

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING

----- X

March 28, 2016
Start: 10:18 a.m.
Recess: 01:50 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E:
RITCHIE J. TORRES
Chairperson

COUNCIL MEMBERS:

DONOVAN J. RICHARDS
JAMES G. VAN BRAMER
LAURIE A. CUMBO
RAFAEL SALAMANCA, JR.
ROSIE MENDEZ
VANESSA L. GIBSON

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

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

Victor Antonio Gonzalez
Board Member
New York City Housing Authority

Karen Caldwell
Chief Financial Officer
New York City Housing Authority

Brian Clarke
Senior Vice President of Operations
New York City Housing Authority

Gregory Floyd
President
Local 237 Teamsters

Ignacio Jaureguilorda
Director of Poverty Justice Solutions
Center for Court Innovation

Gregory Brender
Co-Director of Policy and Advocacy
United Neighborhood Houses

Leonard
Issues Council

[gavel]

CHAIRPERSON TORRES: Good morning

everyone. I am Council Member Ritchie Torres and I chair the Committee on Public Housing and I'm proud to be joined by my colleagues; Council Member Donovan Richards from the Far Rockaways and Council Member Laurie Cumbo from downtown Brooklyn. And I'm proud to announce that the Public Housing Committee now has seven members, both from the Bronx delegation Council Members Vanessa Gibson and the newly elected Council Member Rafael Salamanca. Today's... the subject of today's hearing is the... NYCHA's budget for calendar year 2016 and FY 2017. And I want to offer a few preliminary thoughts before we proceed to the housing authority. You know I want to underscore that no matter how critical I am of NYCHA I continue to have confidence in the mayor and his commitment to public housing and his plan for preserving public housing. But I must confess that I'm alarmed by the depth of NYCHA's financial crisis and I'm impatient with the pace of progress. And I have three areas of concern. First it's the deficit. According to my own analysis over the last three years NYCHA has

received over 600 million dollars in new operating revenues whether it be multiple exemptions from the NYPD payments, the pilot payments, the two tranches of Section 8 recapitalization, the rate reduction incentive, and yet despite all these infusions NYCHA continues to have a deficit of 60 million dollars which speaks to the depth of NYCHA's crisis. And so I wonder if NYCHA's ability to close the deficit or lower the deficit is dependent on these one-time infusions like the Section 8 recap. What will happen when those infusions are gone? How will NYCHA close its deficit? Now I think the housing authority assures us that the answer lies in next gen NYCHA but even here we have some disappointing news on... on a number of fronts whether it be land lease, or the ground floor lease, or the HUD programs. NYCHA is falling short of its own revenue targets. And a third source of concern for me is the 5,000 city and state units for which there is no dedicated funding stream. These units remain unfunded. It is costing the housing authority somewhere between 70 and 75 million dollars in annual revenue. And I believe that the housing authority needs to be more

aggressive in converting those units. I mean that is more revenue than much of the revenue will generate from many of next gen NYCHA's initiatives. So those are my three everyday concerns is the structural deficit as well as the 5,000 city and state unfunded units. So that's... those are my preliminary points. And with that said I'd like to give NYCHA an opportunity to testify.

SHOLA OLATOYE: Good morning. Thank you. Chair Ritchie Torres, members of the committee on public housing and other distinguished members of the city council. Good morning. I'm Shola Olatoye; Chair and Chief Executive Officer of the New York City Housing Authority. Joining me today are Karen Caldwell, Executive Vice President and Chief Financial Officer, Brian Clarke, Senior Vice President of... for Operations, and other members of NYCHA's executive team. Thank you for this opportunity to present the authority's adopted budget for the years 2016 through 2020 which was approved by the NYCHA Board of Directors on December 23rd, 2015. Before I walk us through NYCHA's finances I think it's important to recognize some other numbers that show NYCHA is

moving in a different and more positive direction. We met our goal to cut the average wait time for routine repairs to less than seven days portfolio wide. We've installed more than 12,000 security cameras to date. We've completed nearly a quarter of the roof replacements funded by the mayor last year. And we've doubled our reserves. Central to these accomplishments and this conversation about NYCHA's fiscal health is next generation NYCHA, our 10-year strategic plan. Since launching last May next generation NYCHA is having a real impact suring up our organization right now and moving us toward a stronger future. As I've stated many times before significant financial challenges do threaten the very survival of public housing in New York City. Government disinvestment has resulted in nearly 2.5-billion-dollar... in a 2.5 billion dollar loss in operating and capital funding since 2001, a deficit that will gross... grow to a cumulative five billion in 10 years if we continue on the path of the status quo. And aging building; the majority of which are more than a half century old require 17 billion dollars in funding for major capital repairs. Simply put the money NYCHA takes in is not

1 enough to cover our expenses. Our main source of
2 the revenue, federal funding, and rent do not cover
3 the cost of fulfilling our basic responsibilities
4 as a landlord. After NYCHA combines federal
5 operating funds in the rent we collect there's a
6 120 dollar per unit annual deficit. Across nearly
7 178,000 apartments that's a more than 22-million-
8 dollar structural deficit this year. A crisis of
9 this magnitude requires urgent action now. We can
10 all agree that New York City does not want to go
11 the way of other cities. We will not be Chicago. We
12 refuse to be St. Louis or Atlanta. We cannot allow
13 New York City to solve its problems with
14 abandonment, demolition, or receivership. Hundreds
15 of thousands of New Yorkers expect the authority,
16 this administration, and our elected officials to
17 get serious about solving NYCHA's financial
18 problems and making it stronger today to ensure it
19 is here for tomorrow. So we've intensified our
20 efforts to educate and engage our partners in
21 Washington and Albany on the gravity of NYCHA's
22 predicament and why it must be saved. The
23 cornerstone to bringing NYCHA back from the brink
24 is our 10-year strategic plan, next generation

NYCHA, and its 15 targeted strategies. By transforming how we do business and getting on solid financial ground we can become the transparent, modern, efficient, and effective landlord our residents have long deserved. For the past 80 years New York City's public housing has survived and thrived on public funding. Funding from the city, state, and federal government subsidized the original construction of NYCHA's 2,550 buildings, 60 percent of which were built before 1965. Over the years NYCHA has become increasingly dependent on... on Congress and annual federal funding for our very existence since resident rent is no longer our primary funding source for day to day building operations. We also depend on congressional appropriations for capital grants to modernize and make major infrastructure improvements to our housing stock. Knowing NYCHA's funding history is an important... is important context for understanding our current fiscal crisis. While there are ways NYCHA can control our costs and generate more revenue, a major aim of next gen NYCHA, there are many factors outside the authority's control which impact our annual budget

tremendously. Public housing subsidies are supposed to bridge the gap between tenant rent and operational expenses. HUD uses a formula to calculate the subsidy level for housing authorities that make up for the difference... that makes up the difference between income and expenses.

Unfortunately, this formula is rarely if ever fully funded. For the last couple of years, the president's proposed annual budget for HUD's public housing programs has not reflected a fully funded formula and the tremendous needs within housing authorities across the country especially here in New York City. With weak budget support and lacking national political purport public housing programs have essentially been flat funded by congress for more than a decade. As operational costs continue to rise stagnant funding is basically a funded... a funding reduction. When appropriated funds land at HUD the agency is forced to ration much needed federal funding across all public housing authorities which it does through proration. And the gap between income and expenses only gets wider. In 2016 NYCHA expects an 85 percent proration rate of federal operating funds. A 159-

million-dollar shortfall from what HUD's formula deems necessary to keep NYCHA afloat. While federal operating support has dwindled state and city operating subsidies have also... have completely disappeared. When the state in 1998 and the city in 2001 abandoned the public housing they built and supported for years NYCHA assumed the total operational and capital cost of 20,000 unsubsidized public housing units. Since 2008 NYCHA has leveraged federal programs such as Section 8 to create new federal funding streams to support 15,000 apartments. But NYCHA will spend a total of 68 million this year alone to operate the remaining 5,000 unfunded former city and state subsidized public housing units. NYCHA's largest operational expense are the most uncontrollable and the most vital to our daily operations; employee benefits and utilities. You'll see the chart behind me. You'll see that even with the central office headcount going down by 13 percent over the past decade due to attrition and transfers to other city agencies our healthcare and pension costs have increased by 70 percent during that same period. The soaring costs of healthcare and pensions are a

major obstacle to solvency, setting us for a structural deficit year after year. Similarly, NYCHA is beholden to the market for utilities which is volatile, they're variable and unpredictable. In 2016 NYCHA budgeted 705 million dollars or 30 percent of the entire operating budget for employee fringe expenses and a quarter of the budget or 600 million on utilities. While there are many factors impacting NYCHA's budget that we cannot control there are many ways we can control our finances. At last year's budget hearing in March we projected a 100-million-dollar deficit for 2015. Later when we released the next gen strategic plan in May 2015 our revised projections showed a 74-million-dollar deficit for 2015. In fact in 2015 thanks to next gen initiative and the generous support of a mayor who recognizes the importance of NYCHA's success we achieved a one-time surplus of approximately 61 million dollars. Let me be clear. This surplus will not be reoccurring and it does not mean NYCHA is now whole. 61 million dollars represents a two... represents two percent of NYCHA's operating budget. It could cover the cost of our operations for about seven days. This one-time surplus was primarily due

to the mayor forgiving 28 million in payments to the city that we had already paid in 2014 and for giving an additional 33 million in payments for this year. City payment relief now exceeds 100 million dollars a year, the majority of which is forgiveness of NYPD payments. This payment release is a next gen strategy aimed at reducing payments to the city and keeping more money for vital operations. Additionally, NYCHA received a 39 million dollar reimbursement from HUD for energy efficiencies, for energy... for energy conservation measures. We also saved about 34 million dollars in utility costs by replacing some mobile boilers with boilers that run on gas and due to a warmer than average winter season. A surplus this year is a bright bud in our slow awakening. HUD recommends having four months of operating reserves. We currently have 2.6 months of operating reserves. Last year we only had four weeks of reserves. Next gen strategies are helping to chip away at... at NYCHA's deficit. Although we have revised our forecast for the total revenue that a range of next gen strategies will bring to the authority in 2016 from nearly 108 million to about 74 million. These

initiatives are making a fundamental difference now and in the years to come. If Mayor de Blasio had not forgiven NYCHA's longstanding payments to the city for instance we'd confront an additional 100 million dollar gap every year. Without the totality of the other next gen strategies we're instituting we'd face an impossible 320-million dollar deficit in the year 2019. Consider the incredibly tough decisions we'd have to make in that scenario. But with next gen we can reduce NYCHA's deficit by a total of more than one billion dollars over the next five years. Our outlook for this year demands that we continue implementing our next gen strategies for the sake of financial sustainability. We are projecting a 60 million dollar operating deficit for 2016 with anticipated revenues of 3.32 billion and anticipated expenses of 3.38 billion. This gap is due in part to the increased employee healthcare and pension costs, the 5,000 unfunded units, and federal underfunding. Next generation NYCHA is about fundamentally changing the way we do business so that we can overcome severe financial challenges and better serve residents. Through that lens we are writing a

new chapter on how we had missed our resources. Old perceptions are hard to overcome but in today's reality NYCHA is putting more dollars to work faster and more efficiently and more responsibly. That is readily apparent in the way that we are moving capital projects forward driven by a new and improved planning process informed by industry best practices. NYCHA's 2016 capital plan allocates approximately 5.6 billion for infrastructure projects and major upgrades over the next five years. The bulk of this funding, 75 percent, will go toward structural and exterior work such as roof and façade repairs. HUD capital funding comprises 31 percent of our five-year capital plan. Funding from the city constitutes 12 percent. Unfortunately, NYCHA's federal capital funding has been steadily declining since 2001. We've been shortchanged a total of more than 1.2 billion dollars since then. More than half... 55 percent, or three billion of the five-year capital plan is comprised of FEMA funding to repair and make more resilient the 33 developments that were severely damaged by Hurricane Sandy. Building a more resilient NYCHA after Sandy, a next gen strategy,

was finally made possible after three years of negotiating with FEMA for the largest grant award in the agency's history. Residents living in Sandy impacted developments have waited long enough so we've quickly put those dollars to work. We started preliminary construction at 16 developments and expect to have shovel... shovels in the ground at all 33 sites by the end of the year. More than 200 severely damaged departments at 10 developments have been restored and returned to the rent rolls so far. NYCHA isn't just repairing Sandy impacted buildings. We're also rebuilding our relationship with these residents through meaningful engagement, outreach, and communication. Just last month the Red Star Review described NYCHA's meeting with Red Hook residents as quote best NYCHA meeting ever because the authority presented proposed design changes that were based on resident feedback from previous meetings. We are actively listening which is why we also launched the interactive Sandy transparency map, a digital accountability and communications tool that allows the public to track the progress of Sandy projects including estimated funding levels, scope of work, timeline,

renderings, and contractor information.

Transparency and accountability doesn't stop with our Sandy projects. We've also started posting information on our awards and active capital contracts on our website for the first time in the authority's history as part of our commitment to be a more open and transparent NYCHA and as a direct result of our conversations with this committee.

This type of transparency is critical as we get to work on major capital projects including our rafe... roof replacement campaign. Through roof replacements, a next gen strategy, NYCHA is tackling mold head on and combatting its leading root cause, leaks. Thanks to a 300-million-dollar investment from the mayor we will replace an estimated 267 roofs over the next several years meaning that nearly 64,000 residents will benefit from healthier stronger buildings. Within the past year we've completed roof replacements at 16 buildings and we expect to complete work at a total of 67 buildings by Spring 2018. As we build better roofs and infrastructure we are also building healthier, safer, and more connected communities. The mayor's action plan for neighborhood safety,

MAP, is a next gen strategy that brings together a variety of partners to reduce crime through a range of measures. Violent crime is down by more than 11 percent at the 15 MAP sites. Thanks to funding from the mayor, the council speaker, and the Manhattan DA we will install new energy efficient exterior lighting at all 15 MAP developments. We installed 341 lights at Polo Ground Towers, a 4.8-million-dollar project, and projects... and projects at another eight sites are underway, six of which will be completed by the end of this year. With 18 million dollars in funding from the city council and the state we installed nearly 1,000 CCTV cameras along with layered access security measures at 31 developments last year. This year we will begin installing security cameras at 23 sites with 10 million dollars in city and state funding. Since technology alone won't improve safety in our communities we also launched the public safety advisory committee, an advisory board comprised of NYCHA's Department of Public Safety, the NYPD, district attorneys from all five boroughs, and three NYCHA residents. We want to elevate the voice an impact of younger residents on safety issues so

two of the residents will be between the ages of 18 and 24. The advisory committee will produce a public safety blueprint which will identify top public safety and quality of life challenges and solutions and incorporate current initiatives such as MAP. We know residents have to be at the table for those important conversations. As Woodside Resident Association president and leader of NYCHA's Citywide Council of Presidents Ann Cotton Morris put it quote NYCHA is opening a direct line of communication, end quote, with our leaders and residents to do better to protect the community. As we improve safety we are also improving our sustainability as well. We selected the initial energy services company to replace and repair outdated infrastructure such as heating systems at 80 developments, home to 76,000 families through the largest energy savings program ever undertaken by a public housing authority. Actual housing construction will begin later this year. A more sustainable NYCHA means improved quality of life for residents and a greener city for all. As I described earlier the world that NYCHA is navigating today is very different from... different

than that of yesteryear. Every aspect of NYCHA's funding has changed. As high up as the president's budget, congressional appropriations, and HUD's allocations and all the way down to state and city operating dollars. Facing this reality head-on we launched next generation NYCHA to get a financial, to get our financial house in order so that we can preserve public housing. We are owning our reality and NYCHA's fiscal crisis which we did not create but inherited. The fact is as the daily news put it quote there is no NYCHA fairy end quote coming to save us so we must save ourselves. We will continue to fight for every government dollar but in the meantime we must generate new streams of funding for NYCHA. If we don't the consequences will be dire. Another next gen strategy and tool we've... we're leveraging to bring in new resources to upgrade buildings and improve the quality of life of residents is HUD's rental assistance demonstration program known as RAD. Through RAD NYCHA will partner with a developer to convert a development's funding source from public housing funds to Section 8, a program that can be leveraged to raise additional resources to repair buildings

and modernize apartments. Funds generated through RAD will pay for comprehensive renovations such as new kitchens and bathrooms just as last year's Section 8 recapitalization program brought in new funding to make critical repairs and upgrades to six communities including Bronx Chester Houses. Several council members will see these improvements first hand in a tour of Bronx Chester in the near future. And they will have the opportunity to meet Patricia Lamonda, the Development's Resident Association President, a huge champion of the Section 8 Rehab Program. Like many others she was quite skeptical of the change at first but became a true believer when she saw the vast improvements, upgrades, and modernizations as well as the change in mindset of the entire community who are more proud than ever of their homes. We will bring these same types of improvements to Ocean Bay Apartments Bayside in Far Rockaway through RAD. Last month we released an RFP for developer partners to complete major repairs and upgrades to the development buildings and 14 hundred apartments. When this committee held a hearing at Holmes Towers in January we provided background and an update on

next generation NYCHA, our next generation neighborhoods, our next gen strategy to generate revenue for NYCHA and bring improvements to developments by building a 50/50 mix of affordable and market rate housing on NYCHA land starting with Holmes Towers and Wyckoff Gardens. We have been meeting with residents to learn their priorities and this spring we will launch stakeholder committees so residents and other members of the community can work directly with developers to help inform and oversee these projects. While this may be the most headline grabbing next gen initiative it's just one of many that will bring the authority into the future. In addition to finding new streams of funding we are looking inward to ways we can save much needed resources. In 2015 we integrated 56 employees into other agencies and ended the year with 2026 fewer staff at the central office mostly due to attrition. Our work to change the way we operate is key to our next generation NYCHA vision, crucial for our success in becoming a better landlord for residents and a testament to the way we are maximizing our limited funding. We've been deeply engaged on this front this past year from

advancing a new property management model to unveiling flex ops which my colleague Resident Board Member Victor Gonzalez will discuss. I'd like to invite him to join me at the table at this time. OPMOM, the Optimal Property Management Operating Model is a next gen... next gen strategy that is empowering local property managers at 18 consolidation or 33 developments to build their own budgets, hire their own staff and gain more control of purchasing and contract work. The average time it takes to complete a maintenance request at these sites has gone down to under seven days from 21 days. Emergency repairs at these developments are being completed within an average of 20 hours beating our target of 24 hours. Starting this summer, we will nearly double the number of developments under this localized operating model. Since launching our real time repairs program last June NYCHA has inspected over 38,000 apartments and performed 42,500 routine repairs at the time of inspection. Repairs such as the installation of smoke detectors and plumbing fixes. We are repairing on the spot 70 percent of the work identified during the apartment inspection. This

includes any maintenance work orders that were open prior to the inspection. Since we're talking about repairs, an area of our work that is felt most directly by our residents I want to bring a resident voice to the hearing today. I'd like to introduce Mr. Victor Antonio Gonzalez, a Wise Towers Resident for almost a half a century and a NYCHA board member who knows just about all there is to know about living in public housing.

CHAIRPERSON TORRES: Before you testify if you can...

UNIDENTIFIED FEMALE: Do you affirm to tell the truth... everyone. Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this committee and to respond honestly to Council Member Questions?

KAREN CALDWELL: I do.

VICTOR GONZALEZ: Thank you Chair. Good morning everyone. My name is Victor Antonio Gonzalez. I am a NYCHA resident board member and a public housing resident. Thank you to the council and the chair for allowing me time within her testimony to address the committee today. It is a tremendous honor. I've lived in public housing for

more than 50 years. During that time, I've seen support for public housing come and go through eight presidents and governors. I've also had a front row seat while seven mayors and 11 NYCHA chairs managed the authority's growing problems of missed declining funding support. My NYCHA story begins in the early 1970s at what was then called the Rabbi Stephen Wise Towers on the upper west side. I moved into Wise when the building was just a few years old and still considered new. It was a very different time back then. [speaking foreign language] We didn't have work orders or back logs or a CCC. We had a management office or a property management office. If you had a problem you went downstairs to the management office, you told them what was going on, and before you can actually finish you had to run back to your apartment because the team that was going to perform the repairs might beat you to it. So you know it was a different time. In those days, local management made local decisions. [speaking foreign language] Back then NYCHA had the funds and the adequate personnel to stay on top of maintenance and repairs the way they should but with every year the

1 challenge of underfunding grew. Money would be the
2 most direct way to do good. Unfortunately, it's
3 very clear that NYCHA does not have adequate
4 federal funding and probably won't anytime soon
5 which is why the authority has the responsibility
6 to think outside of the box. Last week NYCHA took a
7 big step. The chair introduced flexible operations,
8 expanded service hours, or flex hours. A new
9 staggering shift initiative to extend the hours for
10 repairs, cleaning, sitting down with property
11 managers. Now it's like... it's not like I remember
12 when managers work every day of the week, not that
13 they don't but... it was different then. But the
14 service hours laid out in the flex... will help NYCHA
15 start to return to a time when customer service was
16 key to the operations. [speaking foreign language]
17 As a resident myself I know that NYCHA residents
18 won't actually believe NYCHA is changing until they
19 see it happen. I believe flex op is a crucial way
20 they can see it for themselves. Thank you.

22 SHOLA OLATOYE: Thank you Mr. Gonzalez.

23 I appreciate your thoughts and couldn't agree more
24 about the change flex ops will deliver to both
25 residents and employees. We've come a long way in

the last two years but it's not far enough. In NYCHA's fight for survival against staggering capital needs and looming deficits in the years to come, including a projected 60 million dollar operating deficit this year we need to make bold and tough choices. For more than a year... eight decades NYCHA has been a pathway to opportunity for countless New Yorkers as the city's largest resource of affordable housing, home to five percent of the population, and representing half of our truly affordable apartments it must be here to serve tomorrow's families. So we must change the way NYCHA is funded to keep our building standing. We must change the way NYCHA operates to become the landlord our residents deserve. Those are our imperatives. Doing anything less would be a dereliction of our duties. I want to take a moment to recognize and thank this committee and its chairman in particular. It's your job to ask the tough questions and bring greater accountability and transparency to NYCHA. As the chair I'm doing the same from my post. In the end our mutual goal is to improve NYCHA to better serve residents. At times there may be differing views about how to

1
2 achieve those goals but I believe we can accomplish
3 them if we do it together in partnership. Thank you
4 for your vital role in our work to strengthen and
5 sustain public housing in New York City. We are
6 happy to answer any questions that you may have.

7 CHAIRPERSON TORRES: Thank you. I want
8 to recognize a number of colleagues who have joined
9 us. We have Vanessa Gibson from the Bronx and
10 Council Member Rosie Mendez from the lower east
11 side. I want to thank you Madam Chairwoman for your
12 testimony, Mr. Gonzalez, Ms. Caldwell welcome to
13 your first hearing. It's largely a painless
14 experience so...

15 KAREN CALDWELL: Thank you. Happy to be
16 here.

17 CHAIRPERSON TORRES: I want to... before
18 we get into a discussion of the budget I do want to
19 address one of the elephants in the room. There is
20 a perception among the media and the general public
21 that NYCHA is under investigation from Preet Bahara
22 regarding lead paint conditions in public housing.
23 And so I just want to give you an opportunity to
24 set the record straight and explain exactly what is
25

the nature of Mr. Bahara's inquiry into the conditions in public housing.

SHOLA OLATOYE: Thank you Chair. We are... first it's important to know we are taking this inquiry incredibly seriously and cooperating fully with our Department of Justice colleagues. The inquiry has been about NYCHA's operations. Every asset of our... of our operations. We have provided more than 440 million records to the Department of Justice. And I will say it has not been specific to the lead or reported lead issues that... that... that they may be researching. It's really been quite more... more expansive. I can't presume to know what the intent of the inquiry is but we and my team are taking it very seriously, continuing to cooperate. I have two full time lawyers who are working on this to respond. And while that continues we remain focused on trying to improve the authority for our residents.

CHAIRPERSON TORRES: And is it simply a request for information, is it an investigation, what's the nature?

SHOLA OLATOYE: Sure. Right now it's simply a request for information. There's... it's...

there's been no complaint filed. There's been no formal investigation launched. It's simply an inquiry.

CHAIRPERSON TORRES: Now as you can imagine against the backdrop of the Flint crisis those articles have set off some alarms and panic and so... because my question is how serious are the lead paint conditions in public housing? Would you characterize it as a substantial or insubstantial problem?

SHOLA OLATOYE: Well first I completely agree with you that... that this is a national conversation and we are very cognoscente of that and the health and safety of our residents is baked into what we do, baked into next generation NYCHA, our vision of being a safe, clean, and connected community. I also think it's important that New York to acknowledge that the city has done a tremendous amount of work to decrease the amount of lead it found in children under the age of six, something like 69 percent over the past five years. It's also important to... I think to separate for us lead paint versus alleged lead and water because they are two different things. With regard to lead

1 paint over the past five years the Department of
2 Health who does this... this type of testing has
3 tested more than a million children under the age
4 of six. Also important to note that children under
5 the age of six are the most susceptible to lead
6 issues. So of the 1,000,002 children that the
7 Department of Health has tested 68 hundred children
8 report came back with elevated blood levels. 202 of
9 those children resided within NYCHA. Upon further
10 testing 18 of those homes presented with elevated
11 levels. Immediately... well this was within the...
12 within the last five years. Those issues were
13 immediately abated and those homes are now lead...
14 lead free. So I state that to say the... the... any
15 risk is a concern... concerning risk and it's
16 something that we take incredibly seriously with
17 regard to our lead paint and... but it is something
18 that statistically for us is actually relatively
19 small. We remain in compliance with our local law
20 and... and making sure all of our protocols and
21 procedures are consistent with that. So that's on
22 the lead paint side. On the lead water... lead in the
23 water, and again I think given the national
24 conversation out of an abundance of... of caution and
25

sort of similar to what I think a lot of public agencies, the Department of Education and others are doing we recently did a random sampling testing of about 175 units. And of those 175 units on the first draw and... and first... first draw in technical terms is as soon as you turn on the... the faucet 13 of the 175 came back with elevated levels. On the second draw, that's after letting the water run a bit just one came back with elevated levels. So we are working... all of this we're working very closely with our Department of Health, DEP, and others to go back and retest all of those units according to EPA protocol and to ensure that... that all of the issues... any... if any issues were found particularly in the one are abated. And it's... it's very important that our residents have confidence that... that their... that these issues... that... that... that there are not issues within the housing authority and we will remain just... we will continue to make this information public given that the obvious concern within the national context but we take this very seriously and believe that we are... are approaching it responsibly.

CHAIRPERSON TORRES: So I want to summarize. Over a million children tested...

SHOLA OLATOYE: For paint.

CHAIRPERSON TORRES: 68 hundred tested positive, 200 of whom come from public housing, 18 apartments out of 178,000 tested positive for lead paint?

SHOLA OLATOYE: Within... over the last five years...

CHAIRPERSON TORRES: Okay.

SHOLA OLATOYE: ...correct.

CHAIRPERSON TORRES: So given those statistics it's not a widespread problem?

SHOLA OLATOYE: Correct.

CHAIRPERSON TORRES: Okay. Section 8 conversion; a source of frustration for me. A year ago the then Chief Financial Officer of NYCHA Richard Couch testified that the approximately 5,000 unconverted and unfunded city and state units cost NYCHA 75 million dollars annually in federal funds. Is that number accurate?

SHOLA OLATOYE: Yes.

CHAIRPERSON TORRES: If those units were fully converted in funding NYCHA would have no

deficit, in fact it would have a surplus? And NYCHA would generate more revenue from the conversion of those units than it would from many of next gen's initiatives. So what is the housing authority's plan, new plan for aggressively expediting the conversion of those units.

SHOLA OLATOYE: Well we are working very closely with... to ensure that as those units become vacant that we are turning them onto the section eight program. It's important to note that the average tenor for our Section 8 portfolio is a bit longer. So that happens at a sort of slower rate than maybe in our public housing portfolio. Also important for us to note that we plan to convert between five and 600 units a year in... just in 2016. And we...

CHAIRPERSON TORRES: Is that an improvement?

SHOLA OLATOYE: It is. It's an...

CHAIRPERSON TORRES: From where?

SHOLA OLATOYE: We were about 300 units in 2015. So we're increasing... we're doubling our... our activity there. I'll let Ms. Caldwell talk specifically more.

KAREN CALDWELL: Okay so... good morning first of all. I'm Karen Caldwell, Chief Financial Officer of NYCHA. Thank you for having me. Just to recap back in 2008 we had 20,000 unfunded units. Since 2008 we have been able to convert 11,743 of those to federal funding and another 3,603 to Section 8. So we do have just under 5,000 or 4,793 units still yet to be converted. We do have an aggressive plan and we have been running at about two to three hundred units a year in terms of turning those units over to Section eight from being unfunded. And again as the chair remarked we intend to double those efforts to 600 in 2016.

CHAIRPERSON TORRES: And how are you able to double those efforts? What's the new strategy for doubling those efforts?

SHOLA OLATOYE: Well one is... is... is we actually have a team of... or have a dedicated group of folks within our... our... housing program which was I think just in terms of focus, attention, and management. That was a really important change. Who are actually mapping and projecting vacancies so that we can very quickly move to turn on the subsidies when those... when those units become...

CHAIRPERSON TORRES: So what percentage of those 5,000 residents are eligible for Section 8 conversion? I imagine it's most of them, right? Do we have stats on that?

CHAIRPERSON TORRES: You mentioned vacancies. Is the conversion dependent on a vacancy or could a tenant voluntarily convert while occupying the unit?

SHOLA OLATOYE: They could and it does require so... so it's a very important point, thank you for raising it. And that is I think another difference in our increase from 300 to 600 in this year. One is identifying staff to focus on it who can actually go out and talk to residents about conversions. But it is important that we actually

1 need a HUD waiver to do full voluntary conversion
2 and that expired I believe in... I believe that was
3 in 2012 that... that waiver did expire so... And then
4 your second question was about the income
5 eligibility. They actually are... could be... some
6 percentage are actually below the Section 8 income
7 eligibility. So that's been one of the challenges
8 in converting them on a volunteer basis. But again
9 I think having... point is to have a appointed staff,
10 having a very clear plan based on projected
11 vacancies will allow us to meet our goal this year.

13 CHAIRPERSON TORRES: So here's what I'm
14 underscoring. If you're able to convert those units
15 you will have a reoccurring stream of revenue, it's
16 not a one-time infusion, that's a reoccurring
17 stream of 70 million dollars which is serious money
18 for distressed public housing authority. Why not...
19 and maybe... I hope the mayor's office is listening,
20 why not offer some kind of financial incentive to
21 those residents who are living in the city and
22 state units that we'll give you 10,000 dollars if
23 you agree to convert to Section 8 because that
24 would guarantee... has... has that ever been proposed,
25 some kind of incentive for voluntary conversion?

SHOLA OLATOYE: Not that I know of.

CHAIRPERSON TORRES: Is that something you're willing to explore given the urgency of NYCHA's financial needs?

SHOLA OLATOYE: If it was funds that were not obviously coming from us we would work with you and others to understand that more.

CHAIRPERSON TORRES: Question about the deficit. Oh actually I want to acknowledge that we've been joined by a new member of the City Council and a new member of the Public Housing Committee and someone who's a colleague of mine in the Bronx delegation and I can tell you first hand that he has a deeply felt commitment to public housing residents in his district and beyond its... it's my honor to introduce Rafael Salamanco. So... question about the deficit. Obviously over the last two to three years the NYCHA has seen a massive infusion of new revenues. If you take into account the multiple exemptions from the NYPD payments, the Polly [sp?] payments, the Section 8 recapitalization, the rate reduction incentive, I estimate that it's a cumulative total of about 670 million in new revenues. And yet despite this

infusion NYCHA's projected to have a deficit of 60 million in 2016. And it seems that NYCHA's deficit reduction is heavily dependent on those one-time infusions. I think the Section 8 recap in 2014 was 158 million, in 2016 it's 114 million. And so how will NYCHA close and reduce that deficit when those infusions disappear.

SHOLA OLATOYE: Thank you for your... for your query. I think it's important to note that the resources that really represent a... a fundamental shift frankly for the city over the last two years reflects this administration's commitment to public housing. But also important to note that there is operating versus capital. And the... the basis of your question I really think is about the operating...

CHAIRPERSON TORRES: Operating...

SHOLA OLATOYE: ...operating deficit.

CHAIRPERSON TORRES: Yeah.

SHOLA OLATOYE: So of... of the money that you... that you referenced 300 million of that is actually capital dollars with... and targeted towards roof replacement. Another significant portion of that is city council funding for ongoing capital

1 projects and a small percentage is from the borough
2 president. So just in... and I think important to
3 separate out the two. With regard to the operating
4 size we have been I think again another next gen
5 strategy has been the release of the payments that
6 you've mentioned which is ongoing as well as... but...
7 and then the other payments have largely been
8 programmatic. So lighting, homelessness initiative,
9 other... other sort of programmatic specific. So I
10 just think in terms of setting the... understanding
11 that figure that you quoted, separating out the
12 capital versus the... [cross-talk]

14 CHAIRPERSON TORRES: I want to go
15 through... Here's how I did the analysis. And... and
16 correct me if...

17 SHOLA OLATOYE: Sure.

18 CHAIRPERSON TORRES: I'm factoring in
19 the NYPD payment relief in FY 2014 you received a
20 partial payment of 52 million, FY 2015: 70 million,
21 FY 2016: 70 million, FY 2017: 70 million, pilot
22 payment FY 2016: 61 million, FY 2017: 34 million,
23 the rate reduction incentive: 40 million, the
24 Section 8 recap in 2014: 158 million, the Section 8
25 recap in 2016: 114 million. That adds up to well

over 600 million. So I'm... I did not factor in the capital.

KAREN CALDWELL: Okay, okay.

CHAIRPERSON TORRES: So is my analysis wrong, where am I wrong?

KAREN CALDWELL: No your analysis is correct.

CHAIRPERSON TORRES: Okay.

KAREN CALDWELL: So what I would say is that though NYCHA does anticipate having a 60-million-dollar deficit in 2016 it is bifurcated between Section 8 and public housing. Public housing, we do anticipate that to be 22 million dollars as a shortfall. And you know if you would take a look at what we would have looked like without the NYPD or the pilot release or clearly that's 100-million-dollar difference in a... on an annual basis which would be reflected in a greater operating deficit.

CHAIRPERSON TORRES: And I'm confident that the... it appears to me the NYPD and pilot payment exemptions will remain in place in perpetuity right? But your largest source of revenues are coming from the Section 8 recap which

1 is a one-time infusion and that's my anxiety, is
2 that NYCHA's deficit reduction is dependent on an
3 unsteady foundation. And so what... what assurances
4 can you give us that you'll be able to close the
5 deficit in future years?

7 KAREN CALDWELL: I think if you look at...
8 you know NYCHA did the Section 8 recapitalization
9 looking at their balance sheet and trying to... to...
10 to determine what they could do for themselves in
11 order to be able to generate revenues to close the
12 gap. If you look at it in that vein next gen NYCHA
13 initiatives do similar things going forward. I
14 think a... a document was passed out, a slide, that
15 really shows you sort of what our operating deficit
16 would look like from 2016 through 2020 were it not
17 for the next gen NYCHA initiatives. And so... and
18 those next gen NYCHA initiatives we really do
19 believe will be ongoing savings. And so yes the
20 Section 8 recap does reflect something that
21 happened in the past couple of years and we don't
22 expect to experience it again but we do have other
23 initiatives in... in our sites that if we are able to
24 accomplish those they will also be... [cross-talk]

CHAIRPERSON TORRES: So I want to dig deep into those next gen NYCHA initiatives because when I was reviewing the numbers they were two overall impressions. One is that the revenues that were projected for 2016 were substantially lower than the actual revenues, so the new projects.

KAREN CALDWELL: Mm-hmm.

CHAIRPERSON TORRES: And second a number of your revenue projections in the out years have been substantially revised downward so I want to go one by one starting with lease ground floors. Between 2017 and 2020 NYCHA originally projected a cumulative total of about 25 million dollars in revenue from ground floor leases. You've since revised the projection from 25 million to a cumulative total of nine million. That's a reduction of 64 percent. Please explain.

KAREN CALDWELL: I... I look at the lease ground floors as being... we originally had been estimated at bringing in about six million dollars a year and now have essentially been cut basically in half. And what I would say is that you know when next Gen NYCHA was put together... and this is not just true of the leased ground floors but in

1
2 general you know we've gone through... we've revised
3 our projections being a bit more informed about you
4 know the actual space as being able to go out and...
5 and take a look and talk and to see what we could...
6 [cross-talk]

7 CHAIRPERSON TORRES: But that's a... you
8 know numbers need to have credibility. I'm sorry to
9 interrupt.

10 KAREN CALDWELL: Sure.

11 CHAIRPERSON TORRES: But that's a
12 dramatic revision downward. I mean how did you get
13 it wrong so... so badly the first time.

14 SHOLA OLATOYE: Well so I... I think it's...
15 just taking a step back I think we've always said
16 next generation NYCHA it... it was a... it's a
17 strategic plan. It was very specific. It was formed
18 on what believed we had control over in terms of
19 the revenues that we could raise. I do think it's
20 also important to note that when... that we've... what
21 we've done is adjusted some of the timing
22 associated with... with the revenue expectations. I
23 think as... as CFO mentioned when we got into these
24 spaces realizing specifically to the leased ground
25 floor that there... more work was needed. I think

1 also in terms of other issues with regard for
2 example development. There were... there's been an
3 adjustment in... in the time, not necessarily the
4 amount. So one of the important things about all of
5 this is this is a financial exercise. And I think
6 one of the first things that we did really at your...
7 your... with your leadership at this committee is to
8 present for the first time revised numbers, not
9 just... or actual numbers, not just sort of budgeted
10 numbers. And that's something that we will continue
11 to do as... as we roll out components of the plan. We
12 believe and we still project based on the... the... the
13 slide behind me that we will be beginning to break
14 even by the end of 2018 and... and we are adjusting
15 our time based on the reality of doing some of this
16 work. I think it's an acknowledgement that not
17 everything is as easy as we maybe had... had... had
18 though. And... but... but it is not worth us taking our
19 foot off the gas because the future of the housing
20 authority is... is related to it.

22 KAREN CALDWELL: Just one other point.

23 There's a chart behind us that really looks at the
24 original next gen NYCHA numbers that were forecast
25 and then the reforecast. And you can see that

though we have made some changes in some of our estimates many of those are timing differences and over time we do expect to receive a significant portion of the savings projected.

CHAIRPERSON TORRES: And again I'm looking at... I want to go one by one. So the central office... according to my own analysis between 2016 and 2020 NYCHA originally projected a cumulative total of 343 million dollars in revenue. You've since revised that projection from 343 million to 227 million. A 34 percent reduction. Please explain what's going on there.

SHOLA OLATOYE: I'm not sure the numbers you're... you're looking at... one of the things just... just for context we believe...

CHAIRPERSON TORRES: I can read the numbers from your own budget presentation.

SHOLA OLATOYE: Right, we're looking at the same document, great.

CHAIRPERSON TORRES: Okay.

SHOLA OLATOYE: Wonderful.

CHAIRPERSON TORRES: So...

SHOLA OLATOYE: So I think...

CHAIRPERSON TORRES: I just added it up
so that...

SHOLA OLATOYE: Okay great you're...
you're better at that.

CHAIRPERSON TORRES: Yeah.

SHOLA OLATOYE: It's been really
important for us to in addition to finding new
sources of revenue to also take responsibility for
the areas that... where we could cut some expenses.
And our integration initiative was focused on
identifying approximately 90 million dollars in
central office, central office cost, central office
costs. That took the form of sort of two tracks.
One was transition or attrition and the second was
integration, actually integrating staff with other
agencies where there might be duplicative
functions. We'll talk a little bit more about the
specifics. I think just an acknowledgement was
there were some major things that we laid out in
next generation NYCHA that I think are going to
take a little bit longer to do. You know and... and
some things that from a cost benefit analysis don't
make sense for us to do? And we've made the... we've
made some of those... those... those... we've made... we've

done some of that analysis. I also think it's important to note that we have done a significant amount in 2015 and as well as 2016 made some efforts around attrition and integration and I'll let Ms. Caldwell talk more specifically.

KAREN CALDWELL: Yes, so in 2015 we were able to reduce our headcount over the year by 226 employees at the central office. So no change in our operational staff at the developments but in central office to be able to bring that down by 226 employees. 56 of that was from integration into city agencies and the balance of it was really done through attrition. Likewise...

CHAIRPERSON TORRES: And what was the goal? So that was the actual outcome, what was the original goal?

KAREN CALDWELL: The goal was for us to be at 11,092 employees at the beginning of 2016. We were in fact below that number in 2016.

CHAIRPERSON TORRES: No but meaning... you said over 200 employees were either reintegrated or went out of... because of attrition right? Was that... what was the... if you can just give me a number that was the goal?

KAREN CALDWELL: So...

CHAIRPERSON TORRES: I want to measure that against...

SHOLA OLATOYE: Yeah no I think... so what we've always said and what was reported in next gen... [cross-talk]

CHAIRPERSON TORRES: Yeah.

SHOLA OLATOYE: ...was 90 million dollars of savings. The number... another number of heads became something that was reported widely in the media. But we... we were really looking at this from a financial cost savings perspective, not the 1,000 heads but had been talked about in the media and that's specifically laid out in the plan.

CHAIRPERSON TORRES: But I think it's important. The... the 91 million dollars that was originally projected, what was the level of attrition and relocation that was assumed in those numbers.

SHOLA OLATOYE: Mm-hmm. So...

CHAIRPERSON TORRES: And then what's the projection now?

KAREN CALDWELL: So the bulk of the employees that you referred to were going to be

1 transitioned to city agencies hopefully in 2019 and
2 2020. So for 2015 NYCHA met, basically exceeded its
3 goal of transition or attrition in that first year.
4 Likewise, this year we expect to transition to city
5 agencies are now the 111 employees and through
6 attrition to be down by another 40 employees to 151
7 this year. So for the first year and again this
8 year we're very much on target. In the out years
9 there are a lot of discussions going on between
10 NYCHA and city agencies as to what really makes
11 sense for us to transfer in the way of employees.
12 To give you an example some of our analysis has
13 shown that it would indeed be more expensive for us
14 to transition some of the employees that were
15 originally targeted in terms of what we would then
16 have to pay for some of those services. And so
17 that's why as a financial exercise we really are
18 trying to focus on the dollar savings more than
19 the... the headcount itself. But in the initial years
20 we are needing the numbers that we talked about in
21 the next gen NYCHA.

22
23 CHAIRPERSON TORRES: Okay. I have more
24 questions but I do want to give my colleagues an
25

opportunity to weigh in. So council Member Richards.

COUNCIL MEMBER RICHARDS: Thank you Mr. Chairman for your leadership and always a pleasure to see chairwoman. I wanted to raise just a few questions on the FEMA funding. So obviously we have three billion projected from FEMA I believe and in combination of CDBG funds and insurance recovery funds. So wanted to get an idea of where we're at in particular. Have we drawn down all funds? Are we in contract?

SHOLA OLATOYE: So...

COUNCIL MEMBER RICHARDS: Where are we at now?

SHOLA OLATOYE: Thank... thank you for your quarry. We are as you noted we have...

COUNCIL MEMBER RICHARDS: Can you just speak into your mic...

SHOLA OLATOYE: Sure. We have... we will receive the largest disaster recovery grant in the history of FEMA. It's also important to note that those resources will be flowing through the state and so we are working very closely with the State Department of Homeland Security which is where the

1 money actually goes through. We made... we met a
2 major milestone last fall where we came to
3 agreement essentially on all of the PWs or project
4 worksheets which essentially will allow the work to
5 be funded without sort of a going back and forth in
6 terms of project scope. So in terms of what we've
7 expended thus far is about 355 million dollars of
8 which 3.2 million dollars is from FEMA. All...

9
10 COUNCIL MEMBER RICHARDS: So...

11 SHOLA OLATOYE: So 3.2.

12 COUNCIL MEMBER RICHARDS: So we only
13 have... Okay so you said you... we spent 355 million
14 but only been reimbursed 3.2 million so far?

15 SHOLA OLATOYE: Right.

16 COUNCIL MEMBER RICHARDS: Alrighty, so
17 when do we anticipate drawing...

18 SHOLA OLATOYE: Right. So in the next
19 two weeks we will be drawing down another 36
20 million dollars and... for some additional work to
21 begin. And... and that will begin sort of as I had
22 mentioned in my testimony we will be in
23 construction at all 33 developments by the end of
24 this year. So we will be updating our Sandy
25 tracker.

COUNCIL MEMBER RICHARDS: Mm-hmm.

SHOLA OLATOYE: Where... where one could follow not only the money...

COUNCIL MEMBER RICHARDS: Well that's my bill, I know it well.

SHOLA OLATOYE: You know it well. And we thank you for your leadership on that. Where you... where... where residents can follow money, where they can follow timing, where they can learn information about jobs and contractors. But that is the status of... of where we are right now both in...

COUNCIL MEMBER RICHARDS: So when do we anticipate drawing down the full three billion.

SHOLA OLATOYE: So it won't... it won't be a full drawing down of three billion all at once. The way that it works is we submit the project worksheet to the state. They fund 50 percent of that cost.

COUNCIL MEMBER RICHARDS: Mm-hmm.

SHOLA OLATOYE: And then when... when you are approaching that... that 50 percent you would then... we are then allowed to draw down the remaining balance.

COUNCIL MEMBER RICHARDS: And you're confident working with the state is... has the pace been...

SHOLA OLATOYE: Well we're... we... we are confident that it's... [cross-talk]

COUNCIL MEMBER RICHARDS: ...snail...

SHOLA OLATOYE: ...it... we've developed a partnership with... with our colleagues at the Department of Homeland Security that... and... and really I have to give credit to our Sandy recovery team and... and our EVP of capital projects Mike Rosen because it's really been about securing, making sure that they are fully aware of the work that's being done so that there isn't weeks spent haggling on scope. And so all of those PWs have been agreed upon. And now it's about getting... getting the work done.

COUNCIL MEMBER RICHARDS: And design is finished... everything...

SHOLA OLATOYE: Well design is underway.

COUNCIL MEMBER RICHARDS: Where... where are we at in the process of...

SHOLA OLATOYE: Design is underway. That's going to be an ongoing process. As we noted

at Red Hook given some of the very dynamic I think resident engagement opinions and... and resident engagement outcomes some of the designs are changing. And so you know we will expect that that will be an evolving process. But the actual construction at the 33 developments will be all in... in play by the end of this...

COUNCIL MEMBER RICHARDS: So no offense to Red Hook but I represent the Rockaways.

SHOLA OLATOYE: I know you do and...

COUNCIL MEMBER RICHARDS: So what can I... you tell my constituents where are we at in terms of the design and... and really getting into the nitty gritty of the process of really reshaping a lot of the developments that would hit during Sandy?

SHOLA OLATOYE: Well I believe that construction on some of the... the mobile boilers is already underway at several developments in your... in your district council member. And I know there's been a very robust engagement process with the residents there, members of your staff have been at those meetings. So they're going to start to see construction at their developments. It's going to

look different at... at Red Fern versus... versus Coney Island but... or sorry not Coney Island, I'm sorry, Bayside.

COUNCIL MEMBER RICHARDS: Yeah, no Brooklyn.

SHOLA OLATOYE: But we are... and we'd be happy to sit down with you and give you kind of a development by development on the construction. But we... you know what's happening particularly and I'm familiar with one of the developments in your district is we're actually demolishing the old boiler systems and... and really making way for the elevated more resilient boiler boiler rooms. So that work is underway. And it's... this is going...

COUNCIL MEMBER RICHARDS: And I have seen that.

SHOLA OLATOYE: Right. And so it's going to be a long process but we're happy to sit down and give you a development by development breakdown if that would be helpful.

COUNCIL MEMBER RICHARDS: Okay I look forward to that. I wanted to jump into RAD just a little bit.

SHOLA OLATOYE: Mm-hmm.

COUNCIL MEMBER RICHARDS: So what is the timeline for the ocean bay conversion and how many units will be converted and how much revenue are you anticipating to generate through the conversion to RAD at Ocean Bay.

SHOLA OLATOYE: So we have with... with your help and... and... and your... your staff have been great at all of the resident engagement meetings. We released an RFP for development partner I believe just two weeks ago that develop... that RFP is on the street now. We expect to select a development partner by the end of second quarter or the end of June. We'll... thus continues the resident engagement process there. As you know that development is 14 hundred units. So all 14 hundred units are part of that. And you know the capital needs at... at Ocean... oceans there are significant. So we're looking to at least certainly meet those capital needs of at least over a hundred million dollars or more. And... and also to essentially you know preserve those units for the... for the long term.

COUNCIL MEMBER RICHARDS: And can you go through local hiring, section 3 stuff, how do we

intend to really ensure that residents from these developments really will be able to work at the sites.

SHOLA OLATOYE: Right. So we... there is a specific hiring plan required as... as a submission requirement within the RFP. That will be part of the review and selection of criteria in looking at potential development partners. So not just a commitment but an actual hiring plan that then in whoever selected that would be part of the negotiations. We also... because of the significant attention frankly that this project will garner not only from Washington but also here has made significant efforts to work with... with your office, with others to make sure that we have created a pipeline of job ready residents who are ready... and ready to work at... through our REES program and making sure that they are not only connected to this opportunity for construction as well but also the long term employment opportunities. So it is... it is one; a part of the development solicitation and we'll... we'll be part of the review and selection criteria and then there is an ongoing commitment to ensure that there is a ready pipeline

of residents from the community to work on this project.

COUNCIL MEMBER RICHARDS: And how big of a... is the RAD portion of the next gen plan in... in the overall scope of really bringing NYCHA back onto good financial footing? Is this... are you looking to expand this program? I know we will be the first in the city most likely but how big a part of the strategy is RAD.

SHOLA OLATOYE: Sure.

COUNCIL MEMBER RICHARDS: And... and I don't think you answered the question on how much revenue do we anticipate to generate from the Ocean Bay conversion as well.

SHOLA OLATOYE: So we... so first of all we... we're... we're not going to negotiate against ourselves in terms of the amount of revenue that we expect. But in terms of the capital needs which is ultimately one of the reasons why we do this which is to address the capital needs of our buildings, the capital need of... of that development is... is... is significant. So we would expect at least that. But we want a competitive and... and revenue rich set of proposals so that we can generate as much money for

1 that development as well as for the authority..
2 large. In terms of our use of RAD it is one of many
3 tools that we expect to utilize in our development
4 program. We would... we very much would like to... to
5 use more of it. As you know there is a
6 congressional cap right now. And so we are... have
7 been talking to our HUD colleagues on really making
8 the case for New York to be moved to the front of
9 the line if I might in... in the event that other
10 projects may fall out. What we've learned is that
11 there were... there was a rush to submit up to the... I
12 believe 185,000 dollar... 185,000 unit cap. Many of
13 those projects weren't fully funded. Did not have
14 all of the... meet all the requisite program
15 requirements so there is some expectation that some
16 will fall out. And we are working very closely with
17 our HUD colleagues to really underscore the
18 importance of NYCHA being able to move forward in
19 their place.
20

21 COUNCIL MEMBER RICHARDS: Last two
22 questions Mr. Chair. Thank you for your patience.
23 And I would just hope as we continue and I want to
24 thank your staff in particular Bryan Honan [sp?]
25 and your team who's really taking of their piece of

1 the community engagement portion of this and really
2 try to work with residents. I think you know there
3 is some anxiety amongst residents about this
4 program. But I would hope that NYCHA develops some
5 language that everyday residents can understand
6 when we sort of explain this program to them so
7 that we can lessen the amount of anxiety that... that
8 they have them and there's no way around anxiety
9 but I think if we can develop a language that... in...
10 in layman terms that everyday New Yorkers can
11 understand we can probably lessen that anxiety. And
12 you know we look forward to continuing to work with
13 you and... and NYCHA in particular to ensure that
14 everyone understands what the program is and that
15 they... we can lessen their fear of... of...

17 SHOLA OLATOYE: Sure.

18 COUNCIL MEMBER RICHARDS: ...being
19 displaced from their particular apartments. Just
20 last two questions and I'll group them. So smoke
21 free housing, I know HUD has come down in
22 particular with a proposal to certainly address
23 smoke free housing. And NYCHA wanted to hear your
24 strategies. Have you responded and given comments
25 to HUD in particular around smoke free housing? And

1 then lastly I know we every year we speak of
2 increasing apartments in particular to homeless
3 families. And I haven't seen that in your
4 testimony. So I know I think last year I think it
5 was somewhere around 200 family... no, less than
6 that. We were... okay, I'll let you give the number.
7 What is the strategy moving forward? Is there a
8 particular number to place homeless families in
9 particular in NYCHA developments this year? Have we
10 increased that number? Or has that number decreased
11 going into this fiscal year.
12

13 SHOLA OLATOYE: Sure.

14 COUNCIL MEMBER RICHARDS: Thank you Mr.
15 Chairman for your patience.

16 SHOLA OLATOYE: Thank you. So couple of
17 responses. First I want... I do want to thank you
18 Councilman Richards and your staff because I think
19 you were helpful in helping us really demystify the
20 language around RAD. And we've... we hopefully won't...
21 and will still work at it but hopefully that...
22 you're... you're starting to see remnants of that or...
23 or... or the outcome of that work through the new
24 resident newsletter that's... that... that we now put
25 out I believe monthly and... and also now working

1 with the residents across the street who also want
2 to be part of RAD. So... so it... it's been a... really I
3 think dynamic process and we... we look forward to
4 your continued leadership on that. So with regard
5 to smoke free housing you know obviously something
6 that we again sort of safe clean and connected
7 being... you know healthy housing being really
8 important to that we believe that it is... the... the
9 health of our residents is... is really... is critical
10 and crucial. That's why we began a smaller pilot
11 of... of smoking cessation efforts in East Harlem
12 with the Department of Health and we learned a
13 couple of things there; one, that peer to peer
14 accountability was the best way to... the best tool
15 in terms of enforcement, two, that there needed to
16 be ongoing community stakeholder organization
17 support... organizational support to support smoking
18 cessation, and that three, you needed to have an
19 ongoing sort of... you needed to have an ongoing
20 programmatic presence to support those desired
21 outcomes. Again applaud the administration's
22 efforts to ensure the health of... of... of residents
23 in public housing our comments were... were I think
24 reflective of our experience which is you need
25

1 money to implement something like this and this is
2 right now unfunded as it stands. Two, that there
3 needed to be some kind of ongoing programmatic
4 effort, technical assistance, something to the
5 housing authority as well as to our community
6 partners and that three there needed to be some
7 kind of ongoing independent support for resident
8 engagement and accountability. So those comments
9 stand. We will work I believe the final rule on... on
10 smoke free housing is... is yet to come out from HUD.
11 So we will follow that obviously when it... when and
12 if it comes and... and... and look to implement it per
13 their guidance. But I do think you know this is one
14 and we sat down immediately when this... when we
15 learned of this I sat down with Doctor Basset [sp?]
16 and really began to talk to her about how we can
17 work with the city to help us implement something
18 like of this magnitude. I have real concerns about
19 the enforcement piece to this. And given all of the
20 other things we are focused on which are all
21 focused on keeping... making sure our house... housing
22 is safe and healthy I also just want to be careful
23 about the potential unintended consequences. And
24 then the third piece was homeless families. So this
25

1 administration has... NYCHA has been a part of the
2 mayor's effort to combat homelessness. We made a
3 commitment that of our annual 5,000 or so
4 apartments that become vacant half of those
5 apartments would be reserved for families
6 experiencing homeless... homelessness. We, last year...
7 not only we met but exceeded our... our goal of
8 approximately 25 hundred, 15 hundred in the public
9 housing lane and the remaining through our leased
10 housing or Section 8 initiative. So we remain on
11 track to meet those goals that have not changed.
12 And that obviously is a... is a major... major focus
13 for the... for the city given the continuing crisis
14 and... and... on that issue. And it really reprints you
15 know the larger affordable housing crisis that the
16 city is... is facing.

18 COUNCIL MEMBER RICHARDS: Well I want to
19 thank you for your leadership and look forward to
20 continuing to work with you as we move along. And I
21 want to thank our chairman for allotting me a lot
22 of time. Felt like just as much as you had on
23 questioning, almost... no... to certainly question you.
24 And look forward to meeting... following this
25 hearing. Thank you.

SHOLA OLATOYE: Thank you.

CHAIRPERSON TORRES: Thank you Council Member Richards. I want to ask a few more budget questions and then I will hand it over to Council Member Gibson. And then later on I'll have questions about flex-ops but I want to ask a question about what next gen neighborhoods, land lease, I... I... I can't keep up with all the terms. So NYCHA is obviously generating less revenue than it had originally projected. I imagine because of the resident engagement what's driving the delay in the land lease piece of the equation?

SHOLA OLATOYE: Well Certainly we have really led with the resident engagement as... as part of... as part of next generation neighborhoods. And that have adjusted our time. We expect a time when we expected to be closing certain transactions...

CHAIRPERSON TORRES: In all the cases? Both homes and Wyckoff and...

SHOLA OLATOYE: Well with... with... with regard to the 50/50 or... yeah neighborhoods we initially had thought that we would... we would issue an RFP by the end of 2015. I think after some you know really important conversations with out

community stakeholders and residents we extended that time and we... to the end of the first quarter. So just in terms of timing and the ability to release an RFP, get responses, review, and then close we are going to be... we... we're going to... we lost a... a couple of months but we really thought it was important given the relationship, given the... the... the amount of work that we were trying to do in these communities to take that time and get it right.

CHAIRPERSON TORRES: Understandable. 17,000 units over what period of time? Is that 10 years?

SHOLA OLATOYE: Next gen is a 10 year initiative.

CHAIRPERSON TORRES: What's the breakdown between affordable and market rate units in that 17,000 number?

SHOLA OLATOYE: So 17,000 of the new... newly constructed, is that correct, that what we're talking about?

CHAIRPERSON TORRES: You're constructing 17,000 units...

SHOLA OLATOYE: New construction, right.

CHAIRPERSON TORRES: So... so what share is affordable, what share is market rate?

SHOLA OLATOYE: Sure. So we said approximately 30... 13,500 will be affordable and the remainder will... would be market.

CHAIRPERSON TORRES: Okay and the next category is leverage HUD programs between 2016 and 2020 NYCHA projected a cumulative total of 174 million dollars of revenue. And that projection has been revised downward to 120 million, 31 percent reduction. Can you explain what's going on there?

SHOLA OLATOYE: So part of our efforts again is really adjusting in terms of time. We also... I'm not even sure we're looking at the same numbers. Okay.

KAREN CALDWELL: So if I might our next gen NYCHA strategy is a... it's a 10-year strategy and this is a five-year plan. And as we have gone through the negotiations and... and trying to put together these RFPs some of the timing of these dollars have in fact been pushed out to the future. I think it's also important to note that though our projections in many cases here have changed they have changed both positive and negative. On the

1 construction of new units, we anticipate an
2 additional 50 million dollars in revenue coming in
3 the next five years. We do predict less coming in
4 and... and sort of the leveraging the HUD programs of
5 probably about an equal amount over the next five
6 years and you know homelessness we also project an
7 additional 50 million dollars coming in in the next
8 five years and so again I think it is the timing of
9 how we're getting some of these things done, not
10 necessarily in the... in the time that was originally
11 projected but as we become more informed both on a
12 positive and a negative we are trying to refine our
13 projections to be more realistic with what we
14 anticipate. And so again 10 year... next gen NYCHA
15 and over a five year plan it's...

17 CHAIRPERSON TORRES: I notice next gen
18 and the preliminary budget documents speak of
19 leveraging HUD programs but neither one specifies
20 what those programs are so... I guess what are all
21 the programs and how much revenue are you going to
22 generate from each one.

23 SHOLA OLATOYE: So...

24 CHAIRPERSON TORRES: I imagine RAD is
25 one of those programs.

SHOLA OLATOYE: RAD, definitely.

CHAIRPERSON TORRES: What are the rest of them?

SHOLA OLATOYE: RAD is definitely one of them. There's also Section 8. There's also tenant protection vouchers. I think it's really... I'm... I'm glad you... you asked that question Chair because you know so much of our ability to be successful on... on that particular strategy is really... relies on HUD and really relies on HUD's waiving with regard to the HUD, with regard to the RAD cap. Also in... assuming that there's still a steady funding in the Section 8 program, assuming that there is a... a steady if not increase in the tenant protection vouchers. So those are all tools that... that we need to take advantage of as part of our development plan. We have had very positive conversations with our colleagues at HUD who understand the... the... the importance of us being able to access those tools but it really will be a... an... a partnership in order for us to take advantage of them.

CHAIRPERSON TORRES: So I just want to understand the full universe of possible programs; you said RAD, Section 8 conversion, anything else?

SHOLA OLATOYE: Tenant Protection
Vouchers, that's about it.

CHAIRPERSON TORRES: Tenant protection
vouchers, okay. And I'm assuming this is how you're
going to deal with the functionally obsolete units?

SHOLA OLATOYE: And... and some of the...
the scattered sites, correct sir.

CHAIRPERSON TORRES: Now the... the RAD
conversion in Ocean Bay to... to Council Member
Richard's question will cover 24 buildings and over
13 hundred apartments. What... what operating
revenues do you expect to generate from the recap
of Ocean Bay?

SHOLA OLATOYE: I'll have to follow up
with you in terms of the specific pro forma but
the... as you... believe... as... as HUD... as the RAD
project works it allows us to essentially take the
Section 8 contract and issue debt against it. So we
can certainly follow-up with you in...

CHAIRPERSON TORRES: Yeah.

SHOLA OLATOYE: ...terms of some of the
specifics online.

CHAIRPERSON TORRES: Because it seems to
me the RAD conversion of Ocean Bay bears some

resemblance to tri-borough. Tri-borough had fewer units but was able to generate 272 million dollars in operating revenue. Do you expect comparable value... revenues from Ocean Bay? Because I... I don't see...

SHOLA OLATOYE: Yeah we have not put out those... we have not sort of talked I think publically about kind of some of the specific expected revenues from that project as is an active procurement. I think what's more important for us to focus on is...

CHAIRPERSON TORRES: And... and I get the capital need. Understood.

SHOLA OLATOYE: Right.

CHAIRPERSON TORRES: Right. But I don't see comparable revenues assumed in the leverage HUD programs over the next five years. So it seems to me you're expecting to generate less revenue from Ocean Bay which has more units than you did from tri-borough which had fewer units. Based on the projections that I see under leverage HUD programs.

SHOLA OLATOYE: Right. We'll have to follow-up with you with a specific comparison that you're making. I think it's also important to note

here that these are over... as you know over 15 thousand units as opposed to the... to the... the one projects so... and we've adjusted the timing accordingly based on some of the... the things that we've mentioned but we can follow up with you specifically with regard to the comparison that you're making.

CHAIRPERSON TORRES: Council Member Gibson.

COUNCIL MEMBER GIBSON: Thank you very much Chair Torres. Good morning Madam Chair to you and your staff. I appreciate being here and certainly a... a new member of the committee on public housing. Certainly we'll continue to do the work we've been doing together as... in my capacity as Chair of Public Safety. So I thank you so much. I certainly give the Housing Authority a lot of credit. You have really made a lot of efforts to engage residents at a local level and really look at investing a lot of capital that is really... really necessary. But certainly I know we have a... a much further way to go. I wanted to ask a couple of questions. And first I wanted to focus on the mayor's action plan for neighborhood safety, the

MAP program. The 15 NYCHA developments that we have been focusing on... this is year three I believe. In your testimony you referenced that crime... violent crime is down by 11 percent in the 15 developments. That's the total. I know and... and you know as well that some of those developments the crime has remained flat. And in some of them crime has actually increased. So I wanted to ask about your partnership with MOCJ and what we're doing in those particular developments to continue to keep crime going down; the summer all out program, community centers, senior centers, and really focusing on the incentives that are already on the developments to attract residents so that we have more engagement. Summer youth, all year around youth employment program... a lot of the efforts we're focusing on this year. But members have come to us about expanding beyond that 15. And I feel that before we have that conversation we have to make sure that we get this right with these 15 and make sure that we're looking at unique aspects of these developments where crime has remained flat or where crime has actually increased. So could you tell me a little bit about what's currently going on, any

new initiatives coming down the pipeline, and where we are with these 15 developments?

SHOLA OLATOYE: Sure. Thank you for your question Council Member. So we are... as you... as you noted those 15 represented the... the largest 20 percent of the city's violent crime was happening in those... in those 15. I'm pleased to say that while crime is down overall in those 15 we acknowledge and I think my colleagues at NYPD were here acknowledge that there are some persistent areas or developments where crime is either flat or in some cases even... it has been challenged. So we are doing a couple things in partnership with our colleagues at NYPD and the Mayor's Office of Criminal Justice. One; MOCJ just launched a study of the 15 to really understand of all of the interventions that comprise the mayor's... that comprise MAP, lights, extended service hours, additional patrols, temporary lighting, greater community and resident engagement. What is it... what is the impact of any... any of those interventions either singularly or together? And so that study is underway. And I think your point about you know wanting to understand what works before you expand

1 is exactly the... the premise behind the study. I
2 think in terms of our partnership with NYPD... NYPD
3 and this is broader than just the 15. We have been
4 very... we have a very close relationship with... with
5 Chief Secreto and... and... who oversees the housing
6 bureau. Last year we brought in... I brought on our
7 Vice President of Public Safety, Chief Gerald
8 Nelson who was the Chief of Housing for... for
9 several years and then... command of Brooklyn North I
10 believe. And so A, just establishing I think that
11 partnership at that level has been really critical.
12 We meet on a... they meet regularly. I meet with...
13 with... leadership on a... on a quarterly basis with
14 regard to sort of specific issues like cases for
15 illegal action, like other things. We... we've
16 improved the data sharing between the two agencies
17 so that we have a better understanding of those
18 individuals that are of interest on NYPD that we
19 know that so that we can begin... if any appropriate
20 tenancy actions ultimately to preserve tenancy of
21 the family and remove any... the alleged offender. So
22 I think that the partnership is strong and... and...
23 and will continue to get stronger. I think in... but
24 in general I think our... the 15 we are continuing

all of the elements of NAP going forward and hopefully this study will give us... shed some light as to those investments that this body will choose to invest further with its possible expansion.

COUNCIL MEMBER GIBSON: Okay I appreciate that. And I work very closely with MOCJ with Liz Glazer and her team. I'd like to know is there a timeframe on this study? Because right now the 15 developments have the exterior lights that are around the developments. And I know in this study there are 40 additional developments that will get an installation of about 400 exterior lights. I appreciate studies. I think they give us much more data. But for the immediacy of the summer approaching I think we also need to look at interior lighting as well. Exterior lighting is great but for many of our NYCHA residents the interior lighting in the lobbies and the stairwells are equally as important. So I don't know if this study is going to look at that as well. But I... you know I think it's important for us to look at exterior and interior because they provide safety for all residents. And I also would ask if NYCHA would provide us with a list of those 40

developments that are slated to get the exterior temporary lighting and also within the study are we looking at long term solutions as well as short term solutions?

SHOLA OLATOYE: Thank you. So absolutely we can have our colleagues at the Mayor's Office of Criminal Justice provide you with that list as well as the scope of the study. I think they probably would be more expert to sort of give you a sense of what the social science questions are that they're asking. I hear your point about the importance of both exterior and interior lighting. Right now this effort is only funding... MAP is only funding exterior lighting.

COUNCIL MEMBER GIBSON: Okay.

SHOLA OLATOYE: This study is only looking at exterior lighting. I think interior lighting is... is crucial. And it is one of the reasons why we want our... our effort to have expanded service hours so that we have eyes on the street in terms of what is happening, if a light is out in a... in a public space or common air... a common area that staff can do their job and fix it.

COUNCIL MEMBER GIBSON: Okay. There's a lot of money that's coming down the pipeline to the housing authority through asset forfeiture funds through the state, through the dormitory authority. So I'd like to know... I mean there's a lot of combining of different funding sources. And what I need to further understand is how all of this money is going to actually materialize in terms of some of the security improvements like cameras, intercom, key fob system. The 100 million from the District Attorney of Manhattan. I think there's another 100 million from the governor that's going through DASNY. And I understand that there's some sort of MOU. Can you just give us a better understanding of how much money we're talking about and how that's going to materialize in terms of getting down? So do we have to wait for all of the funds to be allocated fully for a project in order for us to start the work is what I'm trying to say. Because there's a lot of different rules and regulations and I'm just trying to understand how much money we're talking about and how fast we can get it.

CHAIRPERSON TORRES: Where is that state money?

SHOLA OLATOYE: Sorry?

CHAIRPERSON TORRES: Where is that state money?

SHOLA OLATOYE: So great question Council Member. I think it's... let... let's take them, let's separate them. So from our Manhattan DA.

CHAIRPERSON TORRES: Right.

SHOLA OLATOYE: Manhattan... Cyrus Vance, he has given... allocated... allocated 90 million dollars in asset forfeiture dollars. Those will be used to install CCTV, layered access in all 15 of the NYCHA developments. And... and... and that... that's that money.

COUNCIL MEMBER GIBSON: Okay.

SHOLA OLATOYE: And we're moving forward in that... in... in my testimony I indicated that eight of the 15 are... will be under construction by the end of this year and will complete... and we will begin... we'll begin the remaining six in the beginning of next year. So that's the asset forfeiture dollars. And we report that out monthly at our board meetings and certainly look happy to...

COUNCIL MEMBER GIBSON: Okay.

SHOLA OLATOYE: ...to share that with you.

The state money that was allocated in the governor's 2015 budget, 100 million dollars... we were very pleased that... that... that public housing made it back into the... to the executive budget. And... and we immediately April of last year I believe April 4th submitted our plan to the state for how that money should be spent. We believed that the most strategic investment would be rooves thereby matching what the mayor had done. We then learned that the first... the first 48 million of that 100 would go toward security projects. We learned that this 48 million... that 48 million would be spent at a number of different projects and we got a list and that was what we learned. Important to note that the money does not come to NYCHA. The money goes through... through the dormitory state of... of New York. We immediately have begun working... began working with our colleagues at DASNY and HCR to really try and understand the scope of these projects. We clearly don't want to invest in areas where there was work already happening. We clearly don't want to invest in areas where... or... or put

1 money where there... the... the money was not
2 sufficient to the... to the desired project. So we...
3 we... our teams have been working very closely on
4 that. As I understand it that amount of that work
5 has been done and the money is at the state and we
6 expect to learn more about that imminently.
7

8 COUNCIL MEMBER GIBSON: Okay well it's...
9 it's important just to share that information with
10 us because the 100 million... each assembly member
11 was given a certain amount of money and they made
12 various allocations. They are not enough to cover
13 some of the work that they would like to be done.

14 SHOLA OLATOYE: Yeah.

15 COUNCIL MEMBER GIBSON: And my concern
16 is the city council members working in concert with
17 NYCHA and our state officials you know the mixture
18 means that some of these projects have to be
19 totally funded in order for them to begin the work.
20 And I don't know if that's been made clear to the
21 public, to the state legislature. And that's
22 something I'm very concerned about. 100 million is
23 great but it's not enough to meet the demand of a
24 lot of these developments that really need
25 significant work.

SHOLA OLATOYE: Well I'm glad to hear you say that. I would... I'm... it's important to note that they feel the same way and all of my conversations with them over the course of the last several weeks I think they were also concerned that... that they made certain representations and actually it either it was or wasn't enough money. So I think we can solve that problem with better communication. And that's something that my staff is committed to doing and... and you know continue to... to... to be in Albany to... to work that out. The remaining 52 million again learned of... of what those projects would be. 193 projects for 52 million dollars. We learned about this through a letter and a list that we received. Again we raised concerns about things that were... money... projects that were either not enough to fund one. Two, projects where we were already doing work. Three, projects that weren't quite sure what the intended scope was versus the amount. So I think this has been a challenging process but we remain committed working with our colleagues at DASNY and HCR. I have a team of folks completing our... our interim EDP of capital who spends a fair amount of time

working with our colleagues to try and understand what the scope... what the intended scope was versus what the amount of money is. And we've gotten I think some... some agreements with our... with the staff at the assembly and with colleagues that... at DASNY to try and recast that... the remain... that second portion so that we can better align resources to projects. But I think that the most important thing here is communication both from there and then in terms of our job communicating out where we might be running into some...

COUNCIL MEMBER GIBSON: Agreed.

SHOLA OLATOYE: ...some... some stickiness.

COUNCIL MEMBER GIBSON: Okay. So I know the chair will ask about Flex Ops because I certainly want to understand that better and the impact on staffing of maintenance and... and caretakers. But I had one final question and that is about the funding of our NYCHA senior centers. We had this conversation last year and there are a number of senior centers that NYCHA currently operates that were slated for closure. Last year we put in three million dollars to save these centers through the end of this fiscal year. Here we are

again having the same conversation. I represent two of those senior centers on NYCHA property and my directors have already been informed that the center is closing and the seniors have also been notified as well. So I would like to know what we are planning to do with these senior centers. I want there to be minimal disruption of services. Who's going to be the provider of these senior centers? And what is going to happen to the workforce that's already there, the union staff that work in these senior centers, what's going to be the impact? Because my two centers are very small in size but important for me because these are residents that live in the development, they don't travel outside of their development, and they deserve services there on site. So I'd like to know where we are with this, how many senior centers are we talking about, and what's going to be the plan this year in the budget.

SHOLA OLATOYE: Thank you. So there are 15 centers...

COUNCIL MEMBER GIBSON: Okay.

SHOLA OLATOYE: ...senior centers that NYCHA currently operates.

COUNCIL MEMBER GIBSON: Right.

SHOLA OLATOYE: We remain committed like we did last year to ensure that there is no dis... that... that there's no break in service or... or that there's a continuity in service to the residents. Also similar to last year that all of those employees are either reintegrated into the housing authority or into other titles in other city agencies. Those are the two principles that are guiding this... this effort. We are working very closely with our colleagues at City Hall to develop a plan that is reflective of those two principals and also ensuring that residents continue to have service. So more to come on that and those are the principals going forward and I think we have a good track record in... thus far in... in being able to deliver on those two issues.

COUNCIL MEMBER GIBSON: Okay I certainly... we're going to hold you to it.

SHOLA OLATOYE: Absolutely.

COUNCIL MEMBER GIBSON: Because I want to make sure when I spoke to my resident managers and the leaders at the developments I was very clear about the message; we are not closing these

1 senior centers. And I need to make sure that when
2 your staff talks to the residents on these
3 developments we're clear about that. We don't need
4 to have seniors in fear that their centers are
5 going to be closed. And then out of just the
6 respect in working with us I mean this is something
7 that with all... I don't know if the chair was aware
8 but me as a representative of two of these 15 I
9 should have been notified as a council member and I
10 found out first through the seniors at my
11 development because they told me our center's
12 closing June 30th, what are you talking about... So
13 that's something that I think... you know
14 communication is great but you know we need to
15 communicate and make sure that as council members
16 we're aware of what the conversations that are
17 happening on our developments. Because we don't
18 want seniors to be in fear that their centers are
19 closing. We're simply looking to have a different
20 provider right, operate that senior center and it
21 will not be the housing authority. That's a
22 different conversation than saying my senior
23 center's closing Ms. Gibson. And so I just want to
24 make sure that as we have these further
25

BRIAN CLARKE: Sure. Good morning. My name is Brian Clarke. I'm the Senior Vice President of Operations for Property Management for the Housing Authority. So with... with elevators you know primarily you know the... the health and safety of our residents and staff and public who ride the elevators is our number one... number one concern. We are doing a top to bottom review of our overall elevator program this year. Already this year we have you know completed a comprehensive review of our breaks on our elevators. We have 3,314. What we did is we actually dismantled, inspected, adjusted our brakes in order to make sure they're... they're functioning properly. And on our... on our reducing you know overall outages. We have over 220 elevator mechanics teamed with helpers that work... work 24/7 in order to respond to elevator outages and perform key preventative maintenance. During the day we

typically have about 146 teams and then we have smaller numbers through the night and working on the weekend.

COUNCIL MEMBER SALAMANCA: Thank you for that. See... so as I went through this process for this... for my election I visited constantly the NYCHA developments. And it seems that every NYCHA development that I went to one elevator was down, every day. When I visited Melrose Houses there was a time when both elevators were down and we assisted an elderly constituent of mine up to the 10th floor with her shopping carts. So in terms of maintenance I mean one elevator is down, they fix it, and then...

BRIAN CLARKE: Mm-hmm.

COUNCIL MEMBER SALAMANCA: ...a week later the next elevator is down. What is being done to really resolve the key issues on these elevators.

BRIAN CLARKE: Okay so there's... there's... there's a number of things. And one... on thing overall I want you to just understand our elevator operation. So the... our elevators make over a billion trips a year. They are actually in... you know they're in service 24/7. They are used for

both... for you know our residents to... to move through but also as freight elevators. If these buildings were designed now and built they would probably have six, seven, maybe eight elevators. They have two, right. So our elevators get a lot of use and they need a lot of maintenance. We track preventative maintenance on each one of our cars. Our elevators are inspected at least twice a year. Safety... mandated safety inspections by licensed inspectors. We have a third party that looks at our category one inspections where we're actually inspecting and testing the elevators each year to make sure they're... they're functioning properly. We respond as quickly as we can to elevator outages as you said the... the numbers that you stated are accurate. If a building is without elevator service that is a high priority outage that we're going to go to first. And if we know that there is a mobility impaired resident in the lobby that will even get a higher priority. If a building has two cars and one car is out that'll have a lower priority. We're going to go to buildings that have no service first you to... you know to take care of those.

COUNCIL MEMBER SALAMANCA: So that's an issue in my... in my district because although my NYCHA developments have two elevators... so when there's one elevator down that means that they're lower... they're lower on the list of priorities. So the next issue that I have in terms of temporary boilers. I have a Stebbins and Hewitt Consolidated for the last three years in a row they've had a temporary boiler. What's the status in terms of actually fixing the boilers? See... so having a temporary boiler what you're actually doing is in my opinion you're... you're... there's a cost to... to having... to renting these temporary boilers. And you're also taking up parking spaces in my district. So my office as district manager I was constantly getting calls in terms of when is the... when is the boiler going to be repaired and fixed and when is the temporary boiler going to be removed.

BRIAN CLARKE: Council Member I just want to go back and... I just want to just make sure that it's clear what I was explaining about elevator priorities. So the... so the... as I said anytime an elevator... out it's a high priority. But

1 we have to make decisions, which ones we're going
2 to go to first. Overall that overall address, eight
3 hours, that includes you know situations where
4 buildings are not... you know where... where there's no
5 service and also where there's partial service. We
6 are getting to those... you know we're getting to
7 those cars and we're... we're... we're restoring them
8 as quickly as possible, okay. So Council Member can
9 you just tell me the specific development that you
10 were talking about with the...

12 COUNCIL MEMBER SALAMANCA: Stebbins and
13 Hewitt Consolidated.

14 BRIAN CLARKE: Stebbins and Union... Union
15 Consolidated with...

16 COUNCIL MEMBER SALAMANCA: Stebbins and
17 Hewitt.

18 BRIAN CLARKE: So I... so I can find out
19 what the... you know we'll provide you with the time
20 frame for you know the... the... the work, the
21 replacement of the boilers up there. But the...
22 because of the age of our... of our boiler plans we
23 have to supplement services sometimes with mobile
24 boilers. It's just the reality. You know as part of
25 the testimony you heard about our capital need over

17 you know billion dollars in need and heating plants and their distribution systems are part of that. So the mobile boilers are there you know to make sure that we're able to provide service and we'll get back to you when the... the schedule for Stebbins.

COUNCIL MEMBER SALAMANCA: Alright. The... my other question is in terms of exterminators. How does the process work in terms of getting an exterminator out to the units? And how often do they visit the apartments or does the tenant have to call in a service request so that an exterminator can come visit their apartment.

BRIAN CLARKE: Sure.

SHOLA OLATOYE: So thank you for your question Council Member. One of the things that we have been engaged in over the past year as well in addition to looking at how we can better deliver services is where are those bottle necks. And certainly in certain trades, in certain components of our trades there have been... there are longer than acceptable wait times. And... and so what I ordered at the beginning of... of actually at the end of last year was a top to bottom review of all of

our skilled trades. And we actually started with our exterminators. So I'm going to ask Mr. Clarke to talk specifically now about the new process that we're now working on and hopefully you'll start to see some improvement.

BRIAN CLARKE: Yes. So... yes. So what we did is we... what we're calling a business process review and we actually started with exterminators. When we started this review you know back in you know October and early November exterminator work orders were... were amongst our highest increasing work orders per day. Our service levels were almost 10 days on average for us to respond and complete, you know exterminator... exterminator work. What we did is we sat down with all parties, everybody's involved in the exterminator process, from exterminators to supervisor exterminators, as well as development staff, our customer contact center... everybody involved in the process. And we looked at areas where we could improve efficiencies and eliminate waste. We completed the first phase of that and just going through that... that review we were able to now... we reduced our open exterminator work orders by over 70 percent and our service

1 level for exterminators now is you know three and a
2 half days. The... right now the way it works is that
3 yes a tenant would call up and request exterminator
4 service and would... we would respond. But this year
5 we're going back to... I don't know if folks that are
6 familiar with the housing authority we used to use
7 a term called routines but really what it is is
8 preventive maintenance, proactive exterminator
9 services. So we used to in the past go quarterly
10 out to apartments to do an inspection and if
11 necessary treat. Because the issue with
12 extermination is that you could have one apartment
13 in the building that has an extreme issue and
14 concern. And if you're not treating that unit then
15 it can affect other units in the building. So it's
16 all part of the overall system. So this year we're
17 going to be returning to routines in which we're
18 going to be... our goal will be to inspect each unit
19 quarterly and treat as needed. And then also all
20 exterminator work outside of that that's requested
21 by a tenant will go through our customer contact
22 center.
23

24 COUNCIL MEMBER SALAMANCA: Okay. Now my
25 other set of questions... it's in regard to safety.

1 My predecessor last year she allocated about 215
2 dollars... 215,000 dollars for night... for
3 surveillance cameras. And I'm just curious to know
4 for the Melrose Houses, and I'm just curious where
5 are we at in that process of installing the
6 surveillance cameras.
7

8 SHOLA OLATOYE: Sure. So we... this was
9 in... she allocated that in the 2015/16 capital year
10 and we've made the commitment that we will... when we
11 receive those dollars we will actually do the work
12 in the year so we'll follow-up with you
13 specifically on the... the construction schedule. But
14 we anticipate that... that that project will be done
15 by the end of the... the year because that's the
16 commitment that we've made.

17 CHAIRPERSON TORRES: Okay. My other
18 question is in regards to... maybe you can elaborate
19 on NYCHA's commitment to public safety. What is the
20 goal of the new public safety advisory committee?

21 SHOLA OLATOYE: Sure. Well our
22 commitment to public safety is baked into what we
23 do. It's baked into our... our vision for next
24 generation NYCHA which is a safe, clean, and
25 connected community. It's reflective of the

partnership that we have... partnerships that we have with NYPD with the Mayor's Office of criminal justice, with our resident, and with our employees. So safety for us really means not only a safe place to live but a safe place to work. So first the... the public safety advisory committee, the goal there was really one... was something that really came out of conversations with our residents in bringing back something that had been in existence several years ago. And there was a real thought that there were good ideas that came out of that conversation, ah-la CCTV cameras. And there had been... there had been a lot of work done in that committee around bringing that technology to the housing authority. So the Chief... Chief Nelson and others really began thinking about as... as we are working towards creating public safety campus plans to bring back this committee to advise us not only around good ideas but also as... as another way in which we are engaging with our stakeholders. So I think the goal here is to have a broad... broad and diverse set of voices to make sure that we're using data to drive solutions and to elevate the resident voice in... on this very important issue. I think the other piece

1 that is... is sort of also an important part of what
2 we do is employee safety. We have 11... over 11,000
3 employees. And I'm pleased to say that because of
4 the work that we've done not only with our
5 colleagues at the union... with the union and others
6 we're on the safety congress and really trying to
7 make NYCHA a better place and safer place to work.
8 We've seen a decrease in the number of employee
9 worker incidents at work. We're... and... and also a
10 decrease in the amount of money that the authority
11 is expending on. Work... worker's compensation
12 claims, etcetera. So for us safety really is
13 holistic. It is true and real that we... that NYCHA
14 residents are four or five times more likely to be
15 the victim of violent crimes. So this is not a... not
16 acknowledging the reality of what... where we are.
17 But it also says that we have a very distinct and
18 important role in thinking through what those
19 solutions are and elevating our partners in using
20 data to drive investments and solutions.

22 COUNCIL MEMBER SALAMANCA: In your
23 conversations in terms of public safety... interior
24 lighting, has... has there been a conversation in
25 terms of that? See when... when I was visiting these

1
2 NYCHA developments and I was starting from the very
3 top walking down the stairs I... I felt that the
4 stair... staircases were very dark.

5 SHOLA OLATOYE: Mm-hmm.

6 COUNCIL MEMBER SALAMANCA: I felt
7 unsafe.

8 SHOLA OLATOYE: Mm-hmm.

9 COUNCIL MEMBER SALAMANCA: In these
10 NYCHA developments. Is there conversation in terms
11 of maybe brightening up the hallways, changing the
12 lightbulbs, more LED lighting, something that's
13 brighter so that... not only the residents but the
14 employees and also visitors feel safer?

15 SHOLA OLATOYE: Well certainly lighting
16 is... is... is very important. And we're making a
17 number of different investments around lighting. As
18 I mentioned earlier through... with the DA's
19 resources we're... we're working to replace exterior
20 lighting and I was just at Polo Grounds two weeks
21 ago and I can tell you it makes a marked difference
22 for a resident to be able to walk through their...
23 their development, walk to their parking space,
24 etcetera in... in a well-lit area. Interior lighting
25 remains a challenge for us both in making sure that

1 they are just A working, and that's something that
2 our staff... the men and women work hard to do every
3 single day. It is one of the reasons why we think
4 an expanded set of hours will allow us to make sure
5 that those lights are continuously on. Also I... as I
6 mentioned in my testimony we are later this year
7 we'll begin construction with our energy services
8 contract or our EPC, energy performance contract,
9 excuse me, which will allow us to replace lighting
10 with greater sustainability and... and efficient
11 lighting like LED in over 80 developments. And so
12 that is something that will be a part of and funded
13 through our... the resources with HUD. And we
14 recognize it's a... it's an ongoing... an ongoing
15 issue. Lighting and a coat of paint can go a long
16 way. And that's certainly something that we're very
17 focused on.

18
19 COUNCIL MEMBER SALAMANCA: Thank you
20 very much. During the next couple of weeks, I'm
21 going to be doing walk-throughs with the tenant
22 association presidents and I hope someone from
23 NYCHA, hopefully a decision maker can be there
24 during the walk through while we put together a
25

punch just to submit on a... on things that need to be addressed.

SHOLA OLATOYE: We'd be happy to do that.

COUNCIL MEMBER SALAMANCA: Alright thank you Mr. Chairman.

CHAIRPERSON TORRES: Of course. I want to ask a few questions and then I'll proceed to Council Member Mendez. I want to ask about flex ops. In my mind there are two questions. There's the merits of the policy itself around which there seems to be consensus. And then there's the dispute between NYCHA and local 237. And Gregory Floyd was here and he's going to testify later on is alleging that NYCHA is violating the contract, that NYCHA lacks the authority to split schedule. Can you just explain your side of the dispute? You will offer his side, the public will decide so...

SHOLA OLATOYE: Well actually a judge will decide... but I think it's really important to note that we start this with the reality of our buildings have changed, our financial conditions has changed, and the way we do our work hasn't changed. And so we start this from a place of

1 improved customer service. That's ultimately what I
2 was charged with doing when the mayor appointed me
3 and it's something that I wake up every day
4 thinking about how to do. I have our contract right
5 here. It's a public document. I'm happy to share
6 this with you and others who are interested to look
7 at the clause where we believe we have the
8 authority to move to this new expanded approach.
9 More importantly...

11 CHAIRPERSON TORRES: I want to... and
12 again I get the policy but I want to focus on the
13 contractual question. What is your interpretation
14 of the contract? Why do you believe you have the
15 authority to do it?

16 SHOLA OLATOYE: Our... our authority to
17 move forward on this is the ability to quote assign
18 special shifts end quote. And we have over the
19 course of the last nine months worked with our
20 colleagues from 237 and... and we'll continue to work
21 with them on thinking about ways in which to
22 deliver services differently. We have distributed
23 our staff... distributed our staff along a longer
24 day. There will be... there still will be staff who
25 are in what has been... has been the 8:00 to 4:00 or

1 4:30 day. But we are focused on how we get some
2 more coverage on those hours in the day to do
3 things that we... can't... that we don't normally get
4 to like stripping the floors, like cleaning
5 windows, things that now happen on a much longer
6 time horizon than what you or I have every right to
7 expect and these residents should as well. So I
8 will... I will you know certainly argue proliferously
9 that we have the right to do this and the lawyers
10 will do that further. But I think more importantly
11 I think New Yorkers understand and... and see because
12 we are in every neighborhood the reality of a staff
13 that leaves at 4:00/4:30. I live up the... up the
14 street from King Towers. When people go home the
15 trash ends up... the... the trash piles up. The men and
16 women who work at the housing authority they want
17 to do their job, they want to be successful, they
18 want to have a better relationship with residents.
19 And when their... when they do their work, spend
20 their day moving trash and cleaning floors, and
21 residents come home at 5:00 or 6:00 p.m. and say
22 what have you done all day, it looks exactly the
23 same as the way I left. I think this is a real
24 opportunity to not only improve customer service
25

1 but to change the perception about what... about what
2 is good about public housing. We can be and it is
3 within our right to be a clean and safe place. And...
4 and moving to a 21st century property management
5 model is what we're doing.

6
7 CHAIRPERSON TORRES: Flex op was... I
8 first read about it in the daily news. And the
9 article about flex ops began with the anecdote of
10 Akai Gurly that obviously there was a... a broken
11 light which led the officer to tragically kill Akai
12 Gurly. But the suggestion of the article was that
13 Akai Gurly's death might have somehow been
14 prevented had flex op been in place at the time? Is
15 that... is that... is that something that NYCHA
16 believes? That if flex ops had been in place it
17 would have prevented a tragedy like Akai Gurly's
18 or...

19 SHOLA OLATOYE: The death of Mr. Gurly
20 was a tragic... tragic incident and you know our... my
21 heart goes out to his family and his daughter. But
22 our focus is on how we deliver better customer
23 service and not to get into the debates of news
24 coverage. It's really though, about our ability to
25 ensure that things like public space lighting, like

a door that's been broken at 4:05 that can be fixed by 4:30. That's what we're focused on. And I think the residents of the housing authority and New Yorkers at large can understand that that is not only the intent of flex ops but how we are going about implementing them.

CHAIRPERSON TORRES: And just to... in... in the case of... of Akai Gurly if I... I remember two years ago when I was asking I believe Brian the issue there was a balance defect or...

BRIAN CLARKE: Yes.

CHAIRPERSON TORRES: Which is not a run of the mill maintenance repair. That would require a skilled tradesman?

BRIAN CLARKE: Yes.

CHAIRPERSON TORRES: And under flex op only maintenance repairs are going to be available in the evening but not skilled tradesman?

BRIAN CLARKE: So yeah... so the... so maintenance... yeah we'll have maintenance appointments from 8:00 to 8:00, simple repairs.

CHAIRPERSON TORRES: Yeah.

BRIAN CLARKE: But skilled trades will still on... will still be on the primary 8:00 to 4:30 schedule.

CHAIRPERSON TORRES: So even if you... even if you have a defective light you'd have to wait the following morning in order to get that light repaired by a skilled tradesman?

BRIAN CLARKE: Yeah... more than likely. You know certainly it would depend on the situation. For example, power failures we call folks out in the middle of the night to... you know to respond and... and restore as quickly as possible but it depends on the circumstances.

CHAIRPERSON TORRES: And again Gregory Floyd is going to offer his own testimony but one... one matter he did bring to my attention were safety concerns. So now that you're going to have NYCHA employees working in the evening there's concern that they might be susceptible to violence or... Can you... what... what measures are you taking to address those safety concerns?

SHOLA OLATOYE: So again I'll... I'll underscore... you know I'm sure you'll... you... we have worked with our colleagues at 237 for the past nine

months talking about this issue and... and both in the identification of the 12 sites that where we will begin this initiative walking those sites with them and their consult... independent consultants identifying more than 11 hundred... opening more than 11 hundred work orders. And I'm pleased to say there's less than 160 of those work orders that remain open. Frankly I think that should have been fixed anyway. So it's been a very as I've said before the safety of our residents and our employees, a third of whom are also residents, is baked into what we do. So A, understanding with them what are the areas and concerns that for... for... for our employees; areas, ramps that might be dark, areas where that may need a two-way mirror, doors that perhaps have double locking, mapping the developments to make sure that we understand where the dead areas are, making sure that that light... exterior and interior are working and appropriately serviced. So there are a variety of issues that... that were addressed and that we have... and that we have solved. I think the more important point is that five percent of the New York City population lives in public housing. And... and then a good

1 COMMITTEE ON PUBLIC HOUSING 108
2 number of those are... are my employees as well. And
3 so the presumption that somehow it is unsafe for...
4 you know for those people who live there is... is... is
5 tough. Because I think most common sense people
6 realize that what we're trying to do here is
7 improve the quality of life at residence... at our
8 development. The other important thing here...

9 CHAIRPERSON TORRES: Do you believe the...
10 the safety concerns have no merit? I'm not...

11 SHOLA OLATOYE: No, no I believe that
12 they do have a ton of merit but I think to presume
13 that we cannot proceed with trying to address them
14 until every single thing...

15 CHAIRPERSON TORRES: So my question is
16 how are you addressing them?

17 SHOLA OLATOYE: So we address the 11
18 hundred work orders. We've... we open...

19 CHAIRPERSON TORRES: How are you
20 addressing the... Mr. Floyd has concerns about the
21 safety of his members. So what specifically are you
22 doing to address the concerns of his members.

23 SHOLA OLATOYE: So in addition to
24 opening and closing the work orders that I
25 mentioned we also are ensuring that every employee

will have... that... will... who's working these shifts
will have reflective gear, will have flashlights,
will have two way radios that our team... that will
be working...

CHAIRPERSON TORRES: From day 1?

SHOLA OLATOYE: From... from day 1. They
will also be working in teams. Another really
important point that came out of our conversations
with our colleagues... 37 was the importance of
supervision. So we've now... we will... there will
always be a supervisor also on site during the...
during these expanded hours. So we believe not only
addressing the physical concerns with the
buildings, addressing the... the tools that our
residents, that our employees should have, and
three making sure that this is a really important
point, that our colleagues at NYPD know and
understand this program so that they are there,
that they understand, and will have visible
presence, and that our employees know that... that
NYPD is there as well. So we believe we have not
only heard but also addressed those concerns. And
our focus has to be on ensuring that those things

remain while also trying to do our job to improve customer service to our residents.

CHAIRPERSON TORRES: Did you... and I'll ask two more questions and then I'll head... pass the mic to Council Member Mendez. Did you attempt to secure the buy in of Local 237? What was your level of engagement with the union?

SHOLA OLATOYE: So for the past nine months if not every week certainly every other week a team of NYCHA staff, a team of the Office of Labor Relation staff and I'm sure many people on their time met week... you know met regularly to talk about a manner... all manner of things. We didn't always agree. But we certainly made a commitment to the discussion. And in fact it's an actual appendix to their contract that we would do this type of process. So... so we have been... and remain committed to... to not only discuss areas of... of... of improved customer service but other ideas that they might be willing to bring to the table that actually can be done.

CHAIRPERSON TORRES: So it sounds like there was extensive communication at the staff level. But there's no substitute for the principals

1 COMMITTEE ON PUBLIC HOUSING 111

2 meeting. So how often did you meet with Mr. Floyd
3 over the last nine months...

4 SHOLA OLATOYE: I have...

5 CHAIRPERSON TORRES: ...regarding flex
6 ops?

7 SHOLA OLATOYE: Regarding... well it's
8 been a manner of things. I've sat down, I've had
9 coffee with Mr. Floyd. I have had many
10 conversations... [cross-talk]

11 CHAIRPERSON TORRES: Do you have a
12 number?

13 SHOLA OLATOYE: I have reached out...
14 [cross-talk]

15 CHAIRPERSON TORRES: How many times?

16 SHOLA OLATOYE: I don't have that number
17 but if you'd like... [cross-talk]

18 CHAIRPERSON TORRES: Okay.

19 SHOLA OLATOYE: ... I... I... [cross-talk]

20 CHAIRPERSON TORRES: I'll ask him the
21 same question.

22 SHOLA OLATOYE: I'm sure he will have
23 the answer but we can certainly follow-up with you
24 with my calendar. I think more importantly here is...
25 is... is our ability to get work done. And... and the

ability for two people who may not agree... [cross-talk]

CHAIRPERSON TORRES: And I... I agree with that. I just... if he's making an allegation about the sanctity of a contract that's not to be taken lightly.

SHOLA OLATOYE: It is absolutely... [cross-talk]

CHAIRPERSON TORRES: So...

SHOLA OLATOYE: And that's why... [cross-talk]

CHAIRPERSON TORRES: But you can agree with the... [cross-talk]

SHOLA OLATOYE: ...have the authority... [cross-talk]

CHAIRPERSON TORRES: ...wisdom of the policy and still believe that the ends do not justify the means. And I suspect that that's his position. We'll move onto Council Member Mendez.

COUNCIL MEMBER MENDEZ: Thank you Mr. Chair.

CHAIRPERSON TORRES: I'm sorry. I neglected to acknowledge my colleague Jumaane Williams who... who will be next in questioning but...

COUNCIL MEMBER MENDEZ: Thank you. Madam Chair thank you for being here today. And it was a pleasant surprise to see the resident member giving some testimony. I think that hasn't happened in three years. So regarding a deficit I'm certainly not surprised NYCHA's had a structured budget deficit now for over 10 years. Hoping it would have been less or more neutralized with all the money that the city has put in but I think understandable that it still hasn't resolved itself. So I have a couple of questions regarding your testimony. I want to follow up on some of the questions from Council Member Gibson of the 15 senior centers that are operated by NYCHA. How many are in senior only buildings?

SHOLA OLATOYE: I believe all of them are. I will double check with you and get that answer for you.

COUNCIL MEMBER MENDEZ: Yeah I... I don't think they all are.

SHOLA OLATOYE: Okay.

COUNCIL MEMBER MENDEZ: Yeah because I think last year there were several. One was mine that was closed last year.

SHOLA OLATOYE: And just for the record while closing a center or closing the management of a center because one of my not for profits... it's going in there and providing services and that's been working out well, not as well as when NYCHA had staff on site but doing a lot of work with us and... and to address the tenant needs there. So change while sometimes not preferred you know has some benefits in terms of reducing your cost savings. And the... the residents are being vocal about what they still need. So just wanted to say that on the record. So regarding your testimony your first bullet point references that your wait time for repairs have gone down to less than seven days in your portfolio. And I was wondering if you have data on how many of those are designated as closed because the tenant is not home. Because my experience is that a lot of these get closed out. They say the tenant is not home. Sometimes that is accurate. And sometimes it's not. And I don't think that that's a fair indication that repairs are getting done. So can you give me that data?

BRIAN CLARKE: Yes, approximately 10 percent are closed tenant not home. And also I'd

just like to take this opportunity to just provide an update for Council Member Salamanca. So the work at Stebbins in the boiler room is complete. Okay.

COUNCIL MEMBER MENDEZ: And in prior years how many of these repairs were closed because tenant was not at home?

BRIAN CLARKE: So I think the... that... that number has come down over the years. At... at one point you know I believe this was five years ago was about 18... 18 percent. And it has... it has come down over the years.

COUNCIL MEMBER MENDEZ: When you close them... so I'm just trying to figure out if the repair needs several trades does it still get closed if it makes it through one trade and then has to be reopened for the other trade to come in?

BRIAN CLARKE: So... so yes, so the maintenance work order would be the... you know the... would be the parent work order. We would create children work order for the subsequent work and close the... close the parent work order once that maintenance worker... once that maintenance work is complete.

COUNCIL MEMBER MENDEZ: So essentially a repair may not be fixed in terms of what the tenant was actually complaining about but making its way but you're counting that trade as being fixed and closing the work order, is that correct?

BRIAN CLARKE: If I can... if I can clarify and... and use an...

COUNCIL MEMBER MENDEZ: Sure.

BRIAN CLARKE: ...use an... use an example. So one of the process improvements that we made this year was taking advantage of the time that we're actually in an apartment when we're doing an inspection. In the past we used to do the inspection, resident would have to stay home, and then they would have to call back and schedule addition... you know additional repairs. This past you know July, late June we... we stopped that process. And what we did is... we... we... we're... we trained maintenance staff to do the inspection and then actually are now doing repairs while we're doing the inspections. When we do that... first off we have open work orders for that unit when we go in there. And then also we're going to create work orders for any deficiencies that we see in the

1 unit. So we're actually full scale at all our
2 developments doing that now and on average 70
3 percent of the work that's being identified during
4 the inspection is being done by maintenance staff
5 and then about 30 percent are... are then sequenced
6 to another trade. Our... the... the... the work orders
7 that are most challenging for us, and this comes
8 down to resources are painting. If you look at... if
9 you look at our... our open work orders over 50
10 percent of them are due to paint.

12 COUNCIL MEMBER MENDEZ: Okay. When a
13 tenant goes to housing court to request repairs are
14 those... and violations are issued are those handled
15 in the same way? Is the work order generated? And
16 you have to send in the trades and close out your
17 work orders as the trades come in?

18 BRIAN CLARKE: Yeah so... so the... so yeah
19 absolutely. I mean we... we... the... the work isn't
20 scheduled through the... the... the CCC but it's
21 scheduled you know between the... you know the... the
22 attorneys and the development staff to get that
23 work done. But we track all of our work that's
24 performed whether it's through a resident complaint
25

or whether it's due to litigation through our work order system.

SHOLA OLATOYE: Council Member if I could... if I may I think your... your question is... is one that bears a bit more context. I completely hear your... your... the implication that work can be... a work order is opened and then the resident for... for a particular area. And then there are multiple issues sort of... as a part of that that then get closed out or don't get closed out. And... and as... person it didn't make a ton of sense to me either to be totally candid. And something that we charged the general manager and... and... and Mr. Clarke in rethinking is this really moving from a project... a task based approach to a project level approach. And some interesting data. A, it's taking us a little bit longer in some... in some project... in some trades. But what we did do this year is we actually... we created a quality assurance unit within our public housing program, something that we had done with success in our leased housing program. And within the quality assurance program we looked at approximately how many apartments, how many units? Approximately 6,000 units. And we

1 looked at those work orders that had been closed to
2 your point, to bolt one on... trying to understand
3 had the work been done, had it been done well, and
4 basically had the customer... what was the customer
5 experience? And I'm pleased to say of that 6,000...
6 now this is just a sampling, more than 80 percent
7 of those closed work tickets were closed and the
8 work had been complete. And over 90 percent of
9 those residents were pleased with the work. Now
10 there are about 20 percent that represented some
11 issues. And they were really bad issues... things not
12 being sequenced properly, etcetera. This is the
13 work and the challenge that we need to understand.
14 Not only... is it less than that? Oh thank you I'm
15 being corrected. 88 percent of the 60... of the 6,000
16 were closed and done correctly and 12 percent were
17 the ones that were closed incorrectly and the work
18 was done unsatisfactorily. So that is the work and
19 the focus of the team to both understand how to
20 better deploy the trades, how to schedule them
21 appropriately. And then when there is a problem
22 what is the corrective action cycle. I would love
23 to say that we have solved that but that is the
24 work that we are focused on. And the only way we
25

can tackle it is to start measuring it. And that's the work of this unit.

COUNCIL MEMBER MENDEZ: Thank you.

That's very helpful. I'm trying to wrap my head around it because sometimes the data just tells you or gives you one picture...

SHOLA OLATOYE: Absolutely.

COUNCIL MEMBER MENDEZ: ...so that's why I'm asking these questions. I also know that in one of my developments earlier this year a resident was in housing court to... and got an order to correct. The manager told my staff person that the tenant never complained of the issue so that was certainly incorrect. So I don't know if those are tracked differently. And that may be the exception. You know cases sometimes the ball is dropped. You know I have constituents that stop me on the street and about two percent of the times my staff may have dropped the ball. You know we're doing a lot of things. So I'm just trying to understand it. So I appreciate your explanation. It is very helpful. And if ten percent of these tickets are closed because tenants are not home looking forward to seeing when you come in here and you're telling me

1 that 90 percent of the close were... tickets are all
2 completed and... and customer satisfied. So...
3 Regarding your second bullet point on the security
4 cameras I was just wondering what is still the
5 existing backlog. You're telling us what has been
6 done. And I'm wondering what fiscal year of cameras
7 are you still working on. Or are you up to date now
8 in the current last fiscal year?
9

10 SHOLA OLATOYE: We are up to date now
11 with the current fiscal year ma'am.

12 COUNCIL MEMBER MENDEZ: That's great
13 news. What about other capital projects? I know
14 that was still lagging behind. And I know I have
15 several projects that are... been waiting eight
16 years. There's some FEMA issues there but still is
17 kind of frustrating to be waiting so long. What is
18 the average wait time for other than security
19 issues for city council funded capital projects?

20 SHOLA OLATOYE: So you are correct that
21 the other... the non CCTV layered access portion of
22 our capital budget remain... remains challenged in
23 terms of time. I think that there are... there are a
24 couple of reasons for that. And we've been I think
25 working with not only your staff but other council

staff... council members to... tackle a couple things. One, because of the delay however... whether it was not enough money to... to meet the actual needs of the project. One... Two, council elections come and go. Someone allocated 200,000 for something and then someone else comes in new and they want to re-appropriate for something else. That has also happened. Three is...

COUNCIL MEMBER MENDEZ: Exactly why I want to see my capital projects that's been there eight years finally move...

SHOLA OLATOYE: Forward. And so...

COUNCIL MEMBER MENDEZ: Exactly.

SHOLA OLATOYE: ...so your specific project I'm... I'm not familiar with but I know that this... this has been a major challenge and... and we have worked very closely over the last year with council to get letters from existing council to re-appropriate and we're moving faster. We still remain challenged on some of the community center spaces because the capital needs are so much greater than often times what the allocation is. But we're working very closely... I actually just ran into Councilman Cornegy on the way in here and he...

I think he can speak to the current work that we're doing at the Marcy Community Center, again something that he's really wanted to see there we didn't have the resources to do it... both resources to scope the project but are working with our colleagues at DDC to do. So I think there's a... there's another model for us on some projects, not all, where we can really leverage the expertise of other parts of the city to help move on some of these long... long health city funded capital projects... non-camera projects.

COUNCIL MEMBER MENDEZ: What... so what is the estimated backlog? You know how many years more or less average the other capital?

SHOLA OLATOYE: I'm going to... I'll follow-up with you after this hearing Council Member to give you that specific number.

COUNCIL MEMBER MENDEZ: Yeah if you can send it to the chair and...

SHOLA OLATOYE: Absolutely.

COUNCIL MEMBER MENDEZ: ...also send me... to my office?

SHOLA OLATOYE: Absolutely.

COUNCIL MEMBER MENDEZ: Thank you. So last year some of the NYCHA run centers were closed what... what is... what was the head count reduction last year with those... with the ones that were NYCHA run?

SHOLA OLATOYE: 57 centers... 56 people.

COUNCIL MEMBER MENDEZ: Excuse me?

SHOLA OLATOYE: 56... you said people... 50... 56 people were integrated into other city agencies last year as a result of the closing and reopening of the...

COUNCIL MEMBER MENDEZ: So you had 57 centers, 15 you're... you still operate.

SHOLA OLATOYE: Correct.

COUNCIL MEMBER MENDEZ: And of the... the ones that close last year were transferred to CBO and 56 was the head count reduction in that.

SHOLA OLATOYE: That's correct.

COUNCIL MEMBER MENDEZ: Okay.

SHOLA OLATOYE: And... and just... they were... they were re-opened by DYCD and DFTA and then they then contracted with the CBO just to be clear.

COUNCIL MEMBER MENDEZ: And for these remaining 15 centers is the city going to work with

1
2 NYCHA to redirect the employees to another city
3 employment? Is that the plan?

4 SHOLA OLATOYE: I'm correcting myself.
5 It was 32 centers last year and 56 staff people,
6 for the record. And we are... we have two principles
7 that we're operating under here. One, is a
8 continuity... continuation of service and that our
9 employees... that there's no... they're not negatively
10 impacted in terms of employment. We've held up
11 those two principles last year when... when we had to
12 go through this experience. And we expect to do the
13 same this year. We're working very closely with
14 City Hall on... on a plan for those 15. And both
15 recognizing the need to be sensitive to our
16 employees and giving them adequate time as well as
17 making sure that our seniors have a continuity of
18 service. So we'll remain committed to those two
19 principals and follow up with more specifics as
20 soon as they're available.

21 COUNCIL MEMBER MENDEZ: Regarding your
22 reserves. You say... you've doubled your reserves so...
23 are you in compliance with HUD regs as to how much
24 you're supposed to put in your reserves? You were...
25 you used to always be I know so...

KAREN CALDWELL: The recommended level is to have four months reserved and we're currently at 2.6 at the end of 2015. So we still have a ways to go but up dramatically from the four weeks of reserves that we had at the end of 2014.

COUNCIL MEMBER MENDEZ: When did the reserves become an issue that you were not compliant with having the amount? What fiscal year was that? NYCHA's fiscal year... can you...

SHOLA OLATOYE: Well we have... I can speak to when I became CEO and Chair which was in 2014. It became clear that we had less than four... four weeks of operating dollars in our reserves at that moment. So that would have been our fiscal year '14 and the city's fiscal year '14/'15.

COUNCIL MEMBER MENDEZ: I know that HUD recouped a bunch of your reserved money. Was that the problem? Or you... or does anyone on your team know if that's what led to having less than the required amount?

SHOLA OLATOYE: No.

COUNCIL MEMBER MENDEZ: No?

SHOLA OLATOYE: What happened was a couple things. One was because of the continued...

1 and this is based on what I... what... shared with me
2 the continued operating deficits led to essentially
3 the using of reserves to close the budget deficit.
4 And that has been... that... that had been our practice
5 that previous administrations had done. We came in
6 in 2014 and realized A that there really wasn't...
7 there weren't the required number of amount of
8 reserves there anyway. We've stopped that practice
9 of using our reserves to close our budget deficit
10 and we've added to the... the reserves that we've had
11 up from four weeks to now 2.6.

13 COUNCIL MEMBER MENDEZ: I... okay I... I
14 don't recall when NYCHA started doing that. My
15 knowledge was always that NYCHA was allowed to
16 transfer some of their capital to cover expenses
17 and that was always done to try to close the budget
18 gap but that you always kept your reserves and you
19 were in compliance. So I mean I guess you've...
20 you've answered it. Maybe we can... you know I'm just
21 interested in that because it has bigger impact for
22 public housing in New York and I'd like to try to
23 understand that a little bit better. Regarding
24 energy and the greening of NYCHA.

25 SHOLA OLATOYE: Can we answer?

COUNCIL MEMBER MENDEZ: Sure,
absolutely.

KAREN CALDWELL: Hi, again Karen
Caldwell. The... there is a... a... the ability to take
10 percent out of your capital dollars to pull into
operating. You know from our standpoint it's
problematic really to do that given the amount of
our unmet capital needs, 17 billion dollars in
physical needs that we... we need. And so you know
obviously we want to try to use as much as we can
to do the... the roofs and... and the remediations that
are necessary in our... in our housing. And so that
is sort of the... the balance and I don't think
really is going to be the answer for us building up
our cash reserves. Because at the end it... it costs
us you know to do that.

COUNCIL MEMBER MENDEZ: So for how many
years has NYCHA been transferring 10 percent of its
capital dollars to expenses to cover budget gaps?

KAREN CALDWELL: I mean I'd have to look
back on the history of doing that. We're not fully
doing that now again because the capital...

COUNCIL MEMBER MENDEZ: Okay.

KAREN CALDWELL: ...dollars are sore... so sorely needed. You know we get essentially 300 million dollars a year to compensate for a 17-billion-dollar need and all of that money is really needed for capital. So you know some of yes. And how long I'd have to give you the history... [cross-talk]

COUNCIL MEMBER MENDEZ: Yeah so it's... [cross-talk] it's going to be prior to or at least up to 2006. Because when I entered the council you know it's... it's not a good practice...

KAREN CALDWELL: Right.

COUNCIL MEMBER MENDEZ: ...but it was you know one of these things that NYCHA had to do in order to cover its deficit.

KAREN CALDWELL: Right.

COUNCIL MEMBER MENDEZ: So back to 2006 it was done for many years and I don't know how many and I don't know how many years prior to that so I'd like to know exactly at some point.

KAREN CALDWELL: Sure.

COUNCIL MEMBER MENDEZ: Thank you. Regarding energy. NYCHA gets reimbursed 100 percent from HUD for its energy cost?

KAREN CALDWELL: No there's a formula that HUD uses to reimburse us for our energy cost and it's a bit more complicated but I would say that certainly you know in terms of our expenses HUD gives us a certain amount per unit to... to say that's what your expenses should be for operating the units and utilities is added to that and then subtracted out of that is the rent we collect and the rest is our formula for our subsidy. But having said that not 100 percent of those utilities flow through. And it... it is a bit more complicated, the formula which I'm happy to share with you.

COUNCIL MEMBER MENDEZ: Ball park percentage reimbursement?

KAREN CALDWELL: I'm going to guess it's probably around 85 or 90 percent of it.

COUNCIL MEMBER MENDEZ: Okay.

KAREN CALDWELL: Something like that.

COUNCIL MEMBER MENDEZ: Okay and your greening efforts, has that helped reduce your energy and utility expenses?

SHOLA OLATOYE: So last year we saw a... a decrease... well we were... we were helped by a couple of things; a warmer than average winter season and

1 so we did see a decrease in utility usage from what
2 we had budgeted. And then we also received a
3 utility rate reduction incentive from HUD. So we're
4 beginning to see some payoff there. I would expect
5 that when the construction... construction and then a
6 little bit of time in terms of creating a baseline
7 happens in those 88 developments where we're doing
8 the EPC. We'll start to see some benefit. I also
9 believe that when we are both not only in the
10 ground but really complete with some of the Sandy
11 work and resiliency we should start to see a
12 decrease in overall... in overall energy consumption.

14 COUNCIL MEMBER MENDEZ: Is NYCHA still
15 paying extra money to Department of Sanitation for
16 extra services?

17 SHOLA OLATOYE: Yes.

18 COUNCIL MEMBER MENDEZ: And how much is
19 that?

20 SHOLA OLATOYE: Approximately 740,000
21 dollars a year.

22 COUNCIL MEMBER MENDEZ: Okay so one last
23 question regarding there's a new pilot project
24 where all these lights are in our developments or
25 in some developments. They happen to be in a lot of

mine. And generators are running all night. I'm getting complaints from residents... well we can sit and talk about that. Is NYCHA baring any of the costs for these extra lighting services that are being run by generators?

SHOLA OLATOYE: No that is... those... the cost for that... the Mayor's Office of Criminal Justice Study is being born by... is... will be paid by the Mayor's Office of Criminal Justice.

COUNCIL MEMBER MENDEZ: Okay. Thank you very much. So I'm just... to wrap up you're going to get me the answers and the committee the answers on how many senior only buildings the senior centers... [cross-talk]

SHOLA OLATOYE: I can answer that...

COUNCIL MEMBER MENDEZ: ...the senior centers...

SHOLA OLATOYE: I can answer that now. Of the 15 zero are... are in... they are in mixed population buildings.

COUNCIL MEMBER MENDEZ: Mixed population, okay. You're going to get me the wait time for the other capital projects?

SHOLA OLATOYE: Yes.

COUNCIL MEMBER MENDEZ: And there was something else. I can't find it here in my notes.

SHOLA OLATOYE: And... wanted the history of the use of the reserves.

COUNCIL MEMBER MENDEZ: Yes, thank you very much.

CHAIRPERSON TORRES: Council Member Williams.

COUNCIL MEMBER WILLIAMS: Thank you Mr. Chair. Thank you Madam Chair for being here. I may ask some duplicated questions, I apologize, because I wasn't here during your testimony. But first I did hear someone mention lighting. I... I for one wasn't happy with the... the DA's last request to the judge. But even so I do think there was culpability when it came to Akai Gurly in terms of what NYPD did and didn't train them to do and putting two rookies there as well as the lighting that was problematic to begin with. I just didn't... wanted to know first if there was any updating in lighting in the stairwells in... throughout NYCHA after the Akai Gurly incident.

SHOLA OLATOYE: Well first as I said obviously the... the death of anyone is a tragic

1 incident and certainly Mr. Gurley's. We are... with
2 regard to the lighting that the dollars that the
3 Manhattan DA set aside for lighting and CCTV we are
4 in construction on... on most of those projects.
5 We'll... we'll enter in construction for the
6 remaining eight this year and another six next
7 year. Those are largely in the map... the mapped
8 developments. We also are on track to complete all
9 of the CCTV installations that this body has
10 invested into the housing authority. Well we can
11 finish with those by the end of this year as well.
12 And... and... and we are making a... a real commitment to
13 make sure that our staff can be there to fix basic
14 maintenance for an expanded... over a longer period
15 of time such as basic lighting, not necessarily
16 more technical skill trades lighting and... and that
17 remains a major concern.

18 [background comments]

19 BRIAN CLARKE: So yeah... and the... the
20 other thing that we've done is we have upgraded the
21 priority for repairing lights in... in public space.
22 In the past it had been scheduled and now we handle
23 those as high priorities.
24
25

COUNCIL MEMBER WILLIAMS: Thank you. I'm glad to hear that. Do you know of any lighting situations in stairwells currently today of no lights in stairwells in NYCHA?

BRIAN CLARKE: So the... I don't know of any no lights in stairwells situation but I'm... I'm sure when you have as many lights as we do you know throughout the... you know the portfolio that there are some lights that are out. I took a look at the work orders this morning and they were approximately you know 200 that we have for public space and exterior lights throughout the city.

COUNCIL MEMBER WILLIAMS. And what... how quick is the turnaround?

BRIAN CLARKE: Excuse me?

COUNCIL MEMBER WILLIAMS: How quick is the turnaround?

BRIAN CLARKE: So the... depends on the... you know some of the repairs can be complex. Some of them can be... can be simple. The... you know our goal is to do them as... as soon as... as soon as possible. So the interior lights are a bit easier for us to do, are less challenging than the... the exterior lights. Exterior lights sometimes can

require rewiring, can be trenching at times, things along those lines. So those can take... those can take a... you know a bit... a bit longer.

COUNCIL MEMBER WILLIAMS: What's the average for the interior and exterior?

BRIAN CLARKE: I don't have the... the... the breakdown for the two.

COUNCIL MEMBER WILLIAMS: Alright.

BRIAN CLARKE: But we can follow-up with you and provide you with that.

BRIAN CLARKE: Please Mr. Chair I'd like to know what the... what the average is for that. I have a... several more questions. The last one on this topic... Is there any... is there any kind of communication if an officer comes upon a stairwell that they... they feel uncomfortable with? Is anyone they can communicate with that... communicate that to quickly, to NYCHA, to remedy it?

SHOLA OLATOYE: Well the... the policy... the practice has been that our colleagues in NYPD make a note there's actual form, make a note and alert management when they come across any kind of issue whether it be a broken door, or light,

etcetera. And that information is... is share with... with management.

COUNCIL MEMBER WILLIAMS: And I hope obviously is that anyone can call management and... and get it fixed but I would hope that obviously if a... if an officer calls and... and they also felt unsafe that there would be some rush in some of those... some of those problems that are called in. So I'm waiting to... I'd been... hear what the turnaround time is. So my next set of questions had to do with... Well one I had to... the next gen particularly I don't know if it's called... anymore, probably just... euphemistic name but either way I have reluctantly been supportive of the possibility of leasing because of the financial problems that are there. I understand the... the... the difficulty of getting 17 billion dollars. I'm sure it's come up. But I had the opportunity to speak to some people from NYCHA and I was surprised about a question I asked and the response so I wanted to get it on the record. If we were magically able to get 17 billion dollars would NYCHA still feel the need to move forward with that part of the... of the next gen operation. So I don't operate in hypotheticals or

1 with magic so we have a plan and our plan includes
2 development... certainly not all. And so we are
3 moving forward with next generation NYCHA and it...
4 it... as things change we will evolve and... and... and
5 certainly include new information into our
6 analysis. But this is a plan, this is a plan that
7 the mayor and we released. And we remain committed
8 to its implementation.
9

10 COUNCIL MEMBER WILLIAMS: So I think
11 it's... when we're dealing with management I think
12 it's bad to rely on magic. I think it is good to
13 have a plan with contingencies in it. So I don't
14 buy the answer that I don't... that you don't
15 participate in that kind of thinking. I think it's
16 not good because there's a plan that is very
17 controversial. And my support has been predicated
18 on the fact that we could not get 17 billion
19 dollars. And so it's very concerning to me to think
20 that if somehow we were able to get it that plan
21 would still move forward. It's sort of like when I...
22 I remember asking CUNY if we were able to get some
23 of the funding if... that they needed would they
24 still go ahead with tuition hikes. They said yes.
25 That was very surprising to me. So I'm going to

1 need to find out now if whether this is a project
2 that I should withdraw from because... or withdraw
3 support from because I'm concerned that it may not
4 be just the deficit while we're moving forward with
5 this. So I understand you may not be able to answer
6 any further but I'm just putting on the record that
7 is a huge concern for me that someone can't say a
8 project that is controversial and people asking for
9 support because of lack of funding if somehow we
10 were able to get commitment to the funding we
11 wouldn't move forward with that. Then I would need
12 to know what is the other reason for us moving
13 forward on that. So I don't know if you have
14 anything else you want to add to that.

15
16 SHOLA OLATOYE: No Sir.

17 COUNCIL MEMBER WILLIAMS: Thank you.

18 When it comes to public safety we had... last year we
19 had in my... I have one NYCHA housing development.
20 Unfortunately, we... I think it was in the two week,
21 three week span we had a few bodies drop which was
22 unfortunate obviously to those families and that
23 community. We had a meeting that occurred that was
24 to deal with public safety issues. I raised then...
25 and it wasn't just a NYCHA issue. Unfortunately, we

1 have these public safety meetings. And usually it's
2 just law enforcement that shows up and that was the
3 case here. We had just NYPD primarily. I think
4 there was one person that worked on some other kind
5 of collaborative effort in NYCHA. But for the most
6 part that was it. I actually brought that up as a
7 concern of mine that when we have these discussions
8 we should have more than just law enforcement there
9 because if law enforcement alone could solve the
10 problem the problem would have been solved. I think
11 having law enforcement alone causes additional
12 problems if we don't do other things. There
13 obviously partners that are needed. So I was happy
14 to see the Public Safety Advisory Committee. But
15 again this was only concerned... it seems from what I
16 saw in your testimony that again is very heavily on
17 law enforcement. NYCHA department of Public Safety,
18 the NYPD, district attorneys, and three NYCHA
19 residents which is good. I'm just trying to find
20 out why there wasn't any other type of agency or
21 type of thinking besides law enforcement that is
22 included in a public safety advisory committee. I
23 think your point is a good one and we certainly can
24 look at making... and take your recommendations as to
25

those folks that we may have missed in the initial formation of what the committees should look like.

COUNCIL MEMBER WILLIAMS: Well thank you. I think it's very important that just as a city this is not just a NYCHA thing. It's... as a city and as a nation. When we talk about public safety we have to get past allowing law enforcement to consume the entire space. I think it's problematic. So thank you for that. When it comes to the Mayor's Action Plan for neighborhood safety, MAP, I'm happy to hear violent crime is down more than 11 percent at the 15 sites. I just want to know if you had any idea of how many of those sites had some of the other programs like the violence... programs... as well to lay it over...

SHOLA OLATOYE: We can get you the... the breakdown of... of that following my testimony.

COUNCIL MEMBER WILLIAMS: Also I know there were questions asked about lead paint. And I got... I guess you said there was 1.8 million children tested, about 200 from NYCHA, 18 homes, is that correct?

SHOLA OLATOYE: So over the past five years the Department of Health has... has tested

1 about 1.2 million children and 66 hundred... 68
2 hundred, excuse me, of those children came back
3 testing with elevated levels. 202 of those children
4 reside... resided within NYCHA. And then 18 of those
5 homes tested with elevated lead levels. We
6 immediately went in tested and abated those issues,
7 those homes are now lead free. I think the... the
8 more... the broader point here is that New York as a
9 whole has done a tremendous amount to reduce and
10 cut the incidents of lead presence in... in children
11 under the age of six I think as we know those are
12 the people who are the most vulnerable for... for
13 lead point... lead paint poisoning. And... and the city
14 has cut that by some 69 percent over the course of
15 the last five years. So we really leave the nation
16 and those... and that type of testing and... and... and
17 remediation efforts and... and NYCHA is... as evidenced
18 by that number... those numbers a... a product of that.

20 COUNCIL MEMBER WILLIAMS: My first
21 forway [phonetic] into legislative stuff as an
22 organizer actually was around local law to deal
23 with lead issues about 15 years ago. So I was
24 surprised to hear about what was happening. Of that
25

sample size 1.2 million how many kids were actually from NYCHA?

SHOLA OLATOYE: So I don't... I... that I don't know. Of the 68 hundred that came back with elevated levels, the ones that we really... the Department of Health should be really concerned of only 202 of those children resided in NYCHA. So in terms of the sampling you know less than one percent of those children who tested with elevated levels resided within NYCHA. And then within that only 18 homes were found... were then found to have elevated levels.

COUNCIL MEMBER WILLIAMS: My concern is that... did we have enough of a significant sample size of NYCHA children as opposed to children all around the city.

SHOLA OLATOYE: Well so one... I think it's important... it wasn't a... it wasn't a sample right. I think every... I think every New York City public school kid eventually is...

COUNCIL MEMBER WILLIAMS: I see.

SHOLA OLATOYE: ...tested. So it was a broad... that is part of the public health and I know Doctor Basset and others... you know focus a lot on

1 this I have a almost one year old, she's going to
2 get tested at her one year old test... her one year
3 old check-up and before you go into school that's
4 also something that many families have to do as
5 well. So it wasn't a sample size but... I do think
6 you know we have a significant population of under
7 the age of 18 within the housing authority. And I
8 think we... our representatives certainly in the
9 public school in the... in that sample and I think
10 the numbers speak for themselves.
11

12 COUNCIL MEMBER WILLIAMS: So I... I
13 understand. So the... the sample size is based on the
14 DOE...

15 SHOLA OLATOYE: Department of Health...
16 Department of Health.

17 COUNCIL MEMBER WILLIAMS: Department of
18 Health.

19 SHOLA OLATOYE: That's the part... that's
20 who... that is who does the testing.

21 COUNCIL MEMBER WILLIAMS: But they got...
22 they did the testing from all the kids who were
23 attending DOE schools?
24
25

SHOLA OLATOYE: I believe so. We should double... I will double check... and follow-up with you know... But that... that is... this is their data.

COUNCIL MEMBER WILLIAMS: Please. Has NYCHA done any specific testing of its own outside of the DOH's numbers that were given?

SHOLA OLATOYE: For... so for lead paint...

COUNCIL MEMBER WILLIAMS: Yes.

SHOLA OLATOYE: We have a... a wide an... array of policies and procedures to... to abate those buildings that have the presumption of lead buildings built before 1960. And those... those units... we know those units. We've tracked those units. We've gone in and done the abatement of those units. And there's another set of units by which we did a full... a very... a significant amount of testing and based on the results there were exempted under... under... under HPD regulation. And then as part of our ongoing compliance with... with Local Law 1 all of our policies and procedures are aligned with... with that loss. So the notification of families... with families... the families with children under the... under the age of six which just happen to have to happen annually as well as the

inspections etcetera. So that... that is our process and plan now. And...

BRIAN CLARKE: So I would just add that all of our pre 1978 buildings, so all of our developments that were constructed prior to 1978 had you know comprehensive lead testing done. It's done in protocol designed by HUD to give you 95 percent confidence levels when buildings are built relatively the same time, the same construction material, and the same paint history.

COUNCIL MEMBER WILLIAMS: So with the... the attorney general's involvement you don't think they'll... you're comfortable with all the processes you've done will satisfy any investigation that's outstanding right now?

BRIAN CLARKE: Well one thing that I said at the outset was that the Department of Investigation, the Department of Justice Inquiry is simply that. It is an inquiry. No complaint has been filed. No investigation has been... been launched. And it has been much broader than the issue of lead. It has been operational, all of operational issues at... at the housing authority. I don't presume to know what the intent of it... of his

inquiry is. Right now it has been an information and document request exercise.

COUNCIL MEMBER WILLIAMS: Thank you for that. I obviously will be watching it closely. I hope there's no... no more bomb shells that... that come out of it. I was actually just very shocked by the lead and hopefully everything you're doing is abating anything that needs to be abated and hopefully it's not worse than what you're making it sound right now with the numbers. So I'll leave that there. The last thing I think you did address and I'm sorry I missed some of it. It was with the flexed maintenance hours with which my development is now a part of. So I am... was happy to hear about it but I know that some people are not. And so I... probably questions that you were already asked. I know that the union has some issues with the time. I was actually surprised when I heard about it. I thought the union was on board. So it... it's your... it's your contention that everything you're doing is within NYCHA's ability with the contract, is that correct?

SHOLA OLATOYE: Yeah.

COUNCIL MEMBER WILLIAMS: Okay. Do you know why they would think it's not?

SHOLA OLATOYE: No.

COUNCIL MEMBER WILLIAMS: Okay. Well I look forward to hearing them as well. I'm happy that it's happening. I'm hoping that it is... turns out to be productive. My hope is whatever is happening with the contract we need to deal with that because we don't want to violating any contracts with our union workers. I also know that you have probably one of the toughest jobs and I'm including even NYPD. There's... there are some things that you just can't do because of lack of funding, shortfalls that have happened, and divestment that has happening for many many many years. But I think we do need to stay on top of the things that you actually can do and... and the plans that you have moving forward. So look forward to continuing the conversation. Again I am concerned about my question with the... with the next gen and the infill or whatever it's being called now so I'm sure we'll be talking about that soon. There something else you want to say?

BRIAN CLARKE: Yeah I just wanted to... you know to clarify. So the... you know we did testing of our you know pre-1978 buildings but we did not do comprehensive lead based paint or abatement you know removal of the paint throughout the portfolio.

COUNCIL MEMBER WILLIAMS: Thank you. I mean without doing you know conspiracy theories it's just frustrating that everything seems to happen to the communities that everything seems to happen to all the time. There's violence in those communities and we know the connections between lead and violence. And so it always feels like it's a set up that ends with certain communities going through the criminal justice system and things that can be done to mitigate it or not. So that is very frustrating. I don't think black or Latino communities have a racial psychosis. I do think there are very real things that where at some point... on purpose are now running its course and I don't know that we're doing all that we can to fix it or to redirect it. Because I think it was done on purpose so I think we need to redirect it. So

hopefully together we continue to figure that out.
Thank you very much.

SHOLA OLATOYE: Thank you.

CHAIRPERSON TORRES: Next is Council
Member Barron. For... for second rounds I'm going to
have to impose a time limit because we have to be...
we have to be done with the hearing by 2:00. But
Council Member Barron.

COUNCIL MEMBER BARRON: Thank you Mr.
Chair, and thank you to the panel for coming. I am
a product of public housing. The development was
actually called Fort Green when I was there and it
was the entire development that's been split so now
a part of it is called Ingersoll Houses. And during
the time that I was living there from 1946 to 1962
or thereabouts it was very well maintained, very
well maintained. They came periodically and made
sure the cabinets were working and everything was
in order. We know now that we have come to another
very drastic condition because of the lack of
funding from state as well as from the feds. Be
that as it may you've inherited it and we now have
to look to see how we can move forward. To follow-
up briefly on the question of lighting the pink

houses are in my district. And yes, most assuredly Officer Lang is responsible for the death of Akai Gurley who was unarmed, who was innocent, and going about his business. And the jury has in fact convicted him and found that he was responsible. But we also want to look at the conditions in terms of lighting. And I wanted to ask the question, does the daily maintenance crew have the capacity to see where there are lights that need to be... be replaced on a daily basis? Would we know each day which lights need to be replaced? And once we do know that what is the turnaround time? How quickly are those lights replaced.

BRIAN CLARKE: Okay yes hi. So the... part of our caretakers one of the first things that they do each day is walk down the building and they would identify any... any lights that are within the building that aren't working. They would... if a bulb was out they would replace it. If it required more it would be elevated to a supervisor and we would create a work order. Each week we do a lighting survey of our exterior lights to check and see if they are working. We have upgraded our public space and exterior lights to... to a high priority work

order and we will provide the council with the breakdown for the service levels for exterior lights and public space lights as per the request.

COUNCIL MEMBER BARRON: So how quickly is it repaired or replaced or...

BRIAN CLARKE: Yeah the... actually previous... the other council member, Council Member Williams had requested that and we said that we would provide that to him.

COUNCIL MEMBER BARRON: Oh you don't have that information...

BRIAN CLARKE: Not with me.

COUNCIL MEMBER BARRON: Hmm. Okay. Presently at Pink Houses there are dozens and dozens and dozens of exterior flood lights. I don't know whether they're from NYCHA or from NYPD. They're quite distracting, they're disturbing especially for those who are on the lower levels. Why are they there? How long will they be there? And when will permanent lighting be upgraded so that we'll have the appropriate lighting?

SHOLA OLATOYE: So the lights that you're referencing Council Member are part of the... the study that we referenced early that's in

1 Mayor's Office of Criminal Justice is doing to look
2 at kind of what are... what's the impact of some of
3 the investments that we've made, that the mayor and
4 you all have made as part of the mayor's action
5 plan for neighborhood safety. So those... that's what
6 those lights are. Those lights are not... they're not
7 at a cost to the housing authority. It's being
8 funded... funded by MOCJ. Those... they're expected to
9 be there for the duration of the study which I
10 believe is about to... it's supposed to be about a
11 year. And in terms of permanent lighting we have
12 identified resources with the Manhattan DA to... to...
13 to install new exterior lighting at the 15. We look
14 forward to working with you and others to identify
15 resources to help install new lighting at... at... at
16 Pink and others that are not currently part of that
17 plan.

18
19 COUNCIL MEMBER BARRON: Thank you. The
20 previous administration had as my colleague
21 referred to the infill project. When the new
22 administration came in in January 2014 the first
23 question that I asked the present mayor was did he
24 intend to continue the infill project and he said
25 oh certainly not, no way will that go forward. So I

was very disappointed that we now have another variation of infill on NYCHA property. We know that property land acquisition is very difficult in New York City. So this is land that is already owned by the city. And I don't see why the city can't partner with non-profits in those instances where they think there's adequate space to accommodate housing being erected to provide affordable, 100 percent affordable housing. I think it's insulting to on NYCHA property bring in housing that will have 50 percent market rate. We have a homeless population of 58,000. We have in my community 47 percent of the people who are rent burdened. We have seniors who are looking for housing. And I think it's insulting to bring in new housing that's designated at the outset as 50 percent market rate. The affordable... as... as a plan that I looked at at MIH can go as high as 90,000 dollars. That's insulting to say to people who are trying to struggle to be able to maintain their homes that right in the midst... I'm also concerned about the density that it's going to bring, the reduction of light and air, the other factors that are going to be released into the environment, reduction of open

air and a space for children to have recreation. So that's just putting it on the record that I'm very much disappointed that the mayor went back on what he said to council members would be his position. In terms of... of capital I would hope that you can expedite getting that report. There's a development in my community called Unity Plaza which my predecessor Council Member Charles Barron dedicated several million dollars for that project and NYCHA has still not completed it. It was for an amphitheater, basketball courts, bleachers, and some other minor... other major renovations to the plaza. And I would love to get an update. And fortunately we have documentation going back to the original request for the project because somehow NYCHA lost all of the parts that were to be included in that but we've now been able to gather it all together and then moving forward on that. But I would like to know what NYCHA has for the developments in my community in terms of capital plans and where they are. And lastly the chair and I had sent you a letter last year regarding the lead paint. There was an incident. I know if Chair if you brought it up earlier. There was a child in

1 Boulevard Houses who had elevated levels. His
2 mother said he'd only... the child... she had only been
3 at that home and not at other places. And it seems
4 that it was conflicting. Yes, there's lead paint
5 but then a subsequent test said no there's lead
6 paint. What... do you know what the test is that's
7 definitive? And when those reports come of lead
8 paint are those apartments painted and how quickly
9 is that done?
10

11 SHOLA OLATOYE: Okay so thank you for
12 your comments. I... there are a couple of questions I
13 think in... in... in what you said. So quickly on the
14 lead piece I remember your letter. It was actually
15 Lindon Houses, not Boulevard. And the incident
16 there... the issues there was that the apartment was
17 abated, was tested, and the... the by our Department
18 of Health colleagues, so not NYCHA, the Department
19 of Health colleagues and the test came back that
20 there... that there actually had not been lead
21 present in that apartment. So it was sort of
22 unclear where the child may have ingested or you
23 know been... been affected. So the first... the... there
24 were... and you are absolutely right there was one
25 test that came back and it was slight... it was

1 slightly elevated. And then the second test that
2 was done came back with no presence of lead. And so
3 that... so... but our staff did follow-up and... to do
4 you know whatever issues and do... and do some
5 further testing.

6
7 BRIAN CLARKE: Yeah and if I can just
8 add so the... the... the... the sampling done within the
9 units is done with a device called an X-ray... XRF
10 florescence analyzer. Those are for the you know
11 preliminary results. Then paint chip samples are
12 taken and those are the definitive results. And
13 those laboratory results indicated that there was
14 not lead based paint.

15 SHOLA OLATOYE: And then some of your...
16 we will certainly be happy to sit down with you
17 and... and talk about what if any capital dollars we
18 have allocated for developments in your district.
19 And then I think the... the... the third piece is... is
20 you know part of our plan, next generation NYCHA
21 has been certainly the most attention grabbing part
22 has been the development piece. And the... our
23 development plan actually has three lanes. One is
24 100 percent affordable lane. So as part of the
25 Mayor's Commitment to build or preserve 200,000

units apart... key components of which this body just passed last week, 10,000 units of... of that plan will be 100 percent affordable. And all 328 developments within NYCHA are possible candidates. The second piece of that is... that makes... the second lane is a recognition that there still is... that there's a need for affordable housing in certain parts of the where there haven't been... where there hasn't been a construction of affordable housing in... in many years. And also an acknowledgement of our very real need for revenue. And so that is our 50/50 program, 50 percent market, 50 percent affordable. And then the third lane is our preservation efforts which we talked about earlier which is looking at those parts of our portfolio which were not the traditional tower in the park scheme which we all associate with public housing but more scattered site, single occupancy buildings that are quite difficult to manage and represent a pretty significant part of our capital needs. So within our 100 percent affordable to your point really up and down the income scale within the 50/50 program limited to 60 percent of area median income or below. So as you know probably about

46,000 dollars for a family of three. And then in our preservation lane really working with all of our federal tools; RAD, Section 8, Tenant Protection Vouchers which look to keep rent at at least 30 percent of a household's income. So we believe that those efforts are very distinct from any previous efforts to do this type of work. I also think it's very important that we... we lead with resident engagement and... and that that's been a dynamic process that actually has had some real impacts not only on how and what we're talking about but when we're talking about having to adjust some of the calendars that we've presented with... with here today. And then I think your last point was about partnering with affordable... affordable and non-profit developers. It is something that we have done and we will continue to do going forward as part of our plan. There is a... we had a very... a bidding conference for the RAD RFP that went out a couple of weeks ago. We had more than 60 different organizations show up. A good portion of those non-profit organizations. So we not only have signaled to the industry. But also we'll be looking when it comes to submissions that... that there is a... a

variety of development partners with whom we shall work with.

COUNCIL MEMBER BARRON: Thank you. Just briefly to follow up. Community engagement has not meant community power or the authority to decide what will come into their community. So the engagement fees is fine. It sounds great. But they don't have the authority to decide what will come into their community. And you said that for the affordable housing you're looking at 68... 60 percent of the AMI. Is that an average of 60 percent or is that a cap of... of 60 percent AMI?

SHOLA OLATOYE: So for the units are... that's a 60 percent area median income. If there are other resources that the developer seeks to bring to bear to bring down that AMI level we certainly would look favorable upon that.

COUNCIL MEMBER BARRON: So the developer can look to get additional subsidies...

SHOLA OLATOYE: Absolutely.

COUNCIL MEMBER BARRON: But the cap is 60 percent AMI.

SHOLA OLATOYE: On the affordable side the maximum amount that will go... that those rents can go for is 60 percent of the area median income.

COUNCIL MEMBER BARRON: And lastly those market... those developers that are coming in... what is your arrangement regarding the land? Is it a lease arrangement?

SHOLA OLATOYE: It's a lease ma'am.

COUNCIL MEMBER BARRON: And how long is the lease?

SHOLA OLATOYE: At minimum 60 years.

COUNCIL MEMBER BARRON: 50.

SHOLA OLATOYE: 60, 6-0.

COUNCIL MEMBER BARRON: 6-0.

SHOLA OLATOYE: Mm-hmm.

COUNCIL MEMBER BARRON: Thank you. Thank you Mr. Chair.

CHAIRPERSON TORRES: Okay for round two, a three-minute time. Can we start the clock? Council Member Gibson.

COUNCIL MEMBER GIBSON: Okay. Okay thank you. I'll talk fast. Thank you Chair. And thank you again for the work you're doing. So I just had a couple of quick questions. Council Member Williams

1 talked about the Public Safety Advisory Committee
2 which I appreciate. I wanted to ask is this a
3 citywide committee or will we have borough specific
4 committees. And I also wanted to just suggest I
5 think it will be great, public safety and talking
6 about... and including law enforcement is key. But I
7 think that advisory committee should really focus
8 on three things; Public Safety, right, which is
9 important, that's quality of life, capital
10 investments in projects that are underway and
11 coming down the pipeline, and then I think
12 community amenities and programs like community
13 centers and senior centers and ways in which we can
14 use the tools we have on site to further engage the
15 residents at that development. I think those three
16 key issues are important to everyone in making sure
17 you have a full balanced voice on this advisory
18 committee is great. I too don't want it to just
19 have a law enforcement perspective. I think the
20 youth is great. I think you should also include the
21 workforce as well. The... the NYCHA staff that work
22 on the developments each and every day should be
23 key as well. So I just wanted to put that out
24 there. Council Member and Chair Torres talked a
25

1 little bit about Flex Ops and I wanted to
2 understand a little bit more about what we are
3 looking to do. Based on some of the contractual
4 conversations that are underway between you and
5 the... the local union I wanted to find out is there
6 a plan to enhance the staffing that we have now of
7 maintenance and caretakers. Are we looking at
8 overtime in order for these shift in schedules to
9 work or do you think and believe that we have a
10 sufficient amount of staff now to handle the 337
11 developments we have?

13 SHOLA OLATOYE: So first I think it's
14 important... and... and for our 328 developments we
15 are... and something that was a real priority for
16 this administration was to ensure that all of our
17 colleagues in labor had a contract. So we are not
18 in active collective bargaining conversations with
19 our... with our colleagues at any of our unions.
20 They... they... we were successfully able to ensure
21 that all of our colleagues received the pattern
22 agreement. So that's really important. With regard
23 to our 237 colleagues who represent the largest
24 portion of our... of our... of our employees we jointly
25 agree to an addendum actually to our... to our... to

the contract that actually enshrined the... this notion of collaboration and partnership. And so for the past nine months we've been... eight and a half, excuse me, have been meeting regularly with staff, leadership, with our colleagues at the Office of Labor Relations. I'm talking about all manner of things. And we believe we have the right to move forward with an expanded number of ours per our contract. I have the contract here to... to essentially... And we start from a place of improved customer service; how do we ensure that our buildings are well-lit, that our doors are... are fixed, that our grounds are cleaned all the time and that the same privileges that I have, that you have our NYCHA resident have the... have the... the same right to do. The men and women of the housing authority who work with us have been first and foremost in our conversations with our colleagues at 237. And there have been a variety of things that we've worked on together that I mentioned earlier in my testimony. Happy to go through more of that but think it is... it is crucial for not only the improvement of customer service but for the narrative of public housing that we can and will do

better by our residents. And we move forward in a way that is legally and contractually possible.

COUNCIL MEMBER GIBSON: Okay well no, I get that but my question is are we looking to hire more staff or is this going to work through overtime? We don't have a lot of staff now. So if we're looking at changing shifts and staff working after 4:30 how is that going to be implemented with the current workforce is my question.

SHOLA OLATOYE: So what we did and... and thank you for reminding me of your second question that... that what we did is actually distribute our staff... our existing staff over a longer period of time. We also think it's really important that we make sure these first 12 developments are set up for success. So whatever budgeted headcount they have and if there are any vacancies that we make sure that those vacancies are filled and that we really create an opportunity to make sure that everyone is starting from a place of success in terms of the number of heads, and people... more importantly people that are on the ground to do the work. So we use the same number of employees

distributed over a longer period of day, of the day.

COUNCIL MEMBER GIBSON: Okay thank you very much Chair. I appreciate it.

CHAIRPERSON TORRES: A few rapid fire questions and then we'll be done. Social services; NYCHA's transferring control of the centers from family services to non-for-profit. By... to what extent is NYCHA reducing the social service headcount in NYCHA?

SHOLA OLATOYE: So as part of our integration initiative... so... so actually taking a step back one of our pillars of next generation NYCHA has been engage and... and really working with residents in a different way. And so what we've... what I... we've charged Melanie Hart who runs our community programs in development is to really refrain the way that we deliver services. We have 400,000 residents and we really were working a very sort of case by case approach to social services, not one that was particularly successful if you... And so what we've done is really shift to a zone approach essentially divvying up the portfolio in 16... 15 zones and really taking the model of our

1 REES approach and... where we are working with social
2 service providers, not just job providers, social
3 service providers in those 15 zones to not only
4 identify those partners who work... who actually do
5 social service provision. So that is the sort of
6 new approach in terms of structure. In terms of
7 actual staff in the up... in terms of integration we
8 spoke to the number of this... this year of
9 approximately 22 staff I believe...

11 KAREN CALDWELL: Yeah so it's again 56
12 in 2015 and 111 in 2016.

13 CHAIRPERSON TORRES: And those are
14 social service employees only or in total?

15 KAREN CALDWELL: Well they're from
16 community programs and developments so from that
17 staff and...

18 CHAIRPERSON TORRES: Okay. And it's... I
19 guess what does... what does the new approach mean
20 for the future of family services? What's the end
21 game here? Is it going to survive in some form or
22 is NYCHA going to eliminate it... [cross-talk]

23 SHOLA OLATOYE: No it... it... it's a new
24 form. Essentially really moving to understand
25 what's happening in those particular zones. What

are the needs of our residents in those zones and how do we better connect them to... to providers? So we still have social workers on staff making sure that those social workers are better connected to social service providers in that community. So instead of a case by case approach actually partnering with for example a mental health provider in the South Bronx and making sure that that mental health provider is... is... knows and understands those issues that we have in that particular part of the city. So it's really trying to move from a... a one off approach to you know how do we sort of deliver... better connect those providers to our residents in ways that are not... that don't just... don't just rely on a one-off but a more comprehensive approach to service delivery.

CHAIRPERSON TORRES: But there will be a Department of Family Services in some... [cross-talk]

SHOLA OLATOYE: It'll have a new name but there will be... there will... there are still social workers who are at the housing authority...

CHAIRPERSON TORRES: Okay.

SHOLA OLATOYE: ...who are working to support our families in need.

CHAIRPERSON TORRES: So with that I will conclude the first panel. I want to thank you for... for participating in a... what has been I think a substantive conversation. Ms. Caldwell even though people like me will make your job harder I want to thank you for your service. This... NYCHA is an indispensable safety net in the city and I want to thank you for agreeing to take on the roll that you did. So with that said thank you.

SHOLA OLATOYE: Thank you very much Chair and Council. Thank you.

CHAIRPERSON TORRES: The next panel... the President of Local 237 Teamsters, Gregory Floyd. Mr. Floyd thank you for being here. You may proceed.

GREGORY FLOYD: Thank you for having us. My name is Gregory Floyd. I'm the Elected President of Local 237 teamsters. With me is our Secretary Treasurer Mr. Ruben Torres. He is also a housing employee. Our union represents 23,000 public sector workers including 8,000 employees. We are the largest local and the most powerful international brotherhood of teamsters which I serve as a trustee on the International Executive Board. Thank you for

1 this opportunity today to appear before you. You as
2 elected officials are now being asked to support
3 something called Flex Ops NYCHA. You have been told
4 that the lie that with no increase in its numbers a
5 largely minority woman labor force of caretakers
6 with change work hours will somehow alter failed
7 NYCHA management practices. You have also been told
8 the additional lie that teamsters and its members
9 agree to those changes. Those who have told you
10 such lie... are liars. They are trying to pick you
11 against public officials, against union members.
12 The unilateral act by NYCHA is union bussing. It
13 violates our contract. Flex Ops is public relation
14 stunt that will actually provide fewer workers, not
15 more. It will injure and endanger the largely
16 minority woman labor force by reducing existing
17 daycare options by forcing those women to work
18 hours when more violence occurs at poorly managed
19 and violence prone NYCHA sites. It's dumb. It's
20 anti-union, anti-common sense. Why do this? It's a
21 way for NYCHA to throw its responsibility for their
22 failures onto underpaid NYCHA workers, blame NYCHA
23 workers in high management incompetence. This is
24 all a rehearsal for the real plan. Prepare to hear
25

that only privatization will solve NYCHA issues and that is also a lie. We will fight this because we are the people who have actually done the work to keep NYCHA operating despite underfunding, bad management. We will fight to protect the collective bargaining rights of the city... in the city and protect New Yorkers true affordable housing. We ask that you join us in this battle to save NYCHA from its incompetent management. We ask that you demand the truth from NYCHA, not the lies that you have been told. We are teamsters. We are prepared for a long battle against these lies, against union busting, NYCHA management, against the assault on collective bargaining. And we hope you will join us... and I just want to say when I heard the testimony of the NYCHA board member, the resident, Victor, let's go back to the origin of this problem... For so many years the schedule has worked with NYCHA. What's the difference? Well there was a management team previous to this that decided that we were going to go through a call center and they decentralized the repairs. So in other words instead of you being able to come into the management office and tell them what you wanted

1 like Mr. Victor Gonzalez testified they put it to a
2 call center. And that backlog of work went on for
3 years. And NYCHA fell so far behind that they
4 couldn't keep up. So they changed the narrative to
5 now we need to change the staff work hours to keep
6 up with this work. And in fact it wasn't the staff
7 work hours, it was a scheduling problem and it was
8 done by management. So now the cover of their own
9 ineptitude they blame the workers. Well I have to
10 say you asked a question, how often did we meet,
11 and she mentioned coffee... one, I don't drink
12 coffee. She should remember the number one. You
13 don't need a calendar for that. You may need a
14 calendar to say it was last year in April but you
15 don't need a calendar to say one... [cross-talk]

17 CHAIRPERSON TORRES: She testified that
18 she met with you many times.

19 GREGORY FLOYD: She remembers how many
20 times?

21 CHAIRPERSON TORRES: Many times, did not
22 specify a number. [cross-talk]

23 GREGORY FLOYD: ...times, one. It's a
24 lonely number.

25 CHAIRPERSON TORRES: Okay.

GREGORY FLOYD: So I'll be happy to answer any questions but the section in the contract clearly says 8:00 to 4:30 Monday to Friday.

CHAIRPERSON TORRES: Separate and apart from the contract do you support the policy of split schedule?

GREGORY FLOYD: If... if they want to hire more people because you can't do the same work... I mean you can't do more work with the same people. I don't care what time of day they come in. Cleaning at 8:00 at night is the same cleaning at 8:00 in the morning. You don't have additional staff. And you know I heard the... the questions about the lighting with Akai Gurley. The lights were out all over the Pink Houses and they report it for several days before the incident happened. And if you were to ask for those work orders the work orders would show that it was an employee who went home at 4:30 at night that could have changed those lights. Those lights were out several days before the incident and it went unrepaired. So when... when I... when I hear unfortunately the incident of Akai Gurley and I hear the mixing of we need Flex Ops

1 because people go home at 4:30 I... I'm... I'm really
2 disheartened to hear that you would take a tragedy
3 in this city and blame it on employees going home
4 at 4:30 when you know and you knew that those
5 lights had a problem before this and to cover up
6 your mismanagement you're going to say people went
7 home at 4:30.
8

9 CHAIRPERSON TORRES: So I'm going to
10 share with you the argument that I've heard the
11 chairperson make in favor of flex ops. I mean she
12 sees it as an attempt at bringing property
13 maintenance into the 21st century. That's... that's
14 the first argument. And second that split schedule
15 is... is common practice outside public housing. And
16 so in her opinion why should the residents of
17 public housing receive any different of standard of
18 service from anyone else outside public housing.
19 How would you respond to that argument?

20 GREGORY FLOYD: One, she says she
21 believes she could do it, if that was the case why
22 enter into discussions and negotiations? And why
23 did three previous contract negotiations fail to
24 bring this... bring the same? All of a sudden there's
25 a magic wand that you could do these things? Two,

not one of our safety issues we addressed;
flashlights, vests, safety vests...

CHAIRPERSON TORRES: Do you believe that
all of those equipments are going to be provided
from day one? She testified it would be.

GREGORY FLOYD: I don't... I don't believe
it. I don't believe it, why? She has not told the
truth since she's been here. Everything is a buzz
word. Everything is oh I get back to you.

Everything... your hand movements, the gestures,
she's got all of the corporate buzz words to say
once I leave here nothing's going to get done.

CHAIRPERSON TORRES: Now Council Member...
she believes she has authorization with the current
contract for flex ops. I think Council Member
Jumaane Williams asked why you felt differently and
she said she was not aware. [cross-talk]

GREGORY FLOYD: She...

CHAIRPERSON TORRES: Did you share your
interpretation of the contract with her?

GREGORY FLOYD: She was served with the
papers. Of course she shares the interpretation
because if she didn't why would we discuss this?
Why would we be in contract talks? If this was

something in the contract that they could do why didn't they do it previously? Why continue every contract negotiations that put on the table change of work schedule? Why?

CHAIRPERSON TORRES: Mr. Floyd I... I thank you for your testimony.

GREGORY FLOYD: Thank you.

CHAIRPERSON TORRES: Thank you so much for waiting but we appreciate your input. So...

GREGORY FLOYD: Thank you.

CHAIRPERSON TORRES: Thank you. If... unless you have anything further to add thank you very much. The third panel we have a representative from the Center for Court Innovation Ignacio, United Neighborhood Houses Gregory Brender, and Leonard from Issues Council. And we're going to have a... we are constrained with time and I see my colleague Council Member Menchaca who's prepared to evict me so... so we're going to do a two-minute time limit on each because Council Member Menchaca is not to be trifled with so...

IGNACIO JAUREGUILORDA: Good afternoon Chair Torres and members of the Committee on Public Housing. My name is Ignacio Jaureguilorda. I'm the

Director of Poverty Justice Solutions at the Center for Court Innovation. Thank you for giving me the opportunity to speak today. The Center for Court Innovation supports the council's efforts to bring more justice to communities throughout the city. For nearly 20 years the center has been engaged in the same effort working to reduce the use of incarceration and reduce recidivism throughout innovative programming at our neighborhood based youth and community justice centers. Our projects like the Red Hook Community Justice Center and Bronx Community Solutions have been documented to improve public safety and reduce the unnecessary use of incarceration for low level offenders. A vast majority of the individuals who come through our youth and community justice centers have roots in public housing. Our justice centers serve public housing residents and neighborhoods in all five boroughs in New York City. For example, our community justice centers in Harlem and Red Hook operate housing resource centers to assist NYCHA residents with repairs, rent payments, and housing court cases. Our housing resource center staff act as liaisons between NYCHA, tenants, and the judge

particularly in cases where tenants request repairs. In addition to housing court resources our community justice centers offer a variety of other programs and services to public housing residents. Through anti-gang and anti-gun-violence projects the Brownsville Community Justice Center is involved in comprehensive economic development efforts in the neighborhood which include a close partnership with area business leaders as well as community engagement work that engages in public housing... that engages public housing residents. In Red Hook... the Red Hook peace keeping program fills a gap in available conflict resolution available at the Red Hook houses. Despite its high population density there are no community based dispute resolution services on site within the houses. In response the peacemaking program brings together community members affected by a crime or offense and allows them to talk it out and reach a consensus agreement. In Crown Heights, Bed-Stuy and the South Bronx our... cure violence community based efforts to end gun violence work with many public housing residents. The Center for Court Innovation

is seeking the city council support for a million dollars...

CHAIRPERSON TORRES: Just conclude if you can...

IGNACIO JAUREGUILORDA: I'm sorry?

CHAIRPERSON TORRES: If you can conclude...

IGNACIO JAUREGUILORDA: Yes Sir.

CHAIRPERSON TORRES: Okay.

IGNACIO JAUREGUILORDA: The Center for Court Innovation is seeking the city council's support for a million dollars for fiscal year 2017 to continue our core community justice operations and to provide support for initiatives focused on victim services and access to equal justice for the city's most vulnerable New Yorkers. I thank you for your time.

CHAIRPERSON TORRES: Yeah. And the community justice centers are wonderful. In fact, we have Council Member Menchaca who represents Red Hook Houses so...

IGNACIO JAUREGUILORDA: Yeah.

CHAIRPERSON TORRES: ...thank you.

IGNACIO JAUREGUILORDA: Thank you.

GREGORY BRENDER: Thank you. My name is Gregory Brender and I'm here on behalf of United Neighborhood Houses. We are New York City's federation of settlement houses and community centers. Our 38 member agencies have a deep commitment to serving public housing residents. We are currently operating services including early childhood, after school senior centers, adult literacy, and other core services for communities in 56 housing developments and many sites near NYCHA developments that are still serving NYCHA residents. We are deeply concerned to see the plans in next generation to reduce social services for residents. While it is understandable that NYCHA would want to consolidate resources on the core functions of providing safe and habitable housing we want to ensure that there remains no service gap for NYCHA residents and look forward to... we really hope to work with the city council to ensure that NYCHA residents continue to have services. Our member agencies have already been playing an increased role in serving public housing residents through the mayor's action plan where they've kept service open at night for young people and had

1 community center options throughout both the
2 weekend and night time so that kids had a place to
3 go through Newarks, through early childhood
4 programs, through after school programs. And we are
5 also taking over some services that are being
6 removed out of NYCHA as part of their directly
7 operated programs. So as they've moved some of the
8 referral programs U&H member agencies and other
9 community based organizations have been providing
10 those services. So we look to work with the city
11 council to basically find whether our service gaps
12 and ensure that NYCHA residents have access to core
13 human services through community based
14 organizations when NYCHA's unable to provide them.
15 Thank you.

17 CHAIRPERSON TORRES: Thank you. Thank
18 you for your testimony. And... and I share your
19 concerns about... I worry about the future of social
20 services at NYCHA so it's something that I and... and
21 the committee will monitor very closely. And one
22 complaint I've heard from settlement houses is that
23 NYCHA has... has yet to finalize leases with many of
24 them which prevents you to make... [cross-talk] Yeah.

GREGORY BRENDER: In almost all cases leases are not being signed. In some cases, there's... there's programs that have been in place for 30-40... [cross-talk]

CHAIRPERSON TORRES: Right.

GREGORY BRENDER: ...years that have no leases.

CHAIRPERSON TORRES: Which prevents you from making capital investments.

GREGORY BRENDER: Absolutely the...

CHAIRPERSON TORRES: In those centers, right?

GREGORY BRENDER: And we hope to find ways with NYCHA to demonstrate site control which would allow capital projects to go through. Ultimately the question of whether something like a DFTA program is paying rent is a question between NYCHA as a sort of arm of the city and DDIFTA is an arm of the city. We want to ensure that services continue in those sites and are able to draw down capital funding like funding from the city council as well as funding from the state which we need site control in order to do.

CHAIRPERSON TORRES: Well I believe that NYCHA... I believe the settlement... some of which actually preexist the housing authority...

GREGORY BRENDER: Yes some of...

CHAIRPERSON TORRES: ...and have been...

GREGORY BRENDER: ...yep.

CHAIRPERSON TORRES: ...terribly at the hands of the housing authority and it's something I'm going to be monitoring closely. So very quickly to the community justice center, are you part of NYCHA's public safety advisory?

IGNACIO JAUREGUILORDA: I... I believe we are. I'm not directly but... [cross-talk]

CHAIRPERSON TORRES: Okay but... but the Red Hook... Okay.

IGNACIO JAUREGUILORDA: If we are not we should be.

CHAIRPERSON TORRES: Great. Thank you for your testimony. And I think we have one more panel and then we'll conclude. Yes, Leonard? Yes. And you're the final witness so...

LEONARD: Go ahead?

CHAIRPERSON TORRES: Please proceed.

LEONARD: Public housing. Good afternoon fellow New Yorkers and city council members. Our civic group; Issues Council, feels that money should... should be spent on the budget for public housing for reasonable accommodations of handicap accessibility and we have handicap citizens... allowed for... for ramps and incline planes for wheelchair... wheelchairs... elevators. We would want there to be put brail signs for addresses on buildings to help guide handicap... citizens who walk brail... blind I mean. Counselling for the mentally disabled, shoveling snow for seniors and disabled, the city of New York should get involved with state on housing vouchers for... for rent on apartments for example have money set aside to reimburse disabled for more rent reimbursement on... to cover additional... like 100 dollars to cover additional... additional state vouchers... the state voucher I... One million housing... disabled housing... building codes to in... disabled citizen housing, force community boards... boards to vote yes for disabled housing fundings, wheelchairs to be available for housing. I want my testimony taken serious. We will have the... congress and government to enforce these

2 budget recommendations through the Americans
3 Disability Act of 1990.

4 CHAIRPERSON TORRES: Leonard thank you...
5 thank you for your testimony. I'm going to have my
6 staff take your information because I'd love to
7 continue the conversation about the challenges
8 facing handicap public housing residents. So...

9 LEONARD: You want this?

10 CHAIRPERSON TORRES: We'll take your
11 testimony as well. Thank you. Thank you for your
12 testimony. And with that...

13 [background comments]

14 CHAIRPERSON TORRES: ...testimony? Yes,
15 Enterprise has submitted testimony for the record.
16 With that said this meeting is adjourned.

17 [gavel]

18

19

20

21

22

23

24

25

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 April 26, 2016