPERSON FERRERAS-COPELAND: Of  
course, of course.

COUNCIL MEMBER MENDEZ: If when you change  
your buildings to Project Based Section 8, are you  
intending then to sell them off in a joint ownership  
as you did with your other developments at the end of  
last year?

MICHAEL KELLY: No, I don't think so.

COUNCIL MEMBER MENDEZ: It wasn't a  
convincing. Thank you.

MICHAEL KELLY: I'm not familiar with the  
question. I need more time with you to understand  
the question, Councilwoman.

CHAIRPERSON TORRES: I think under--  
under RAD there would be private-public partnership,  
a joint ownership structure. So the answer to the  
question I believe would be yes. It would be modeled  
after--it would resemble the Tri-borough transaction.  
That's my understanding. Is that not your  
understanding?

MICHAEL KELLY: Well, under the RAD  
program it would be. We would be entering into a  
partnership with a private sector and non-profit

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5 developer to in essence for the development of that  
6 property.

7 COUNCIL MEMBER MENDEZ: Okay. I think  
8 it's a little disingenuous that it's not really  
9 outlined here in the public testimony as such.

10 BILL CRAWLEY: Yeah, yeah. So the  
11 structure in the Section 8 transaction was different.  
12 One, these were not public housing units. So that's-  
13 -that's number one in terms of the facts. These were  
14 Section 8 properties.

15 COUNCIL MEMBER MENDEZ: Yes, but you have  
16 public housing units that you're now converting under  
17 the RAD program to Project Based Section 8 that then  
18 eventually will be sold into some joint ownership  
19 structure. That isn't made clear in your testimony.  
20 That's what I'm saying.

21 BILL CRAWLEY: Well, let me just clarify  
22 then. In order for us to execute RAD, which is a  
23 federal program, we have to utilize the low-income  
24 housing tax credit program, and that program requires  
25 that we have a partnership with a private entity in  
order to only manage the property. But NYCHA does  
not lose any rights or any powers under that  
scenario. It's just a way of utilizing the low-

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5 income housing tax credit program to drive--to  
6 increase the amount of capital available to rehab the  
7 properties. We've been very consistent in saying  
8 that in all of our presentations, and that's how the  
9 RAD program is structure nationwide and that's what  
10 our intent is to do here.

11 COUNCIL MEMBER MENDEZ: [off mic] It's  
12 not--

13 CHAIRPERSON FERRERAS-COPELAND:  
14 [interposing] Thank you. Council Member if you--  
15 Can you please make sure that your staff schedules an  
16 immediate meeting with Council Member Mendez.

17 MICHAEL KELLY: Yes, we will.

18 CHAIRPERSON FERRERAS-COPELAND: And then  
19 we will have a follow up with Council Member Mendez.  
20 Council Member King followed by Council Member  
21 Rosenthal.

22 COUNCIL MEMBER KING: Thank you Madam  
23 Chair and Mr. Chair. I will be brief. My question  
24 is in regards to public housing and homeless  
25 families. I have a number--a couple or every two  
weeks I have constituent night at my NYCHA  
developments. And one of the biggest questions that  
comes out of it is the transfer or new residents who

come who were previously on domicile. So I understand that 5,000 apartments come available each year through NYCHA; 750 public housing or apartments are slated for homelessness; 500 for families into public housing through the voucher system. And according to--and we know we have them in our homeless issue. And your Next Generation Plan is going to be an additional 750. It doesn't mean a lot to homeless families. My questions are how much will this generate in annual operating income or revenue? How many homeless families do you think will be placed in 2015? Thirdly, I would like to know is there funding or any other thing that's been helping families who transition into housing? Because we get a host of issues of families have challenges with new families who come in who bring a whole host of other issues the cleanliness as I see here in safe communities an issue. And thirdly, the parking I saw \$60 million--\$6 million revenue that you're looking to raise for parking. If you're--and this is just the reality of the conversation I've been having. If you bring in a population that may not be driving as much, how do you plan on raising that kind of money?

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5 Do you plan on having more people who don't live in  
6 NYCHA utilize these spaces? Thank you.

7 MICHAEL KELLY: Good. Thank you. Brian,  
8 on the first on the homeless questions, may I ask  
9 Brian Clark to respond to that.

10 BRIAN CLARK: Brian Clark, Senior Vice  
11 President of Operations for Property Management. So,  
12 you know, in--so the numbers that you gave correct  
13 for, you know, for this year for 2015. The 750 plus  
14 the 500, which would be 1,250. So the next year  
15 we're allotting 1,500 units, and those units would  
16 come with supportive services. So this would be to  
17 help with the transition, and hopefully successful  
18 tenancy, and I believe--Richard, do you have the  
19 information regarding the financial impact?

20 RICHARD COUCH: Yeah, I just want to get  
21 clarification. Your question was how much funding  
22 does that bring in? I wasn't--

23 COUNCIL MEMBER KING: Yes, I'm talking  
24 about the parking.

25 BRIAN CLARK: I believe--I thought you  
earlier had a question about the--the revenue that  
would generated for that.

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5 COUNCIL MEMBER KING: Yeah, how much will  
6 this--this whole trans bring in--

7 BRIAN CLARK: Support the program?

8 COUNCIL MEMBER KING: Yes, how much  
9 annual operating revenue will it bring in?

10 [background comments]

11 BRIAN CLARK: Excuse me a second.

12 [pause]

13 MICHAEL KELLY: We're trying to answer  
14 the question of funding for the homeless and funding  
15 for parking. I think that may be--

16 BRIAN CLARK: Okay.

17 MICHAEL KELLY: I think in terms of the  
18 homeless. Yeah, we're now looking at for 750 of the  
19 units moving forward there's a \$1,500 subsidy.

20 BRIAN CLARK: Yeah, a \$1,500--yeah, a  
21 \$1,500--

22 MICHAEL KELLY: Subsidy.

23 BRIAN CLARK: --fee per month for 750 for  
24 the first year of the program.

25 MICHAEL KELLY: Look for parking.

BRIAN CLARK: Okay.

MICHAEL KELLY: Look for parking. Again,  
this is--we're still doing the back of the envelope



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to see what kind of figures we might be able to  
generate. We know that it's an unutilized source. I  
think one of the questions we are going to make these  
parking slots available to market rate folks at  
market rate. So that's a way of--

BRIAN CLARK: [interposing] For people  
outside of NYCHA?

MICHAEL KELLY: Yes, sir. Sir.

RAYMOND RIBEIRO: But there is, you know,  
a priority given to residents and there is a cap for  
the residents. I think the largest increase is  
something like \$60 a month.

COUNCIL MEMBER KING: I heard something  
like \$75. I don't know if I'm incorrect, but NYCHA  
tenants parking \$75. And my TA president were giving  
me a whole earful across the parking. And if you can  
answer it fine, if you can't then to follow up on the  
Chairman mentioned about the centers. They're in an  
uproar about that because some centers have done  
well. And not to have a conversation with them and  
just bring somebody else it. You know, we're funding  
it just doesn't seem to make sense to us. So how to--  
is there a way to reverse that kind of decision  
because we're funding it anyway?

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5 MICHAEL KELLY: Well, I want to answer  
6 the first question--

7 COUNCIL MEMBER KING: [interposing]  
8 Please do.

9 MICHAEL KELLY: --which is we're now  
10 looking to--looking at establishing market rates  
11 depending on the surrounding community. So what we  
12 can get for parking in one part of town is different  
13 than from what we can get from some other parts of  
14 town. So we're looking to try to generate that. And  
15 again, I think in terms of the commitment to  
16 incorporating our activities more [bell] in the city  
17 center, that's part of Next Generation NYCHA. We  
18 are--we believe that our core mission should be the  
19 delivery of quality property management to our  
20 clients. And things like community centers we think  
21 other people can do a better job at.

22 BILL CLARK: Council Member King, I just  
23 wanted to clarify just the--the \$1,500 fee I said is  
24 for the first year. It's actually for five years of  
25 the program. Okay, to help the supportive services.

CHAIRPERSON TORRES: I do--I have a quick  
follow-up on the--my understanding is that DHS has a  
subsidy program for the homeless families in crisis.

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And I'm wondering is NYCHA going to receive the same  
level of funding from DHS that a private landlord  
would receive?

MICHAEL KELLY: Yeah, I think that that  
is the--I think that that is the range--the ranges  
that we're talking about is private level range.

CHAIRPERSON TORRES: Private level, no  
distinction. Okay. Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Thank you  
Chairs Torres and Ferreras-Copeland. Hi.

MICHAEL KELLY: Hi.

COUNCIL MEMBER ROSENTHAL: So, I  
represent District 6. It was one of the districts  
where the Mayor in his haste to announce security  
cameras going up throughout the city, we were one of  
the great achievements. We got them all implemented  
by December--the end of December 2014. I was so  
pleased. We were working with NYCHA on that. So,  
two weeks ago, a tenant who I'm very fond of, an  
elderly woman, was robbed in the lobby at the Hostos.  
And it turned out that the tape, you know, because,  
of course, they had a camera facing just the right  
direction, had been erased. So, there's nothing  
there, and then it turns out that the agreement that

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5 we had that all of these tapes would be accessible by  
6 our local PD as well as the PSA, which we had a  
7 letter of agreement on, never happened. So, the PD  
8 I've been one informing the precinct commander that  
9 he could be having access to these tapes. So, you  
10 know, the systems is--is--that is sold is this  
11 wonderful, magical system, right? The door stays  
12 open longer than three minutes. An alert is sent to a  
13 control station downtown, you know. So the door  
14 stays open for hours there. No one comes. There's  
15 no electronic shutting of the door.

16 We have the layered access at that site.  
17 The PD, the police precinct, yeah, is not involved at  
18 all, and I've got drug deals going on and tenants  
19 being robbed. And, you know, I allocated, actually  
20 it was the council member before me, \$800 million.  
21 And I feel like the whole City of New York was ripped  
22 off. There were two or three layers of consultants  
23 who had to oversee---overseeing the consultants who  
24 oversaw the consultants. My tenants are as at-risk  
25 today as they were a year ago today. I've brought  
this up repeatedly. And I can't have my tenants  
coming to me in tears, elderly tenants who after  
months of saying to the police and after me saying to

1 you get the system get the system set up so that the  
2 police can have access to these tapes. After months  
3 of this tenant asking for that, she comes into my  
4 office last week and tells she was robbed and the  
5 tape was automatically erased and now it doesn't  
6 exist. What--why--I want my \$100,000--my \$800,000  
7 back. I want it back. I'm representing the  
8 taxpayer. What guarantee do you have on the system  
9 of it working? I'm done. I'm so disappointed in  
10 NYCHA management of the security cameras.

12 MICHAEL KELLY: Well, I'll start, if I  
13 can't. I'm not ready to follow up on the mechanics  
14 of it. I will follow up personally on this site so  
15 at least to what--what they--what happened at the--at  
16 that case where the tape was--erased.

17 COUNCIL MEMBER ROSENTHAL: [off sic] I  
18 have meeting set up. I have a regular meeting with  
19 this tenant on Fridays. So I'm--I'm available. We  
20 can meet at the set.

21 MICHAEL KELLY: All right, I'll talk to  
22 you about that.

23 COUNCIL MEMBER ROSENTHAL: And can you  
24 bring people who run it with you? I don't want to  
25 just explain it to you. I don't want to educate you.

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5 I want you to come educated with your staff who run  
6 the system and with the PD and I want an answer on  
7 how between now and Friday you will have already set  
8 up the system to talk to each other. We're not  
9 talking rocket science here. So don't come  
10 uneducated.

11 RAYMOND RIBEIRO: Council Member, if I  
12 could--if I could just try to at least address some  
13 of the issues that you brought to--to our attention.  
14 I have heard with the issue with the system that was  
15 installed at the Hostos. I will say--

16 COUNCIL MEMBER ROSENTHAL: [interposing]  
17 I want you to know I've sent multiple emails. So if  
18 you haven't heard that you should wonder about that.  
19 That's disconcerting to you.

20 RAYMOND RIBEIRO: And I will--

21 COUNCIL MEMBER ROSENTHAL: [interposing]  
22 And phone calls that my staff has had with NYCHA. So  
23 if you've not heard, I--I don't even know where to  
24 start with that comment.

25 RAYMOND RIBEIRO: Understood. I just  
wanted to point that as we've talked about, as we've  
discussed in all of our meetings, the standard  
operation of these systems--

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5 COUNCIL MEMBER ROSENTHAL: [interposing]

6 Oh, no, no, no, no. There were 20--I had 20  
7 witnesses in that meeting with Patrick Yetts [sic]  
8 [bell] who said to me that the standard process is to  
9 have sock in one system in one building that would be  
10 able to have wireless communication with the  
11 surrounding buildings. We did his standard program.  
12 We redid the math after our hours of meeting  
13 together, and it turns out that that's how they  
14 always do it and the communication always works.

15 RAYMOND RIBEIRO: Council Member that's  
16 not correct.

17 COUNCIL MEMBER ROSENTHAL: Do not, do not  
18 lecture me on how your system works without your  
19 consultant who puts them in, the contractor who  
20 installs them sitting them right next to you. I know  
21 that there are four layers of people between you and  
22 that person. I don't know what those four layers of  
23 people do, but when I'm talking to you about this, I  
24 want to talk to the expert.

25 CHAIRPERSON TORRES: Council Member, your  
point is--

COUNCIL MEMBER ROSENTHAL: I really don't  
want to you about it any more.

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5 CHAIRPERSON FERRERAS-COPELAND: Thank  
6 you. Your point is duly taken and noted, and please  
7 follow up with Council Member Rosenthal. We will now  
8 start the-- We have our Chair who has additional  
9 questions, and then we're going to have Council  
10 Member Mendez actually. You can go first. She's  
11 just going to state her question--

12 COUNCIL MEMBER MENDEZ: [interposing]  
13 Thank you.

14 CHAIRPERSON FERRERAS-COPELAND: --for the  
15 record. So if you can document them please because  
16 this is exactly what you have to follow up with  
17 Council Member Mendez on.

18 COUNCIL MEMBER MENDEZ: Thank you, Madam  
19 Chair. Thank you, Mr. Chair. So I'm just going to  
20 ask the question so when I get my meeting, but I  
21 think the committee should get the answers to these  
22 questions. How much of your capital funding did you  
23 transfer to--to expense in order to cover your  
24 deficit in your last fiscal year? How much do you  
25 anticipate transferring next year? Are any of the  
eight developments in Bloomberg's infill plan stated  
to be part of your infill plan in Next Gen NYCHA?  
How many closing of senior centers are NYCHA senior



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5 only buildings, or that are being transitioned to  
6 DFTA? What is--have you gone through your repair  
7 backlog and are you up to date with any repairs that  
8 tenants were waiting for in the past? Are not-for-  
9 profits who are currently in NYCHA space going to be  
10 paying more money, additional rent? Will  
11 accommodations made be made for senior citizens in  
12 terms of this parking fee increase? The fund for  
13 public housing that you mentioned in page 7, who will  
14 be on, you know, who will sit on this fund? How will  
15 the funds be used, and how will NYCHA work with the  
16 funds, if at all? Does NYCHA have a plan for getting  
17 its nearly 5,000 units that are in former city and  
18 state development utilized--

19 CHAIRPERSON FERRERAS-COPELAND:

20 [interposing] Council Member--

21 COUNCIL MEMBER MENDEZ: --by people with  
22 vouchers?

23 COUNCIL MEMBER MENDEZ: That was the end.

24 CHAIRPERSON FERRERAS-COPELAND: Thank you  
25 very much.

COUNCIL MEMBER MENDEZ: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Council  
Member Torres, and just to remind members, we have a

1 budget briefing. So we will be here now probably  
2 unit about 7:00 p.m. for briefings tonight, and we  
3 have Commissioner Gia, who is here to brief us on the  
4 SCRIE issue that we have, who's waiting for myself to  
5 get downstairs.  
6

7 CHAIRPERSON TORRES: Okay. So I'll be  
8 quick. The success of NYCHA's strategy for closing  
9 the deficit obviously depends heavily on the central  
10 office restructuring, right. So I'm curious to know  
11 are you going to be able to restructure the central  
12 office? Like how does Civil Service protection and  
13 collective bargaining interact with your efforts to  
14 restructure the central office. That's one question.  
15 Second, do you have buy-in from the stakeholders in  
16 labor? So those are the two questions.

17 MICHAEL KELLY: I mean this is something  
18 that it's a three-year plan for the development, and  
19 we're just starting the plan right now in  
20 negotiations with--regarding the partners as well as  
21 with the city and their agencies. And the key word  
22 to it is there is no layoffs. That's the fundamental  
23 principal moving forward.

24 CHAIRPERSON TORRES: But relocating up to  
25 a thousand employees or a significant share of

1 thousand employees it is a painful adjustment. I  
2 suspect our stakeholder in labor will have strong  
3 opinions on the subject. And so, I'm curious to know  
4 do you have their buy-in, and is your strategy for  
5 restructuring consistent with collective bargaining  
6 agreements. With those--so, you can answer those  
7 questions with yes or no I mean however--

9 MICHAEL KELLY: Well, again, I think we--  
10 we welcome the continued engagement with all of our  
11 stakeholders particularly the unions as we look to  
12 meet these--this financial crisis we're in right now.  
13 So we were looking at all of the existing collective  
14 bargaining agreements. We will be looking at all of  
15 our things that are currently in place to ensure a  
16 smooth transition.

17 CHAIRPERSON TORRES: I know you welcome  
18 their engagement, but do you have their buy-in, yes  
19 or no?

20 MICHAEL KELLY: I think it's a  
21 continuing--it's a continuing discussion we have  
22 right now depending on the union, depending on the--  
23 the level of engagement we've had so far.

24 CHAIRPERSON TORRES: In the interest of  
25 time, that's the extent of my questioning.

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5 CHAIRPERSON FERRERAS-COPELAND: Thank you  
6 so much, Chair Torres. This concludes our hearing  
7 for today. Thank you for testifying. We have a lot  
8 of following up to do.

9 MICHAEL KELLY: Yes.

10 CHAIRPERSON FERRERAS-COPELAND: So we  
11 will be engaging at the individual meetings, but also  
12 information that this committee needs. So you'll get  
13 a letter from my committee. I need you to respond as  
14 soon as possible because we will be using that  
15 information for budget negotiating.

16 MICHAEL KELLY: Understood. Thank you.

17 CHAIRPERSON FERRERAS-COPELAND: This  
18 concludes our hearing for today. The Finance  
19 Committee will resume Executive Budget hearings for  
20 Fiscal 2016 tomorrow at 10:00 a.m. in this room.  
21 Tomorrow, which will be the last day of Council  
22 hearings, we will hear from the Office of Management  
23 and budget-- [shushing for quiet]

24 SERGEANT-A-ARMS: Quiet, please.

25 CHAIRPERSON FERRERAS-COPELAND: --the  
Department of Finance, the Controller and the public.  
The public portion of tomorrow's testament--testimony  
will begin approximately at 1:30 p.m. in this room.

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As I mentioned this morning, we will--we understand that many seniors are people with disabilities who wish to testify must leave by a certain time. So we will try to accommodate those needs tomorrow by putting you on some of the earlier witness panels. Any senior or person with disability or anyone who requires any additional accommodation, please make a note on your witness slip so that we know who you are. For any member of the public who wishes to testify but cannot make it to the hearing, you can email your testimony to the Finance Division at [financetestimony@council.nyc.gov](mailto:financetestimony@council.nyc.gov), and the staff will make a part of the official record. Thank you. This hearing is now adjourned.

[gavel]

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 June 14, 2015