

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
NYC Department of Cultural Affairs (NYCHA)

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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4 AND COMMITTEE ON PUBLIC HOUSING

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2 [sound check, pause]

3 [gavel]

4 CHAIRPERSON FERRERAS-COPELAND: Good

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

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

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

23 Today, the Executive Budget hearing kicks
24 off with libraries. Fiscal Year 2016's Executive
25 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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2 Before we begin, I'd like to remind my
3 colleagues that the first round of questions for
4 these will be limited to five minutes to council
5 member, and if council members have additional
6 questions, we will have a second round of questions
7 at three minutes per council member. I will now turn
8 the mic over to my Co-chair Majority Leader Van
9 Bramer and Council Member Costa Constantinides for
10 their statements, and then we will hear from heads of
11 the three systems.

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

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

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2 higher priority for this administration. We need \$65
3 million this year. We need it now. We need the
4 capital funding. \$300 million additional for capital
5 is a good beginning, and that is a positive and we
6 are very, very pleased that the Mayor chose to heed
7 the call of this Council. Not all of it, but a
8 significant addition. So much so that the New Lots
9 Library, which I visited with Council Member Barron,
10 is--is on target to be renovated. But, there is
11 still so much more to be done. Libraries and library
12 workers, library patrons, library supporters deserve
13 better. We can do this. This is the year to do it,
14 and we cannot waste any more time because the people
15 of the City of New York, those children who I do
16 Zumba at the Woodside Library on Friday afternoon.
17 Alejandro who spoke about the library and the power
18 of books changing his life, and how important he
19 knows it is for the Woodside Library to be open on
20 Saturdays, which is still not today. We must get the
21 \$65 million, and I'm asking, I'm saying to the Mayor,
22 to the administration we must do for libraries what
23 libraries have done for the people of the City of New
24 York. We must--must make sure that our libraries are
25 fully funded, and that we have restoration of \$65

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

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

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

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

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

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

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

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

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

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

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

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

18 We did, as you'll see, we did receive a
19 \$10 million increase in operating funds last year for
20 which we're grateful. That allowed the three systems
21 to add roughly 100 positions and expand our
22 programming that the City Council and the Mayor are
23 eager to see us do more of. I should note that that
24 \$10 million was not baselined in the current
25 Executive Budget and, therefore, those positions,

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

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

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

13 The libraries are at the front line.
14 They are yours and the Mayor's most useful tools to
15 meet those needs. New Yorkers who seek more
16 opportunity to the immigrants who have always been
17 the source of strength of this town to the students
18 to the people trying to create jobs. We can't do
19 that if our libraries are closed. New York City's
20 public libraries are open now an average of less than
21 45 hours per week. San Antonio, 57 hours; Los
22 Angeles, 53 hours. In fact, just in New York State,
23 New York City ranks ninth out of the ten largest
24 counties for how many hours we're open. As a
25 starting point, you can't give access to all that the

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

22 Now, in addition to our \$65 million
23 operating restoration. Let me reiterate that again,
24 restoration, we've also been talking about a \$1.4
25 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.

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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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2 find additional funds for instance to cover just the
3 critical maintenance needs as well as, of course,
4 those branches that deserve a complete renovation.
5 So, I think we are at a moment, as Council Member and
6 Chair Van Bramer said where basically we're all in
7 agreement. The City Council is in agreement. The
8 libraries are in agreement. The users are in
9 agreement. Some of you will have seen the list of
10 supporters just in the New York Times this morning.
11 Writers and community organizers and union folks, and
12 just across the board we're all in agreement this is
13 the time to get it done. And thank to your great
14 work and your leadership, we will.

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

23 CHAIRPERSON FERRERAS-COPELAND:
24 [interposing] I'm so sorry. Can you just state your
25 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.

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

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

4 And these are great jobs, and isn't having a well-
5 employed community an important part of the economic
6 development of the city. So not only do we need them

7 to provide service, but it also adds to the value of
8 our communities and the jobs that are adding to our
9 local economy. And these employees they'll do all of

10 the things that are--that, you know, you think of as
11 typical library work. But you know that all three

12 systems go above and beyond, and our amazing staff go
13 above and beyond to do things like make appointments
14 for low or no cost medical care right in the library.

15 They show seniors how to life chat, you know, with
16 faraway relatives or friends. They deliver materials

17 to the homebound. They print and review resumes for
18 job searches. They help with homework. They're

19 mentors, they're coaches, they're friend, they're
20 part of the community, and they're so important to

21 the fabric of that community. But right now we're
22 not meeting that need because we don't have enough.

23 So many have taken on extra responsibilities just to
24 maintain the services that we have now. And we have

25 asked and they have delivered, and we appreciate them

1
2 so much. But now, they need reinforcements for us to
3 be able to meet the needs that are out there.

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

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

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

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

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2 the computer by half hours. Think about how much you
3 get done in a half an hour. Not very much. If
4 you're creating a resume or writing a letter or
5 applying for a job, and you have to get off your
6 computer in half an hour, that's just not enough
7 time. And even if you get the full hour, that's
8 still not enough time. And the reason we have to
9 limit that is because we have so much demand for
10 those computers that we have to give it out equally.
11 But we also don't have enough computers, and we don't
12 have enough space to put them. So all of those
13 things compound to create this real challenge for us
14 to be able to meet this needs. So restored funding
15 will help us address that--part of that problem on
16 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

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

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

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

1
2 borough to give kids a head start. Our first UPK
3 class is graduating just in the next few days. We
4 have two more classes that we are adding next year,
5 and we are looking to expand Early Learning across
6 the boroughs with things like Family Place and
7 Kickoff to Kindergarten. My colleagues in their
8 boroughs have, you know, many more early learning
9 opportunities that they are offering as well. But
10 again, it doesn't meet the need. We don't have it in
11 every single library, and this is a need in every
12 community to make sure that the birth through five
13 that those critical years things that libraries have
14 always served as critical opportunities for education
15 and supported are funded. And right now they're not,
16 and we need to expand that.

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

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

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

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

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

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

18
19 Following the renovation and expansion of
20 Staten--of the Stapleton Library in Staten Island,
21 program attendance increased by 177%, visits by 33%,
22 and circulation by 51%. In Cambria Heights, Queens,
23 a beautiful new teen room has become a community
24 gathering space for young people in the neighborhood
25 many of whom would not otherwise have a safe place to

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2 go after school and over the summer. And our own new
3 Kensington Branch, both flexible shared working
4 spaces with a modern environmentally sustainable
5 design. Visits to that branch increased 32% with the
6 opening of the new facility while circulation rose
7 from 13th to--the 13th highest to the 5th highest in
8 our system. These are examples of what New York
9 City's libraries will do with sufficient resources.
10 And the branches that you see now are examples of the
11 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.

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

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

1
2 Yorker, opened every day to families in every
3 neighborhood. Andrew Carnegie provided an
4 extraordinary generous financial gift to build new
5 libraries throughout the city. Near--nearly all of
6 them serve the public to this day, and nearly all of
7 them also face considerable capital challenges.
8 Would that there was an Andrew Carnegie in the wings
9 today. But I am convinced that if the City invests
10 in libraries, this administration and Council will be
11 remembered a hundred years from now with the same
12 admiration that we feel today for Carnegie and the
13 civic leaders who shared his vision.

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

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

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

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

4 TONY MARX: Thank you, Madam Chair. So,
5 of course, we are grateful to be partners with the
6 BTOP, the sustainability program. We've been able to
7 add instructor led computer training in 32 low-income
8 areas across Manhattan, the Bronx and Staten Island.

9 I know my colleagues in Queens and Brooklyn have been
10 doing the same. We've added a coding instruction for
11 the first time for free, teaching coding particularly
12 in low-income neighborhoods where the demand seems to
13 be huge. Which is great because we want to increase
14 our ability to help people get skilled into the--into
15 the fastest growing job sector in this city. We have
16 office readiness programs. We have teaching people
17 how to do--create their own websites. So this is
18 crucial for us together with our basic tech connect
19 programs teaching people the basic skills of
20 technology. Can I just say, like with capital for
21 buildings, though, you can have theoretically all the
22 money in the world for training, but if you don't
23 have the facilities open and if you don't have
24 computers and software and hardware that works, it's
25 not going to work. And we I think are not alone,

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2 Madam Chair, in wanting to have a robust conversation
3 about some of the rules of city funding in terms of
4 also buying capital meaning computers. We live in a
5 world that is increasingly mobile and increasingly in
6 the Cloud, and we--we're going to need to think of
7 how working together we can adjust those rules so
8 that city funding can be spend where the citizens it.
9 So that we will have the hardware and the capacity to
10 use the BTOP money to provide the training of which
11 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

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

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

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

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

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

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

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

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2 money. And that means the City of New York, the
3 citizens, the taxpayers, and the private donors are
4 getting twice as much bang for their buck, right. We
5 can address--it--it--it's so obvious as a matter of
6 municipal and fiscal management. And it's great that
7 we're there. With some more funding, we'll really be
8 there, and the private donors will be, I think,
9 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

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

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

1
2 we do everyday, and that's why we need adequate
3 funding from the city.

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

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

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

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

1 restoration should happen, and it should be based on-

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

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

20 There are children, families, immigrants,
21 new Americans, people who desperately rely on
22 libraries every single day. And, we must do better
23 for libraries. This is the year to do it. And so
24 it's frustrating because you all obviously share my
25

1
2 passion for libraries. You represent the great
3 library staff and workers, and the people who rely on
4 libraries. The administration will be here tomorrow,
5 and--and can answer some questions. But you are not
6 the administration. You are hard-working library
7 workers like yourselves. So, I want to say the \$10
8 million that was restored last year, not enough by
9 far. You did some good things with it, and maybe you
10 can share a little bit of that. And also, what would
11 happen if you didn't get that \$10 million restored
12 back. It's a restoration of a restoration. That's
13 what we're talking about for libraries. Not
14 stabilizing libraries, and we've just got to do it.
15 So maybe you can talk a little bit about, you know,
16 the \$10 million. What would happen if that didn't
17 get restore? But really, what would happen with \$65
18 million restoration. How many more New Yorkers would
19 get jobs? How many more New Yorkers would get
20 served? How many more children would have their
21 lives changed like Alejandro in Woodside spoke of on
22 Friday evening when I was there for the rally. So
23 maybe the three of you can speak to those issues.

24 LINDA JOHNSON: Thank you, Mr. Chairman.

25 It is frustrating to be having this conversation, and

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

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2 If we had the additional, the full \$65 million that
3 we're asking for, we would increase the number of
4 Saturdays or six-day service that the--that the
5 libraries would be open, and that's a big goal for
6 all of us. We would go from 23 to 39 branches with
7 six--with six-day service, and we would expand
8 Saturday service from 40 branches to 47. So just to
9 explain the numbers in many cases where we have--we
10 have Saturday service, where we have five-day service
11 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

1 [laughs] because it's--it is a--it keeps you up at
2 night. But we are in the very uncomfortable position
3 of planning for our Fiscal Year '16 Budget based on
4 the Executive Budget that's out now that would go to
5 our board for approval later this month that has to
6 reflect the fact that \$10 million isn't in there.
7 And the places where we added was--was, as in
8 Brooklyn's case, it was personnel and it was
9 materials. So that's where it would have to come
10 back out unfortunately. We don't want to revisit
11 those dark days where we're not filling positions
12 where we don't have a materials budget. And yet,
13 that's what we're faced with. You know, we--we have
14 asked so much of our library employees to just
15 maintain what they have with fewer and fewer people,
16 and--and wanted to say 900 positions have been lost
17 over the last seven years across the city. And yet,
18 we have maintained as much service as we possibly
19 can. The fact that we've got five-day service and
20 six-day service and--and, you know, the number that
21 we do is really a testament to how dedicated they are
22 and how hard they work. But they need reinforcements
23 and we can't continue to even stay level and--and
24 think that we can maintain that service. So those--
25

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

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

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2 vulnerable as to whether that funding is continuing
3 and we need to do more. But for the \$10 million
4 again working with the City Council and the Mayor we
5 focused on adding ESOL classes. We have 10,000
6 slots. We added 3,000 after school positions;
7 211,000 attendees of Early Childhood Literacy
8 Programs; 90,000 attendees in basic computer skills;
9 36,000 attendees in job search and financial literacy
10 classes with thousands getting jobs who would not
11 otherwise. For that, our portion of the \$10 million
12 increase last year we were able to hire eight--55 new
13 staff, 18 public service staff, particularly young
14 adult librarians; 28 education program staff because
15 of the priorities of the City Council and the Mayor.
16 Five in digital preservation, and four in the
17 Municipal ID Program. So we actually reallocated
18 staff positions so that we could deliver on what the
19 City Council and the Mayor asked us to deliver in
20 terms of the ID program, which is great. In terms of
21 \$65 million for the New York Public Library, that
22 would be 320 new jobs. We would increase our after
23 school significantly tripling roughly. It would
24 probably add another 50% of Childhood Literacy
25 programs, a significant increase in computer skills,

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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

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2 Constantinides before all of the members get to ask
3 questions.

4 CHAIRPERSON CONSTANTINIDES: Thank you
5 Chair Van Bramer and Chair Ferreras-Copeland. It's
6 great to see you all again. I feel like we've done
7 this quite a few times already this year. [laughs]
8 I think I share my Chair's feelings that this is--
9 it's always odd. It's a love fest. We know what we
10 need. You know what we need. We're sort of speaking
11 back and forth to one another knowing what everyone
12 is about to say. But I'll--I'll ask a few questions
13 and I try to do my best to be brief because this is--
14 this is quite serious, and we all take it that way.
15 As much as I'd love to see you, I'd love to see you
16 more if we had \$65 million to talk about, and how
17 that great money was going to be spent. And we'd be
18 even more excited to hear about how you would
19 spending the \$1.4 billion over the ten years. So we
20 need to get to that point, and I think that we can.
21 But we need to definitely continue this
22 communication. And Invest in Libraries Coalition has
23 been such a strong advocate. So I want to commend
24 you on that great work. It's really highlighting the
25 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?

12
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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2 administration has--you know, we are grate--we are
3 grateful for the amount that they have already
4 pledged. We will look to those high priority
5 projects including ADA accessibility to make sure
6 that those facilities are available for people to go
7 in. Because again it's not the--it's not the hours.
8 It's can you physically get into a library and that
9 is so important. So yes, the full allocation for
10 capital in the Ten-Year Plan for Queens, it would
11 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--

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

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

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2 and being able to sort of pivot quickly with the lack
3 of capital bandwidth, how are you able to sort of--
4 You know, if the air conditioner goes down, if we
5 have those sorts of challenges, does the library have
6 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

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2 the patrons from being in the library when the
3 conditions reach a certain level. And we know that
4 this summer despite our planning, that we will be
5 dealing with emergencies. But, you know, like
6 anything, you learn how to cope, and we've gotten
7 fairly adroit at figuring out how to address
8 emergencies like leaky roofs. And--and when it gets
9 to the point where you've got to close a library, we
10 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.

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2 So, you know, the \$100 million that we're--that we
3 will be receiving as well as other funds from our
4 Council Members and the borough president, those will
5 go to address those. And thankfully, that will help
6 us to address those needs. But you're right, when--
7 when a sewer line goes at the Broadway Library, and
8 it's closed for a week and a half, the funds to pay
9 for that, you know, that comes out of another pot
10 that otherwise would go to pay for something out. So
11 it's inefficient, and it doesn't give us the ability
12 to really put the resources where they should be
13 going, which is services and staff for our
14 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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2 we can't plan to be able to do that, the cost to the
3 taxpayers go up both in terms of closed facilities, a
4 loss of access, but also the physical costs of
5 repair. Because any of us who--who've done this in
6 our own homes know that if you don't do it, if you
7 don't say on top of it, it just gets worse and more
8 expensive. And then you end up needing to do much
9 more work. We want to get to a much more rational
10 place, and we're so excited that we seem to be moving
11 in that direction with you and the Mayor's
12 leadership.

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.

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
2 CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL
3 INTERGROUP RELATIONS, SUBCOMMITTEE ON LIBRARIES
4 AND COMMITTEE ON PUBLIC HOUSING

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

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

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

20 COUNCIL MEMBER RODRIGUEZ: Okay.

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

24 COUNCIL MEMBER RODRIGUEZ: Okay.

1
2 TONY MARX: That's what we're aspiring to
3 be.

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

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

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

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

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

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

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

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2 is the kind of capital problem that occurs when we
3 don't have--and you don't have the money to provide
4 regular upkeep. I don't think it was that specific
5 case. You don't have to address that, but is this
6 what you were referring to? It's really kind of a
7 penny wise/pound foolish approach where we don't give
8 you money for upkeep, and then you have to get big
9 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,

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

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

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

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

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

15 [laughter]

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

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

18 CHAIRPERSON FERRERAS-COPELAND: Thank
19 you.

20 COUNCIL MEMBER LEVINE: Thank you.

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

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

1 strong support. And it's great to be a--a real
2 member of the chorus and to see all that folks have
3 done across the city to build up this Invest in
4 Libraries Campaign this year. And it's been fun to
5 see on the ground when we did Bike to Branches and I
6 got to all seven of the libraries that are near my
7 district. The library awards with those magnificent
8 videos, and I think if people haven't had a chance to
9 see them I dare you to watch them without crying, and
10 then committing to invest in the libraries. And you
11 really get a sense of just how diverse they are in
12 the way you just--you kind of--it's--it's tremendous
13 in New York City and how it learns together and grows
14 together, and finds itself together. And, I'm
15 pleased also in my district participatory budgeting.
16 There were three branches that either hosted poll
17 sites or meetings, and that this is the fourth year.
18 And in every one of those years, my constituents have
19 voted to provide some additional capital to library
20 projects this year included. And so, I very much
21 join the chorus for the additional \$65 million.
22 We've got to get to six-day service. In my district
23 at the Pacific Street branch still only five days a
24 week. It's closed Mondays. Only one evening a week.
25

1
2 I want to ask just a couple of questions about
3 capital to make sure I understand what we need to do
4 this year. So just to get clear for the \$1.4 billion
5 in total, that's all new needs. Some of the money in
6 our Capital Budget is roll of past projects, but we
7 need \$1.4 billion in new money, the \$300 million the
8 Mayor is putting in, is \$300 million of that \$1.4
9 billion. But that leaves us \$1.1 billion more that
10 we need to find over the--\$1.1 billion more we need
11 to find in the coming ten years. Do I have that
12 right?

13 LINDA JOHNSON: That's correct.

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

24 LINDA JOHNSON: Yes.

25

1
2 COUNCIL MEMBER LANDER: All right. So I
3 think my mat is good here because if you take \$1.1
4 billion and divide it by \$35 million, I'm pretty sure
5 you'll get that it would take us 30 years to get to
6 the \$1.1 billion that we need except that we have all
7 those needs today.

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

10 COUNCIL MEMBER LANDER: Okay. So we have
11 to do a lot better this year than just adding \$30 or
12 \$35 million between the Council and the
13 Administration to the budget at adoption. You know,
14 I don't know whether that means we can try to double
15 that number to \$60 or \$70 million. We're not going
16 to come up with \$1.1 billion probably this year.
17 We've got to do it over ten, but one of the things I
18 really hope we can focus on because this has been
19 helpful for me understand what a task we have. Is
20 that adding \$30 or \$35 million on the capital side at
21 adoption, the historic pattern between the Council
22 and the Administration leaves us far, far short of
23 where we need to be to get the cap--the current
24 immediate urgent capital needs of the library system?

25 LINDA JOHNSON: Yes.

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
2 CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL
3 INTERGROUP RELATIONS, SUBCOMMITTEE ON LIBRARIES
4 AND COMMITTEE ON PUBLIC HOUSING 80

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

1 buy an ice cream or go shop at McDonald's right?
2 Have a snack. So the local economy, the local
3 merchants love a robust library. The more people go
4 to the library, the better, and being a council
5 member from Queens representing Flushing, I am
6 honored I am honored and privileged to work with one
7 of the most busy libraries in the whole country. So
8 what happens with all those good works? I have to
9 criticize something. So especially in my area and I
10 think it happens in other library systems, too. You
11 know, I think we have to improve the infrastructure
12 especially the bathrooms. If a health inspector go
13 to a library--go to a restaurant and find such
14 deficiencies, they will close the restaurant. But in
15 the library, we have no inspectors, right. So
16 division itself is very important because as the
17 population is getting older they use bathrooms more.
18 And then because it's so congested, so many people in
19 the library, when they--when they first designed the
20 bathrooms, they didn't think of that many people
21 would come to the library. And so there's not enough
22 space. So then--so having a decent clean bathroom is
23 more than critical. In your homes, in our homes and
24 also in the libraries. Because now this is expect
25

1 really easy. With all these fumes coming. In Korea
2 they have these rows [sic] and luckily we don't it
3 here. So we have to make cleanliness the first
4 priority in our library system. So my question is
5 how often do we--or do we have enough personnel to
6 clean the libraries, to maintain the libraries clean
7 with like bleach solutions to clean the tables,
8 things like that?
9

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

1
2 maintenance and custodial needs as far as the day to
3 day cleaning. But, when you have literally thousands
4 of people coming through your doors everyday, it is a
5 huge challenges. So, yes, we could use more. We
6 could use more custodians. We could use more
7 maintainers to help us keep our facilities in a state
8 of good repair. And we also need to think about
9 investing our capital dollars to expand them. In
10 some of our oldest facilities there may only be one,
11 you know, one bathroom, and that's not enough for the
12 children and families that need to use them. As well
13 as having them be accessible for anybody that might
14 have mobility issues or other challenges. So it's,
15 you, know, it's a multi-faceted issue, but it is one
16 that is certainly on our radar. And that we hope
17 with restored funding we can do an even better job of
18 making sure that the facilities we offer for people
19 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

1
2 COUNCIL MEMBER KOO: That is good. Thank
3 you and one more last questions. What are the
4 critical maintenance that you can--or at least what
5 are the critical maintenance needs at the branches,
6 and how much funding is needed to address these
7 needs?

8 BRIDGET QUINN-CAREY: Critical
9 maintenance in our infrastructure for Queens it is,
10 you know, we've got priority one infrastructure needs
11 for primarily HVAC and roofs. Although in some
12 places masonry is also an issue. But we're looking
13 at just for our priority lists, and those are roofs
14 that, you know, are over 20 years old or our HVAC
15 systems that are--in some cases we have one that's
16 50--over 50 years old. The--the maintenance needs we
17 have on that is if you put priority 1 and 2 together,
18 it's over \$20 million just in those kinds of
19 projects. And as Linda stated, they get more
20 expensive every year. It can cost almost a million
21 dollars to an HVAC system based on, you know, how big
22 that--that system is or how the library is. So it
23 is--it's a costly proposal. And unfortunately, the
24 deferred maintenance has made it a real funding
25 crisis.

1
2 CHAIRPERSON FERRERAS-COPELAND: Thank you
3 Council Member Koo. Council Member Crowley. We've
4 been joined by Council Member Rosenthal.

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

12 BRIDGET QUINN-CAREY: Custodians. For
13 custodians, yes,

14 COUNCIL MEMBER CROWLEY: Okay.

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

21 COUNCIL MEMBER CROWLEY: And the
22 employees that will be working directly for Queens
23 Library--

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

1
2 COUNCIL MEMBER CROWLEY: --and this is a
3 question for all our libraries. I would like to know
4 if they are being paid prevailing wages, those that
5 are cleaning and maintaining the cleanliness of the
6 libraries?

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

11 LINDA JOHNSON: The same for Brooklyn.

12 TONY MARX: All of ours are as well.

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

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

5
6 BRIDGET QUINN-CAREY: There's no
7 allocation currently in the budget for Fiscal Year
8 '16 for capital at all.

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

14 BRIDGET QUINN-CAREY: No.

15 COUNCIL MEMBER CROWLEY: No?

16 BRIDGET QUINN-CAREY: Not that I know of.

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

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

1
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.

1
2 COUNCIL MEMBER CROWLEY: Yeah, how does
3 that relate to your Capital Budget? Your Operating
4 Budget is--

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

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

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

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

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
26 have those in 24 of our libraries, and the plan is
27 hopefully that by the end of the year we will have
28 those in all of our libraries. So that anybody that

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

9 [pause]

10 CHAIRPERSON FERRERAS-COPELAND: Your mic
11 is off.

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

21 CHAIRPERSON FERRERAS-COPELAND: Thank
22 you. And we've been joined by Council Member Cumbo.
23 We will now hear from our last council member before
24

1
2 we go onto the Cultural Affairs. Council Member
3 Rosenthal.

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

1
2 topic. And secondly, how do we make it all go
3 faster?

4 BRIDGET QUINN-CAREY: The current process
5 when we receive City funds that those all of those
6 projects go through DDC. So while we are partners
7 with, you know, DDC and the construction of those
8 facilities, when City capital pays for the entire
9 project altogether, it goes through DDC as just, you
10 know, pro forma. That's just what happens. If we
11 are able to bring other funds to the project, either
12 State funds or private funds, and the project is over
13 \$1 million, it can be eligible for a pass-through
14 project. OBM and DDC, you know, we've been speaking
15 with both of those as far as options for that moving
16 forward. And would love to have a more robust
17 dialogue with both of those agencies and the
18 libraries and perhaps the Council about how to make
19 that, you know, a more viable option for all of us.
20 And what the criteria would be for those moving
21 forward because that does enable us to move projects
22 forward more quickly. As far as the internal
23 controls, we are all about internal controls now.
24 Let me tell you. [laughs] One of the things that
25 we've been doing over the last year, you know, seven

1
2 or eight months is to make sure that our Board of
3 Trustees is aware of all of our capital projects. We
4 went through an exhaustive project--process where we
5 listed every capital project that we had and every
6 single source of funding, with a status update to
7 make sure the Board was fully aware of where every
8 penny was being spent. And if they had questions,
9 you know, to ask those so that our stakeholders,
10 which is obviously the Council. But also the borough
11 president and the Administration feel good and know
12 that the people that are in charge of taking control
13 of the finances and responsible, have the fiduciary
14 responsibility at the library are aware of what all
15 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
2 funded. Here is where we think there might be some
3 opportunities to think differently, and then we
4 brought that back to the--the board for discussion.
5 So it is a very collaborative process now between the
6 board, the Council and the funders as far as what
7 those priorities are. And where we want to go as far
8 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

1
2 end this portion of the hearing, and we will resume
3 with DCLA in five minutes.

4 [pause]

5 [background comments]

6 [gavel]

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

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

1
2 everybody here well knows, the department's budget is
3 robust, and we are a city that invests in culture and
4 the arts. And, in many ways, as I'm sure the
5 Commissioner outlined, the city has--[sneeze] blessed
6 you. The city has invested significant funding in
7 the arts this past year whether we're talking about
8 the arts and education, and our initiatives at the
9 City Council, CASA, the Cultural immigrant
10 initiative, Coalition for the Arts, [sic] are strong
11 in the City of New York. Having said that, I know
12 that there is a movement afoot to increase funding
13 for the Cultural Institution Group members and for
14 all of the DCLA program organizations as well. I
15 support that effort. I think that the more funding
16 we invest in the arts, the better city that we are.
17 The more vibrant that we are, and the investment that
18 we make in culture. And the arts comes back to our
19 city in such greater proportion with respect to the
20 tax rolls and tourism. But it's really beyond money.
21 It's really about the soul, and it's really about
22 what the arts do for all of us making us better
23 people, challenging us, more thoughtful and more
24 creative. And so you can't really put a price tag on
25 the value of the arts in the City of New York. We

1
2 can only begin to talk about money in terms of
3 funding and programs and services. But it's really
4 impossible to put a number on the value of what the
5 cultural community gives the City of New York. And
6 Commissioner Finkelpearl is just beyond his first
7 year in this position. I believe he has done a
8 terrific job working with all of us, and I look
9 forward to hearing from him. And then being able to
10 ask some questions, and as Chair Ferreras-Copeland
11 mentioned, the public testimony is tomorrow. So I'm
12 sure we'll have some folks from the cultural
13 community here again tomorrow to speak. But today it
14 is the Commissioner's turn, and I will hand it over
15 to Commissioner Finkelpearl.

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

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

23 COMMISSIONER FINKELPEARL: I do.

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

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

1 mentioned our capacity building initiative, the
2 Community Arts Development Program, which has been
3 funded by Federal Department of Housing and Urban
4 Development since 2009. In this budget process, my
5 staff highlighted the good work this part of our
6 agency has been doing, and worked hard get additional
7 funding in our 2015 budget. We are excited to now
8 extend the program's reach into more neighborhoods
9 across the city. With new funding in the Executive
10 Budget compared to the existing program, we will
11 roughly triple the resources available to provide
12 capacity building to community based cultural
13 organizations.
14

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

1
2 immigrant families taking their kids to zoos for the
3 first time, and the young New Yorkers getting
4 multiple memberships so they can visit museums and
5 see a play while keeping their costs low.

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

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

1
2 I was delighted to join many of you on
3 two separate occasions for bill signings that will
4 help the agency build its work of expanding access to
5 the arts and culture. The Mayor signed legislation
6 sponsored by Council Member Van Bramer and Levin that
7 requires the agency to create a comprehensive
8 cultural plan for the City of New York. The plan
9 will help us unify our initiatives aimed at lifting
10 up all New Yorkers through the arts and culture. As
11 the Mayor put it, we will seek a robust feedback--
12 robust feedback from the residents. We see this as a
13 major opportunity to engage a broad constituency on
14 the work my agency does, and we look forward to
15 working with you on its development.

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

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

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

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

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

18 If you follow Paula Abdul on Twitter, and I know you
19 do, you may--she has eight million or seven million
20 followers--you may have seen her surrounded by
21 excited students and staff P.S. 165 in Brownsville on
22 her first visit last week. We are very proud to
23 start working with Turnaround Arts to support the
24

1
2 Administration's commitment to providing a quality
3 arts education for all public school students.

4 Earlier this year, the Mayor announced
5 our plan to build 1,500 affordable housing units and
6 500 affordable work space--work spaces for artists.
7 We need to keep New York City as a place that artists
8 can live and work. The arts are at the center of so
9 many things that make our city such an extraordinary
10 place. This is a critical part of our wider efforts
11 to help New Yorkers of all backgrounds to make home
12 here. HPD is on track to issue and RFP for
13 affordable housing project with an arts component by
14 the end of the year. And we have started to identify
15 a number of sites for affordable work space. As I've
16 said before, increasing the transparency in public
17 engagement to the agency is one of my top priorities.
18 One of the ways were doing this is to offer insight
19 into our programs on our relatively new social media
20 channels. You can follow us on Twitter at
21 [nyccultureinstagram@nycculturalaffairs](https://twitter.com/nyccultureinstagram). Facebook
22 where you can search for New York City Department of
23 Cultural Affairs and our Percent For, Tumblr blog
24 that showcases permanent public art around the city.
25 Please like, share, follow and whatever else you can

1
2 do to help us connect your constituents to everything
3 our arts and cultural community has to offer.

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

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

1
2 with Artists Citywide are underway. If you'd like to
3 know of any events happening in your district, my
4 staff would be happy to follow with you. I would be
5 happy to provide information on other wonderful
6 programs that we manage including Materials for the
7 Arts, Percent for Art and the Community Arts
8 Development Program, Affordable Artist Housing and
9 Work Space and Social Impact to the Arts project
10 during my question and answer.

11 Now, I will review the Mayor's Executive
12 Budget Proposal for the Department of Cultural
13 Affairs. For Fiscal 2016, Mayor de Blasio's
14 Executive Budget allocates \$150 million for cultural
15 affairs. This includes \$109.6 million for the
16 Cultural Institutions Group; \$28.5 million for the
17 Cultural Development Fund; \$5.1 million for the
18 Cultural After School Adventures Program; and Funding
19 for Agency Operations and other programs. As I said
20 at the Preliminary Budget hearing, these figures are
21 consistent with Fiscal 2015 Adopted Budget excluding
22 any one-time initiatives or discretionary funding
23 that may have been added at adoption. The revised
24 Fiscal 2015 with one-time adds currently stands at
25 \$158.3 million.

1
2 We continue to work with you and your
3 colleagues in the City Council on the borough
4 presidents--and the borough presidents to provide and
5 manage capital allocations for cultural organizations
6 across the city. DCLA's current Four-Year Capital
7 Plan includes \$735 million for \$418 projects at 218
8 different cultural organizations. This substantial
9 investment allows us to keep non-profits--help non-
10 profits improve accessibility, reduce energy
11 consumption, expand programming space, purchase
12 equipment and provider New Yorkers from every
13 neighborhood with world class cultural institutions.
14 I'm always pleased to join you and your colleagues
15 for the groundbreaking and the ribbon cuttings such
16 as when I joined Chair Van Bramer and Council Member
17 Chin for the unique ceremony that saw the South
18 Street Seaport Museum's Wave tree ship towed away by
19 tug boats at Staten Island's dry dock. Or, when we
20 saw First Lady Michelle Obama at the Whitney opening
21 speak so movingly about our obligation to open the
22 doors of cultural institutions to groups who have
23 felt excluded. Other upcoming highlights include the
24 Brooklyn Cultural District's South Site where we have
25 selected four organizations including Alacada [sic]

1
2 as was recently announced to create vibrant new
3 cultural facilities in the base of a residential
4 development. The reconstruction of the Bronx River
5 Art Center, creating administrative space for Louis
6 Armstrong House in Queens, and renovating the Snug
7 Harbor Music Hall in Staten Island. In closing, I'd
8 like to thank Chairs Ferreras-Copeland and Van Bramer
9 for their leadership, community members and all our
10 colleagues in the City Council for your continued
11 support. I'd be happy to answer any questions.

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

17 COMMISSIONER FINKELPEARL: Yes.

18 CHAIRPERSON FERRERAS-COPELAND: The
19 Executive Plan includes \$300,000 in Fiscal 2016, and
20 2017 for capacity building grants and \$120,000 in
21 Fiscal 2016 for capacity building workshops. This is
22 part of your new initiative to supports arts and
23 other cultural organizations to help them integrate
24 in different neighborhoods and bring culture. Can
25 you explain in more detail how you see this kind of

1
2 building that sustainability that we need in our--in
3 our city.

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

1
2 money in the budget makes it more flexible, and
3 allows us to triple what we've been doing.

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

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

23 CHAIRPERSON FERRERAS-COPELAND: So, I--

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

1
2 CHAIRPERSON FERRERAS-COPELAND: --I just
3 want to--just to say this for the record, and I know
4 that your intention would never be this. But we're
5 going through a baseline RFP here in the Council with
6 some other providers where they RFP doesn't
7 necessarily speak to the needs that were being
8 addressed or organizations that have historically
9 provided us service if someone else comes in because
10 they were awarded the RFP because they won by a
11 couple of points. And I understand that there's a
12 procurement process, that it's becoming a challenge
13 for us. So I would just urge you to really figure
14 out how you can have this RFP be able to include
15 those people. Because what we have found is
16 sometimes with the RFP process it becomes excludes--
17 it excludes the people that we are originally
18 intending to serve.

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

1
2 group. So I don't think we're going to be excluding
3 the kind of groups you're talking about, which have
4 traditionally had contracts, that lose the because of
5 the RFP.

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

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

21 CHAIRPERSON FERRERAS-COPELAND: Because
22 it's what we see--

23 COMMISSIONER FINKELPEARL: [interposing]
24 Uh-huh.

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1
2 CHAIRPERSON FERRERAS-COPELAND: --in
3 other--with other agencies. Everybody is great, but,
4 you know, there is--there is something to be said
5 about counting when people have been there before the
6 money comes in or before the opportunities come in.

7 COMMISSIONER FINKELPEARL: Yeah.

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

10 COMMISSIONER FINKELPEARL: Uh-huh.

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

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

25

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

COMMISSIONER FINKELPEARL: Maybe Kathy
should joined. Maybe Kathy my Assistant
Commissioner.

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

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

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

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

CHAIRPERSON FERRERAS-COPELAND: Did you
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.

1
2 Between '15 and '16, the current year, there was a
3 slight increase.

4 CHAIRPERSON FERRERAS-COPELAND: A slight
5 increase?

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

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

17 COMMISSIONER FINKELPEARL: Uh-huh.

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

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

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

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.

1
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

1
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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2 COMMISSIONER FINKELPEARL: So this is my
3 Assistant Commissioner for Capital projects--

4 CHAIRPERSON FERRERAS-COPELAND:
5 [interposing] I know. Got it. You have to repeat
6 it.

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

12 ASSISTANT COMMISSIONER BURMEISTER: Andy
13 Burmeister--

14 COMMISSIONER FINKELPEARL: [interposing]
15 Andy Burmeister, Assistant Commissioner for Capital
16 Projects.

17 CHAIRPERSON FERRERAS-COPELAND: Great.

18 ASSISTANT COMMISSIONER BURMEISTER:
19 Hello.

20 CHAIRPERSON FERRERAS-COPELAND: Hi.

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

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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.

1
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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2 1st. To begin the--you know, to begin to do that RFP
3 at that time, and to ask for money, or get money into
4 the budget next year. And that will be the year in
5 which we spend a full year doing the plan. So again,
6 we're actively doing the research. I'm going to
7 Chicago next week. I'm going to talk to the
8 Commissioner of Cultural Affairs there about here
9 plan, Michelle Boone, and meeting her. So it's
10 actively on our agenda. The, you know, question of
11 whether it's hiring staff or using the consultant is
12 all under discussion.

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

20 [laughs]

21 COMMISSIONER FINKELPEARL: Is that a
22 question or a statement?

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

1
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

1
2 investment in culture and the arts is good for the
3 City of New York?

4 COMMISSIONER FINKELPEARL: We agree.

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

15 COMMISSIONER FINKELPEARL: [interposing]

16 Yes.

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

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

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

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

1
2 Director Kendal Henry working with her--his Deputy
3 Director had his first meeting in which he announced
4 to our client agency that these--this announcement is
5 happening. So it's been enacted already. In fact, I
6 think that was right at the time that the bill hadn't
7 even passed, but we knew it was going to pass. So,
8 yeah, you know, I--I think community involvement.
9 There's already community involvement in these
10 Percent for Art projects. We've done 300 projects.
11 The impact has been fantastic, and generally quite
12 well received. More community involvement is a good
13 thing. I'm for it. We agreed on this. I'm really
14 happy that the law passed and we're already doing it.

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

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

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

1 giving people access--giving institutions access to
2 people and people access to institutions. It's
3 mutually beneficial. Hopefully, in the long run
4 these people become long-term visitors and long-term
5 members.
6

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

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

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

1
2 for her second round and second round to be joined.

3 So she wants eight minutes.

4 COMMISSIONER FINKELPEARL: Okay.

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

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

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5 to the city, are they being compensated in any way in
6 this first year for their support in launching the
7 CIG Free Membership Program?

8 COMMISSIONER FINKELPEARL: No.

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

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

23 COUNCIL MEMBER CUMBO: Uh-huh.

24 COMMISSIONER FINKELPEARL: Again, they're
25 not losing any members.

COUNCIL MEMBER CUMBO: Uh-huh.

COMMISSIONER FINKELPEARL: They're
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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2 COMMISSIONER FINKELPEARL: So that's when
3 the--

4 COUNCIL MEMBER CUMBO: [interposing]
5 Okay.

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

12 COUNCIL MEMBER CUMBO: Can you talk to
13 us, although Council Member Van Bramer did mention it
14 and did ask this question. And I--I understood the
15 energy in which the question was received, but still
16 want to go into it. Can you talk to us about how
17 your negotiations with OMB are going in terms of the
18 \$30 million. Because now is the crunch time, and
19 many organizations are very excited about this. And I
20 actually feel that this could be a wonderful solution
21 to perhaps expanding the IDNYC program to both larger
22 as well as smaller institutions. But maybe that's
23 just a wonderful idea that I'm just sharing with you.

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

1
2 again just to say, you know, I'm hear presenting the
3 Mayor's budget, which is a robust budget that
4 includes and increases elsewhere throughout city
5 government and support for the arts. And I look
6 forward to talking and working with you, and other
7 council members about that budget proposal going
8 forward.

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

18 COMMISSIONER FINKELPEARL: Yes.

19 COUNCIL MEMBER CUMBO: So what's
20 happening there? Is the amount of resources
21 increasing to accommodate the fact that more
22 organizations are applying? Are grants actually
23 diminishing in size because more groups are applying
24 or how are we compensating for the fact that more
25 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.

1
2 COMMISSIONER FINKELPEARL: So, you could
3 have people--so we have three-year grants. So lots
4 of organizations. You could people who have--who
5 aren't supplying this year not because they're not
6 good organizations or because they don't deserve
7 funding, but because they're in the middle of a
8 cycle. So, I guess we--we could do the analysis and
9 maybe get back to you--

10 COUNCIL MEMBER CUMBO: [interposing]
11 Okay.

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

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

1 Initiative. How is that reflected in the budget?

2 And in your testimony you stated now is the time to
3 take action. What will that action look like, and
4 how will it be supported in the budget? I also want
5 to talk about those 1,500 affordable housing units.
6

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

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

11 COMMISSIONER FINKELPEARL: Okay.

12 COUNCIL MEMBER CUMBO: Okay.

13 COMMISSIONER FINKELPEARL: The Diversity
14 Initiative is being privately funded.

15 COUNCIL MEMBER CUMBO: Okay.

16 COMMISSIONER FINKELPEARL: It's not in
17 the budget.

18 COUNCIL MEMBER CUMBO: And what will it
19 look like?

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

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2 developed now. It's going to be distributed in the
3 summer. We're going to get the results in the--in
4 the--later near fall, the late fall.

5 COUNCIL MEMBER CUMBO: So, this is more
6 information gathering?

7 COMMISSIONER FINKELPEARL: Yeah.

8 CHAIRPERSON FERRERAS-COPELAND: Council
9 Member Cumbo--

10 COUNCIL MEMBER CUMBO: [interposing] Yes,
11 ma'am.

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

16 COMMISSIONER FINKELPEARL: So we could
17 talk about this further--

18 COUNCIL MEMBER CUMBO: Okay.

19 COMMISSIONER FINKELPEARL: --offline.

20 CHAIRPERSON FERRERAS-COPELAND: Okay,
21 offline. Thank you.

22 COMMISSIONER FINKELPEARL: After. Yes.

23 CHAIRPERSON FERRERAS-COPELAND: Council
24 member King.

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2 COUNCIL MEMBER KING: Thank you, Madam
3 Chair and Mr. Chair. I'm going to use about three
4 minutes of that.

5 CHAIRPERSON FERRERAS-COPELAND: [off mic]
6 Great. Better.

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

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

17 COUNCIL MEMBER KING: Okay.

18 COMMISSIONER FINKELPEARL: So, let's
19 talk. I'd love to talk to you further. Maybe come
20 to your district and speak.

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

25

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

9 COUNCIL MEMBER KING: Okay.

10 COMMISSIONER FINKELPEARL: That's what
11 it's sitting at.

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

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

21 COUNCIL MEMBER KING: Okay.

22 COMMISSIONER FINKELPEARL: Let's go with
23 that then.

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

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COMMISSIONER FINKELPEARL: Okay.

COUNCIL MEMBER KING: And, Madam Chair--

COMMISSIONER FINKELPEARL: [interposing]

After July 1st.

COUNCIL MEMBER KING: Okay, after July
1st, yes. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you
Council Member King, and with that we're going to
call this portion of the hearing over. We will
resume in 30 minutes. I know it's unheard of. We're
going to actually eat lunch today. We will resume in
30 minutes with NYCHA in this very room. Thank you,
Commissioner, Tom Finkelpearl.

COMMISSIONER FINKELPEARL: Okay.

[background comments, pause]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the Council's hearings on the Mayor's
Executive Budget for FY2016. The Finance Committee
is joined by the Committee on Public Housing chaired
by my colleague, Council Member Torres. We just
heard from the Department of Cultural Affairs, and we
will hear from the New York City Housing Authority.
In the interest of time, I will forego making an
opening statement. But before we hear testimony, I

1
2 will open the mic to my co-chair, Council Member
3 Torres.

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

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

12 Thank you.

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

16 Yes.

17 LEGAL COUNSEL: Thank you.

18 [pause]

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

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

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

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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

1 challenges and to ensure its future. So, we got to
2 work on what we call Next Generation NYCHA, both a
3 stakeholder process and a plan that will bring NYCHA
4 back from the brink. We examined the most pressing
5 issues demanding practical solutions: Aging
6 buildings in need of repair, federal funding
7 shortfalls of more than \$2 billion since 2000--2001;
8 money that should have gone toward regular
9 maintenance as well as major renovations and
10 modernization. A large senior population that's
11 aging in place, and a 270-family waiting list.

12
13 At the Preliminary Budget hearing in
14 March, we projected a \$98 million operating deficit
15 for Fiscal Year 2015. If we continue on the path of
16 the status quo and not make the tough choices, we
17 will be confronting an approximately \$425 million annual
18 deficit in ten years due to the rising expenses and
19 continued government underfunding. Cumulatively, the
20 annual operating deficits would amount to \$2.5
21 billion. Ten years ago, NYCHA had three and a half
22 months of operating reserves, a standard best
23 practice in organizational finance. But to stay
24 afloat and serve residents amid insufficient funding,
25 NYCHA has had to dip into these reserves steadily

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

16 Since last March, we've engaged thousands
17 of residents, employees, elected officials and
18 community advocates as part of the Next Generation
19 NYCHA process to get their input on what we can do to
20 turn NYCHA around and improve the quality of life for
21 our residents. As part of our process, we made over
22 100 town hall meetings and held over 150 meetings with
23 stakeholders including--including with nearly every
24 elected official who represents our communities. We
25 held community engagement sessions at three of our

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

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

1
2 in accomplishing these goals. I'll highlight a few
3 particularly those that benefit NYCHA's bottom line
4 and provide vital funds to enhance residents' quality
5 of life. Next Generation NYCHA is meant to be a
6 holistic approach. Its initiatives go hand-in-hand
7 and we must pursue all of them to become a solvent
8 21st Century housing authority. Even those
9 initiatives that may be difficult and unpopular.
10 Starting this fiscal year, the City will waive
11 NYCHA's Payment In Lieu of Taxes, its pilot, which
12 is--it has paid to the City every year since 1949.
13 Along with the relief of payments to NYPD, this is
14 \$100 million we can direct toward serving residents
15 every year. I want to thank the Mayor and the City
16 Council for this unprecedented level of support,
17 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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2 resident rent and fees to yield and additional \$30
3 million in revenue in total. For instance, we are
4 exploring options to make it easier for residents to
5 pay the rent such as bi-weekly payments. NYCHA will
6 generate up to \$6 million in revenue annually by
7 maximizing the leasing of over \$2 million square feet
8 of non-residential ground floor space, and by raising
9 parking lot rates to local market value. NYCHA will
10 ensure that parking lots are better maintained and
11 more secure. We will also continue to provide
12 residents with first priority for parking spots, will
13 cap rates for residents, and will phase in price
14 increases through the end of 2017. NYCHA will cut
15 expenses by shrinking the central office workforce by
16 nearly 1,000 through attrition and integration of
17 some operations and positions in other city agencies.
18 This will be done without layoffs or impacting
19 services to residents, and is expected to achieve
20 annual savings of approximately \$90 million by 2018.

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

1
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

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

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

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

12
13 Now, I'd like to discuss our 2015 Budget.
14 As you know, NYCHA manages two major programs, the
15 Public Housing and the Housing Choice Voucher Program
16 known as Section 8 or the Leased Housing Program.
17 Public housing represents two-thirds of the
18 Authority's overall spending or about \$2 billion, and
19 the Section 8 Program is approximately \$1 billion or
20 one-third of total spending. When the Chair
21 testified at the Preliminary Budget hearing in March,
22 she explained that NYCHA's Board of Directors
23 approved the 2015 through 2019 Budget in November
24 2014. With expenses of \$3.2 billion exceeding our
25 revenues of \$3.1 billion, this 2015 Adopted Budget

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

22
23 The Adopted Budget projects--projected
24 \$803 million for total expenses for quarter one.
25 NYCHA spent \$778 million. The Adopted Budget

1 projected \$318 million for expenses related to
2 personnel services for quarter one. NYCHA spent \$297
3 million. This was due to the fact that health
4 insurance and pension charges were delayed until
5 later in the year. The Adopted Budget projected
6 total revenues of \$3.116 billion for 2015. By
7 continuing the first quarter trends for revenue, we
8 expect to receive \$3.121 billion, an increase in \$5
9 million. The Adopted Budget projected total expenses
10 of \$3.214 billion for 2015, and we are now projecting
11 \$3.195 billion, a decrease of \$19 million.

12
13 With better than expected first quarter
14 and the initial success of three Next Generation
15 NYCHA initiatives, we are now projecting a lower
16 deficit for 2015 of \$74 million. The specific Next
17 Generation NYCHA missions are: The waiver of the
18 rest of this year's pilot; improve collection of
19 resident rent and fees; and the leveraging of HUD
20 preservation programs. NYCHA is working to fully
21 close the 2015 deficit with the following: Higher
22 than expected federal subsidies; increase in
23 insurance reimbursements; higher staff attrition;
24 operating reserves and utilizing proceeds from last
25 year's innovative public-private partnership to

1
2 revitalize and preserve six Section 8 developments.
3 By implementing all of Next Generation NYCHA's 15
4 strategies together with HUD support, we will reduce
5 our annual operating deficit by 2017, and begin
6 achieving annual operating surpluses in the tens of
7 millions of dollars.

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

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

1
2 NYCHA initiatives that include disaster recovery
3 funding and new capital support from the city and the
4 state, \$4.6 billion of critical rehabilitation work
5 will be funded over the next five years. To contend
6 with the dire fiscal reality, NYCHA must make some
7 tough choices and must change. As I mentioned, NYCHA
8 did find itself in this state overnight. It's a
9 result of many years of underfunding and continuing
10 aging buildings. So we're not going to get out of
11 this crisis overnight. With the support of the Mayor
12 and our partners, including Speaker Mark-Viverito and
13 the Council, we will continue to successfully
14 implement Next Generation NYCHA. In doing so, we
15 will better serve residents and our city and ensure
16 NYCHA's longevity. As we make progress, the Next
17 Generation NYCHA's engagement process will continue
18 to drive us forward. We will work with our
19 stakeholders every step of the way gathering feedback
20 and input and refining the plan as needed. We report
21 out on our progress with Next Generation NYCHA, and
22 we will continue to provide information about our
23 performance through NYCHA's metrics and the NYCHA
24 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.

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
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2 CHAIRPERSON FERRERAS-COPELAND: And--
3 okay. So, I just wanted to make sure that--that you
4 don't anticipate any other deficit issues other than
5 what was projected.

6 MICHAEL KELLY: No. This is Richard
7 Couch.

8 RICHARD COUCH: Yes, so the--

9 CHAIRPERSON FERRERAS-COPELAND: Just
10 state your name for record.

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

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

1
2 reductions will generate \$600--\$63.7 million in
3 savings in 2015, and \$306 million in total savings
4 for 2015 through 2019. How many budgeted positions
5 are there under the 2015 Reforecast Operating Budget?
6 I now that you talked about the Next Gen thousand,
7 but can you just walk me through that?

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

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

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

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

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

8 MICHAEL KELLY: [interposing] Right.

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

14 MICHAEL KELLY: Absolutely clear. As a
15 matter of principal and priority there will not--
16 there will not be layoffs in these transitions.

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

1
2 those centers. What is going to happen to the
3 remaining 16 senior centers managed by NYCHA and does
4 NYCHA's 2015 Re-forecasted Operating Budget reflect
5 the funding and staff costs needed to support
6 programming at the 15 senior centers after June of
7 2015?

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,

1
2 are there any funding concerns you would like to
3 notify the Council of regarding funding in these
4 particular centers?

5 MICHAEL KELLY: No. At this point we
6 understand that there is funding available to
7 continue services at those centers.

8 CHAIRPERSON FERRERAS-COPELAND: But do
9 you have the number or the level that you're
10 currently funded at?

11 [background comments]

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

14 CHAIRPERSON FERRERAS-COPELAND: What
15 level are the centers currently funded at?

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

18 CHAIRPERSON FERRERAS-COPELAND: Okay.

19 [background comments, pause]

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

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

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.

1
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

1
2 officers for the summer months? If so, will the 15
3 developments under the Mayor's Action Plan for
4 neighborhood safety or MAP be prioritized?

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

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

17 MICHAEL KELLY: Right.

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

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

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

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,

1
2 we're looking to cut into the--the critical \$17
3 billion worth of capital need substantially. So it's
4 a critical program, and again, Chair, thank you for--
5 for-- You know, I look forward to a series of--of
6 continued hearings on this because it's a--it's a--
7 it's a strategy that's going to require all the
8 strategies to be adopted and adhered to for it to be
9 successful.

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

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

1
2 testimony that we'll look to implement over time, and
3 they'll be realized over time.

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

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

13 CHAIRPERSON TORRES: Uh-huh.

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

1
2 will be implemented at the end of year three of the
3 plan, and an addition number of--

4 CHAIRPERSON TORRES: [interposing]
5 What's the dollar amount there?

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

7 CHAIRPERSON TORRES: Okay.

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

14 CHAIRPERSON TORRES: What are those
15 strategies, those revenue generation strategies?

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

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

23 RICHARD COUCH: Well, just specifically
24 about the dollar amount, there is different dollar
25 amount each year. So for some of the development

1
2 revenue generation, there's--it's not necessarily a
3 one-way type figure where--like the operating
4 expenses where you get \$90 million and continue to
5 make that benefit. So I can give you a particular
6 year and the dollar benefit, but it will be different
7 from year to year over the Ten-Year Strategy.

8 CHAIRPERSON TORRES: Uh-huh.

9 RICHARD COUCH: So, if I'm looking at
10 year three, the 10,000 affordable units approximately
11 \$15 million. The high value land is \$6 million. The
12 unfunded units about \$17.5 million, and the RAD
13 should bring in about a million dollars.

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

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

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

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--

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

28 MICHAEL KELLY: [interposing] Right.

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2 CHAIRPERSON TORRES: \$300 million to \$600
3 million. That's--

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

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

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

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

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

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

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

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

3 question is that once you have a market rate

4 development in the Upper West Side, would you

5 generate the same lease payment from year to year?

6 Am I--am I--?

7
8 BILL CRAWLEY: Right. Okay, so a lease--

9 CHAIRPERSON TORRES: [interposing]

10 Leasing yes, that would be the--

11 BILL CRAWLEY: It just--it just--it just

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

13 generate a larger lease payment that you would in

14 another deal because you can generate more rent in

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

16 going to have a variation in terms of the overall

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

18 the development program is at that site.

19 MICHAEL KELLY: But, Mr. Chairman, to

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

21 BILL CRAWLEY: [interposing] Yeah.

22 MICHAEL KELLY: --development deals, we

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

24 should be.

1
2 BILL CRAWLEY: And that will not vary
3 from year to year.

4 MICHAEL KELLY: Yeah, right.

5 BILL CRAWLEY: [interposing] And the
6 other--

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

11 BILL CRAWLEY: Yeah.

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

14 CHAIRPERSON FERRERAS-COPELAND: So I just
15 wanted to kind of better understand it. So I think
16 that when you have these lease deals, they're not
17 year to year. They're long term. So what--there has
18 to be established leases that you have now that you
19 know we're going to generate this amount of money
20 from this amount of leases. These are leases that
21 are going to expire. So these we're going to
22 forecast because they're in negotiations. But, you
23 know, to kind of have such a large number, what we're
24 saying is what is permanent? What do you have in a
25

1
2 deal right now that you know for the next ten years,
3 this is going to generate this?

4 BILL CRAWLEY: Well, we--we don't have a-
5 --we don't have a--a permanent number to give you.
6 There's a variation on the amount of revenue that you
7 can generate from a site-by-site basis. And we're
8 also looking at ten-year time horizon to generate the
9 revenues. So. when you look at each--

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

14 BILL CRAWLEY: And we will. That's just
15 fine.

16 CHAIRPERSON FERRERAS-COPELAND: And you
17 can bring in all your names.

18 BILL CRAWLEY: Sure.

19 CHAIRPERSON FERRERAS-COPELAND: All the
20 understanding--

21 BILL CRAWLEY: [interposing] Sure.

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

1
2 BILL CRAWLEY: Okay. Thank you very
3 much.

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

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

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

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

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

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

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

24 BILL CRAWLEY: [interposing] Okay.
25

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
2 CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL
3 INTERGROUP RELATIONS, SUBCOMMITTEE ON LIBRARIES
4 AND COMMITTEE ON PUBLIC HOUSING

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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.

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

1
2 was still figuring out the process by which the
3 dollars would flow to the federal, the State
4 government to eventually NYCHA. Has that process
5 been ironed out? Has the template that was used been
6 ironed out?

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

23 CHAIRPERSON TORRES: But forfeiture
24 funding. So in December I believe the Manhattan
25 District Attorney, the Mayor and the Chairperson

1
2 announced the \$100 million in forfeiture funding for
3 security enhancements in those 15 charter
4 developments. Also, what's the status of those
5 funds? Has NYCHA received the funding the six or
6 seven months since the announcement.

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

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

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

1
2 when that happens, and what milestones have to be met
3 for that to happen. And what happens in contingency.
4 So, I can't say that there's one single thing.
5 There's been a lot of progress on it in the last
6 month or so. And we expect that the MOU will be
7 executed shortly so that we can begin construction at
8 those locations this--this construction season.

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

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

20 CHAIRPERSON TORRES: Have you met with
21 DASNY since the meeting or--?

22 RAYMOND RIBEIRO: We have not.

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

1
2 million in EPC funding and the timeline for
3 completing capital projects funded by the EPC?

4 RAYMOND RIBEIRO: Yeah.

5 CHAIRPERSON TORRES: [interposing] And
6 the SP Performance Contracts.

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

16 CHAIRPERSON TORRES: Okay.

17 MICHAEL KELLY: Again, that's the first
18 stage.

19 CHAIRPERSON TORRES: Do you have the--
20 development that are receiving the initial wave of
21 EPC funding or--?

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

1
2 part of the--the response to the RFP what that
3 project will actually look like--

4 CHAIRPERSON TORRES: [interposing] Yeah.

5 MICHAEL KELLY: --and what exactly--

6 CHAIRPERSON TORRES: [interposing] But
7 which--what are those developments? Do you have a
8 list of those developments?

9 MICHAEL KELLY: We could provide that to
10 you.

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

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

1
2 construction of the agreements that will guarantee
3 affordability and guarantee rights for our--for our
4 public housing residents.

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

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

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

20 MICHAEL KELLY: This whole process and I
21 know this is--several questions you've asked along
22 the same lines.

23 CHAIRPERSON TORRES: [interposing] Yeah.

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

1
2 critical component of our Next Gen NYCHA, which is
3 the new positioning of public housing land for the
4 Mayor's 10,000 units as well as what we're calling
5 the 50/50. We are still working out a lot of details
6 about where they should be located. Issues around
7 zoning and permitting, and--and market rate
8 availability and the types of government subsidy with
9 federal and local that might be able to--to support
10 these deals. So again, I know the question you've
11 asked--

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

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

19 CHAIRPERSON TORRES: [interposing] Yeah.

20 MICHAEL KELLY: --at those sites that
21 are--that have the highest market value.

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

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

1
2 working with HPD and HDC and our city partners in the
3 process of evaluating the optimal sites for the 50/50
4 program that you're referring to, and what the
5 financing will be for those developments. So as we
6 work within and our partners, we'll come up with an
7 overall development program that will reflect the
8 goals that the General Manager just expressed with
9 more details around the financing.

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

17 BILL CRAWLEY: [interposing] Right.

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

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

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CHAIRPERSON TORRES: In August?

BILL CRAWLEY: Uh-huh.

CHAIRPERSON TORRES: Four to two sets.

Okay.

BILL CRAWLEY: Two to four sets.

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

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

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

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.

1
2 CHAIRPERSON TORRES: But I'm not clear
3 that we know that, right, and without an evaluation
4 of how these centers are performing, it seems odd to
5 conclude that NYCHA is ill equipped to run those
6 centers when some of those centers were probably
7 running well.

8 MICHAEL KELLY: [interposing] Well, it's
9 not--

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

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

1
2 CHAIRPERSON TORRES: But that's not the--
3 I mean NYCHA has not borne the cost of the centers
4 for quite a few years. The City Council actually has
5 been paying for the operation of those centers. So,
6 it's not the case that--that this is critical to
7 closing the deficit or addressing the financial need.
8 It just seems to me an ideological decision. Is that
9 you have this belief that NYCHA should not be running
10 community centers, and you made that decision frankly
11 without seeking input of the elected officials or the
12 resident leaders many of whom strong oppose your
13 decision. And that doesn't seem to be terribly
14 consistent with the ethic of resident engagement or
15 stakeholder engagement that the Housing Authority has
16 been promoting. So I'm just very disappointed with
17 the decision, and I'm, yeah, you know how I feel.
18 So, with that said, I think I've asked enough
19 question. I will give it over to the Chair.

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

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

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

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.

1
2 MICHAEL KELLY: The energy savings itself
3 we're looking to project about a 10% reduction in
4 emissions.

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

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

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

20 MICHAEL KELLY: It's currently expected
21 that several hundred jobs including roughly 350 green
22 construction jobs.

23 COUNCIL MEMBER RICHARDS: And how many
24 jobs will go directly to NYCHA residents or do we
25 anticipate will go to NYCHA residents?

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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

1
2 has already started, and thank you for having us out
3 a couple weeks ago.

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

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

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

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

12 COUNCIL MEMBER RICHARDS: [interposing]
13 Okay.

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

1
2 be able to execute the program. But we're in close
3 contact with the Regional Director as well as the
4 Washington Office on that.

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

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

20 COUNCIL MEMBER RICHARDS: So longer a
21 band-aid, a full renovation or--?

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

1
2 the program is to--is to do as full a comprehensive
3 rehabilitation as possible.

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

9 BILL CRAWLEY: [interposing] Sure.

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

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

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

25 The first question I have is that the transferring of

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

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

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

14 MICHAEL KELLY: Correct.

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

23 MICHAEL KELLY: It will be through DFTA
24 and DYCD, but I would think that that would be
25

1
2 encouraged to have folks that know the sites to be
3 part of the sites in the next--

4 COUNCIL MEMBER CUMBO: [interposing]

5 Okay.

6 MICHAEL KELLY: --in the next operations.

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

12 COUNCIL MEMBER CUMBO: [interposing] I

13 see.

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

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

19 MELANIE HART: Absolutely.

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

1
2 MICHAEL KELLY: That's correct. On the
3 properties that we're calling the 50/50, it's a
4 family of three. Approximately 60% of the area--of
5 the area median income, which is about \$46,600 a
6 year.

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

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

1
2 COUNCIL MEMBER CUMBO: How would those
3 residents be selected? Would it be through your
4 computerized system. Or, would people outside of the
5 system be able to qualify for that housing? Would
6 NYCHA residents be--how would you say? Prioritized
7 in the process.

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

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

1
2 our concerns is that those would be the developments
3 that would taken over and potentially used for
4 private development.

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

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

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

1
2 COUNCIL MEMBER CUMBO: Can you talk about
3 what those numbers would look like more succinctly
4 when you say greater affordability? But I do agree
5 that the outreach has been incredible and fantastic
6 particularly in my district. But want to know
7 succinctly by numbers [bell] what do you think is the
8 major difference that you're talking about with these
9 two plans?

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

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

18 MICHAEL KELLY: That and the engagement
19 piece.

20 COUNCIL MEMBER CUMBO: Okay.

21 CHAIRPERSON FERRERAS-COPELAND: Okay.

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

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

1
2 always have--continue the conversation after the
3 hearing, and if can make yourself available--

4 MICHAEL KELLY: [interposing] Absolutely.

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

9 [background comments]

10 CHAIRPERSON FERRERAS-COPELAND: Okay.

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

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

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

24 RAYMOND RIBEIRO: I'm sorry, that
25 question again?

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

1
2 under Bloomberg. So, can you tell me who you have
3 met with at least in the City Council?

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

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

15 MICHAEL KELLY: I'm not familiar with the
16 terms. I'm sorry. I'm not familiar with the term
17 significant.

18 COUNCIL MEMBER MENDEZ: You're not? It's
19 HUD Rules. It's under HUD Standards. You are
20 required if you're doing--

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

1
2 COUNCIL MEMBER MENDEZ: Are you--is NYCHA
3 committed to doing the ULURP process for any of it's
4 infill housing?

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

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

12 MICHAEL KELLY: If I can, though,
13 Councilwoman, this is the--Section 18 is a higher
14 standard around resident engagement and Tier--

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

1
2 so much for your higher standard. I prefer the
3 Section 18, the significant amendment profit--process
4 over Section 18.

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

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

12 MICHAEL KELLY: Oh, well--

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

16 MICHAEL KELLY: All right.

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

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

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
2 CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL
3 INTERGROUP RELATIONS, SUBCOMMITTEE ON LIBRARIES
4 AND COMMITTEE ON PUBLIC HOUSING 210

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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2 CHAIRPERSON FERRERAS-COPELAND: Of
3 course, of course.

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

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

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

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

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

22 MICHAEL KELLY: Well, under the RAD
23 program it would be. We would be entering into a
24 partnership with a private sector and non-profit
25

1
2 developer to in essence for the development of that
3 property.

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

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

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

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

1
2 income housing tax credit program to drive--to
3 increase the amount of capital available to rehab the
4 properties. We've been very consistent in saying
5 that in all of our presentations, and that's how the
6 RAD program is structure nationwide and that's what
7 our intent is to do here.

8 COUNCIL MEMBER MENDEZ: [off mic] It's
9 not--

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

14 MICHAEL KELLY: Yes, we will.

15 CHAIRPERSON FERRERAS-COPELAND: And then
16 we will have a follow up with Council Member Mendez.
17 Council Member King followed by Council Member
18 Rosenthal.

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

1
2 come who were previously on domicile. So I
3 understand that 5,000 apartments come available each
4 year through NYCHA; 750 public housing or apartments
5 are slated for homelessness; 500 for families into
6 public housing through the voucher system. And
7 according to--and we know we have them in our
8 homeless issue. And your Next Generation Plan is
9 going to be an additional 750. It doesn't mean a lot
10 to homeless families. My questions are how much will
11 this generate in annual operating income or revenue?
12 How many homeless families do you think will be
13 placed in 2015? Thirdly, I would like to know is
14 there funding or any other thing that's been helping
15 families who transition into housing? Because we get
16 a host of issues of families have challenges with new
17 families who come in who bring a whole host of other
18 issues the cleanliness as I see here in safe
19 communities an issue. And thirdly, the parking I saw
20 \$60 million--\$6 million revenue that you're looking
21 to raise for parking. If you're--and this is just
22 the reality of the conversation I've been having. If
23 you bring in a population that may not be driving as
24 much, how do you plan on raising that kind of money?

1
2 Do you plan on having more people who don't live in
3 NYCHA utilize these spaces? Thank you.

4 MICHAEL KELLY: Good. Thank you. Brian,
5 on the first on the homeless questions, may I ask
6 Brian Clark to respond to that.

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

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

20 COUNCIL MEMBER KING: Yes, I'm talking
21 about the parking.

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

1
2 COUNCIL MEMBER KING: Yeah, how much will
3 this--this whole trans bring in--

4 BRIAN CLARK: Support the program?

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

7 [background comments]

8 BRIAN CLARK: Excuse me a second.

9 [pause]

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

13 BRIAN CLARK: Okay.

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

17 BRIAN CLARK: Yeah, a \$1,500--yeah, a
18 \$1,500--

19 MICHAEL KELLY: Subsidy.

20 BRIAN CLARK: --fee per month for 750 for
21 the first year of the program.

22 MICHAEL KELLY: Look for parking.

23 BRIAN CLARK: Okay.

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

1
2 to see what kind of figures we might be able to
3 generate. We know that it's an unutilized source. I
4 think one of the questions we are going to make these
5 parking slots available to market rate folks at
6 market rate. So that's a way of--

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

9 MICHAEL KELLY: Yes, sir. Sir.

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

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

1
2 MICHAEL KELLY: Well, I want to answer
3 the first question--

4 COUNCIL MEMBER KING: [interposing]
5 Please do.

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

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

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

1
2 And I'm wondering is NYCHA going to receive the same
3 level of funding from DHS that a private landlord
4 would receive?

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

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

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

12 MICHAEL KELLY: Hi.

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

1
2 we had that all of these tapes would be accessible by
3 our local PD as well as the PSA, which we had a
4 letter of agreement on, never happened. So, the PD
5 I've been one informing the precinct commander that
6 he could be having access to these tapes. So, you
7 know, the systems is--is--that is sold is this
8 wonderful, magical system, right? The door stays
9 open longer than three minutes. An alert is sent to a
10 control station downtown, you know. So the door
11 stays open for hours there. No one comes. There's
12 no electronic shutting of the door.

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

1
2 you get the system get the system set up so that the
3 police can have access to these tapes. After months
4 of this tenant asking for that, she comes into my
5 office last week and tells she was robbed and the
6 tape was automatically erased and now it doesn't
7 exist. What--why--I want my \$100,000--my \$800,000
8 back. I want it back. I'm representing the
9 taxpayer. What guarantee do you have on the system
10 of it working? I'm done. I'm so disappointed in
11 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.

1
2 I want you to come educated with your staff who run
3 the system and with the PD and I want an answer on
4 how between now and Friday you will have already set
5 up the system to talk to each other. We're not
6 talking rocket science here. So don't come
7 uneducated.

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

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

17 RAYMOND RIBEIRO: And I will--

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

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

COUNCIL MEMBER ROSENTHAL: [interposing]

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

RAYMOND RIBEIRO: Council Member that's
not correct.

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

CHAIRPERSON TORRES: Council Member, your
point is--

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

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
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1
2 CHAIRPERSON FERRERAS-COPELAND: Thank
3 you. Your point is duly taken and noted, and please
4 follow up with Council Member Rosenthal. We will now
5 start the-- We have our Chair who has additional
6 questions, and then we're going to have Council
7 Member Mendez actually. You can go first. She's
8 just going to state her question--

9 COUNCIL MEMBER MENDEZ: [interposing]
10 Thank you.

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

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

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

15
16 CHAIRPERSON FERRERAS-COPELAND:

17 [interposing] Council Member--

18 COUNCIL MEMBER MENDEZ: --by people with
19 vouchers?

20 COUNCIL MEMBER MENDEZ: That was the end.

21 CHAIRPERSON FERRERAS-COPELAND: Thank you
22 very much.

23 COUNCIL MEMBER MENDEZ: Thank you.

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

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

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
2 thousand employees it is a painful adjustment. I
3 suspect our stakeholder in labor will have strong
4 opinions on the subject. And so, I'm curious to know
5 do you have their buy-in, and is your strategy for
6 restructuring consistent with collective bargaining
7 agreements. With those--so, you can answer those
8 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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2 CHAIRPERSON FERRERAS-COPELAND: Thank you
3 so much, Chair Torres. This concludes our hearing
4 for today. Thank you for testifying. We have a lot
5 of following up to do.

6 MICHAEL KELLY: Yes.

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

13 MICHAEL KELLY: Understood. Thank you.

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

21 SERGEANT-A-ARMS: Quiet, please.

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

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

16 [gavel]

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C E R T I F I C A T E

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



Date June 14, 2015