

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE, JOINTLY WITH THE
COMMITTEE ON TECHNOLOGY, COMMITTEE ON CULTURAL
AFFAIRS, LIBRARIES & INTERNATIONAL INTERGROUP
RELATIONS, THE SUBCOMMITTEE ON LIBRARIES,
AND THE COMMITTEE ON PUBLIC HOUSING

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May 19, 2016
Start: 10:08 a.m.
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HELD AT: Council Chambers - City Hall

B E F O R E:

JULISSA FERRERAS-COPELAND
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DAVID G. GREENFIELD
Co-Chair
JAMES VACCA
Co-Chair
JAMES G. VAN BRAMER
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A P P E A R A N C E S (CONTINUED)

Anne Roest
Commissioner
DoITT

John Winker
Associate Commissioner
Financial Services
DoITT

Rachel Laiserin
Associate Commissioner
Procurement and Vendor Management
DoITT

Chad Rosenthal
Deputy General Counsel
DoITT

Tom Finkelpearl
Commissioner
NYC Department of Cultural Affairs

Dennis Walcott
President & CEO
Queens Library

Tony Marx
President & CEO
New York Public Library

Linda Johnson
President & CEO
Brooklyn Public Library

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

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

Karen Caldwell
Executive Vice President &
Chief Financial Officer
New York City Housing Authority

Nicole Ferreira
Vice President of Development
New York City Housing Authority

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3 CULTURAL AFFAIRS, LIBRARIES & INTERNATIONAL
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6 CHAIRPERSON FERRERAS-COPELAND: Good
7 morning and welcome to the City Council's ninth day
8 of hearings on the Mayor's Executive Budget for
9 Fiscal 2017. My name is Julissa Ferreras-Copeland; I
10 am the Chair of the Finance Committee.

11 We are joined by the Committee on
12 Technology, chaired by my colleague, Council Member
13 Jimmy Vacca and the Committee on Land Use, chaired by
14 Council Member David Greenfield. We've also been
15 joined by minority leader Matteo.

16 Today we will hear from the Department of
17 Information Technology and Telecommunications, the
18 three library systems, the Department of Cultural
19 Affairs and the New York City Housing Authority.

20 Before we begin, I'd like to thank the
21 Finance Division staff for putting this hearing
22 together, including Director Latonia McKinney, the
23 Committee Counsel, Rebecca Chasan, Deputy Directors
24 Regina Poreda Ryan and Nathan Toth, Assistant
25 Director Emre Edev, Unit Head John Russell, Finance
Analysts Kenny Grace, Aliya Ali and Sarah Gastelum;
the Finance Division Administrative Support Unit,
Nicole Anderson, Maria Pagan and Roberta Caturano,

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who pull everything together. Thank you for all your
efforts.

I'd also like to remind everyone that the
public will be invited to testify on the last day of
budget hearings on May 24th, beginning at
approximately 3 p.m. in this room. For members of
the public who wish testify but cannot attend the
hearing, you can e-mail your testimony to the Finance
Division at FinanceTestimony@Council.NYC.gov and the
staff will make it a part of official record.

Today the Executive Budget Hearing begins
with the Department of Information Technology and
Telecommunications; the department's Fiscal 2017
Executive Budget totals \$635.2 billion [sic], which
represents an \$82 billion increase from Fiscal 2016
Adopted Budget, yet, even with a budget of this size,
DoITT has identified only \$7.2 million in Fiscal 2017
as a part of the Citywide Savings Program; the entire
\$7.2 million comes from an increase in cable
subscription revenue above the amount that would have
been projected. The committees would like to hear
testimony regarding why the agency considered an
increase in revenue a savings and why it could not

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find actual ongoing efficiencies to include in the
savings plan.

In addition, funding was added to DoITT's
budget for the Procurement Innovation Project, which
is the project to replace the antiquated automated
procurement tracking system with a more user-friendly
system that significantly expands its functionality.
We look forward to hearing about how this new system
will improve the citywide procurement process and the
long-term benefits of such a system's upgrade.

Before we begin, I'd like to remind my
colleagues that the first round of questions for the
agency will be limited to five minutes per council
member and if council members have additional
questions, we will have a second round of questions
at three minutes per council member.

I will now turn the mic over to my co-
chairs, Chair Vacca and Chair Greenfield for their
statements and then we will hear testimony from the
Commissioner after you're sworn in by our counsel.
And we've been joined... [background comments]

CO-CHAIR VACCA: Thank you, Madame Chair.
I'd like to welcome everyone here to the Executive
Budget Hearing that we're conducting along with the

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Finance Committee and the Land Use Committee. I'm
James Vacca; I'm Chair of the Committee on
Technology.

Today we will hear testimony from the
Department of Information Technology and
Telecommunications (DoITT) on its Executive Budget
and general agency operations. DoITT was created to
consolidate citywide management of information,
application development of city IT resources, the
City's website NYC.gov, telecommunication services,
and communication technologies. The department is
also charged with achieving long-term productivity
improvements, revenue enhancements and cost savings
for the City's IT services and technologies.

DoITT's Fiscal 2017 Executive Expense
Budget totals \$635.2 million, which compared to last
year's adopted budget of \$553.1 million is an
increase of approximately \$82.1 million or close to
15 percent.

Today we will examine all components of
DoITT's Fiscal 2017 Executive Budget, which includes
approximately \$20.2 million in additional new needs
and \$25 million in other adjustments that DoITT has
identified since the FY2017 preliminary budget.

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Some of these new needs include \$2.8
million to expand citywide broadband access, \$5.6
million to overhaul Department of Education's Special
Education Student Tracking System and an additional
\$2.1 million for further maintenance costs to ensure
citywide security and data recovery.

Since DoITT has identified many areas
that require additional funding and its budget is
significantly higher than previous years, it is
important to take a closer look at the department's
revenue sources and cost savings. With the projected
revenues from DOT NYC, the city's top level domain,
and LINC NYC, the city's new Wi-Fi hubs that will
replace all existing pay phone infrastructure, has
not changed since the FY2017 preliminary budget; it
appears that the only cost savings DoITT anticipates
is \$7.2 million in additional revenue stemming from
additional subscriptions; this is revenue, not a
savings. The Citywide Savings Program was designed
to enable each agency to identify alternative funding
sources and programmatic changes that will yield
budgetary savings. Seeing none identified, these
committees would like to work with DoITT to further
identify budget savings and operational efficiencies.

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Additionally, we hope to hear more
specific information about DoITT's budget plan
regarding new positions in the Mayor's Office of
Media and Entertainment (MOME). DoITT's plans go
forward with NYC WIN or alternative networks and of
course, the anticipated opening of PSAC II, the 911
backup call center located in my district; with it
set to open for business next month, I will be
seeking the most up-to-date information on the
placement of call-takers there, the completion of
construction and the projected maintenance costs
going forward. So I'd like to welcome the
Commissioner and thank her for her work throughout
the year. Thank you, Madame Chair.

CO-CHAIR GREENFIELD: Thank you. Good
morning, my name is David Greenfield; I'm the Chair
of the Council's Committee on Land Use. This hearing
will cover the Fiscal 2017 Executive Budget for
DoITT. Because there is significant land use
consideration related to building and maintaining IT
infrastructure throughout the city, including
franchise issues; this is a joint hearing with the
Committee on Technology, Land Use and Finance.

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I wanna thank Chair Julissa Ferreras-
Copeland and Chair Jimmy Vacca for co-chairing this
hearing. I also wanna thank Council staff for the
work in preparing for the hearing, especially Ken
Grace, John Russell and Sheila Johnson.

DoITT provides citywide coordination and
technical expertise in development of the use data,
voice and video technologies in the City service and
operation; they also provide infrastructure support
for data processing and communication services to
numerous City agencies, researches and manages IT
projects and administers the City's cable television
-- I'm very excited about that one -- public pay
telephone and mobile high-capacity telecommunications
franchises.

The goal of the committees throughout
these hearings is to ensure the City's taxpayers are
getting the best return on their dollar and we intend
to examine DoITT's financial plans, budget proposals
and other operational issues.

I wanna thank DoITT Commissioner Anne
Roest and her staff for joining us today; good to see
you folks again look forward to hearing your

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testimony and answering our very detailed questions.

Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Chair Greenfield. I was remiss in not
acknowledging and welcoming our new Finance Analyst
Sheila Johnson; I know that you **[inaudible]** in your
remarks, but I just wanted to thank her for her work
for this committee.

We've been joined by Council Members
Rodriguez, Borelli, Garodnick, Koo, Grodenchik,
Richards, and Mendez.

After my counsel swears you in, you may
begin.

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

COMMISSIONER ROEST: Good morning, Chair
Ferrerias-Copeland, Chairman Greenfield, Chairman
Vacca and members of the City Council.

My name is Anne Roest and I'm the
Commissioner of the Department of Information
Technology and Telecommunications and the Chief
Information Officer for New York City. Thank you for

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the opportunity to testify today about DoITT's Fiscal
2017 Executive Budget.

With me are John Winker, our Associate
Commissioner for Financial Services, Rachel Laiserin,
our Associate Commissioner for Procurement and Vendor
Management and Chad Rosenthal, our Deputy General
Counsel.

DoITT's Fiscal 2017 Executive Budget
provides for operating expenses of approximately \$635
million, allocating \$149 million in personal services
to support 1800 full-time positions and \$486 million
for other than personal services.

Totaling \$128 million, intracity funds
transferred from other agencies to DoITT for services
provided accounts for approximately 20 percent of the
budget allocation. Telecommunication costs represent
the largest portion of the intracity expense, which
was \$115 million in Fiscal 2016.

The 2017 Executive Budget reflects a
decrease of \$8 million and an increase of \$45 million
from the Fiscal 2017 preliminary budget for Fiscal
2016 and Fiscal 2017 respectively.

The increases to the Fiscal 2017
Executive Budget are attributed to IFA extensions,

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OTPS funding associated with ongoing maintenance
costs required to support recently approved capially
funded initiatives and one-time funding that arose
from Fiscal 2016 for projects such as the citywide
procurement innovation and broadband access.

In short, the 2017 Executive Budget
provides the funds we need to keep doing all the
things that we do to provide resilient, scalable and
leading IT services, infrastructure and
telecommunications to City agencies.

So while the budget breaks the DoITT
mission down into line items, we're talking about
something far greater than the sum of its parts;
we're talking about how DoITT is going to leverage
its resources to lead and efficiently manage world-
class IT services for the City of New York.

The 2017 Executive Budget we're talking
about today reflects our commitment to fulfill
DoITT's mission through a robust infrastructure
secured by layers of intertwined defenses, improved
services, such as 24/7 coverage for essential
citywide IT functions, facility and technology
upgrades, as well as keeping pace with agencies'
request for shared IT services.

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2 We are doing more, for example, our data
3 center has grown from 2300 servers to 7500 servers in
4 just the last four years; that's a significant
5 increase in output and that's just one example,
6 investments in new [sic] capital by in-source and
7 consultant staff and also by ramping up our
8 recruitment efforts with an eye toward diversity and
9 inclusion led by our Chief Diversity Officer Kenneth
10 Hunter, and since our last hearing we continue to
11 work with agencies to identify opportunities to in-
12 source IT work and reduce reliance on external IT
13 consultants. In just this last budget cycle alone,
14 94 head count have been added across various
15 agencies, bringing the total to nearly 300 new head
16 count for the conversion of consultants to City
17 staff, and finally, by expanding access to technology
18 for all New Yorkers through expansion of Wi-Fi and
19 broadband initiatives.

20 You may recall that in my last testimony
21 I highlighted Mayor de Blasio's commitment to
22 providing every resident and business across the city
23 with affordable, reliable high-speed broadband
24 service by 2025. To further this goal, the
25 administration has funded six positions in this

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budget to staff a broadband unit to work closely with
Mayor's Counsel Maya Wiley's office in rolling our
various broadband initiatives.

I appreciate the opportunity to discuss
DoITT's 2017 Executive Budget, that concludes my
prepared testimony and I look forward to answering
any questions. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much Commissioner. We're going to go into a
first round of questions and if members have
additional questions, I'll come back for a three-
minute round.

I want to talk about the cost savings.
As I said in my opening, in the executive plan an
additional cable subscription has increased DoITT's
revenue by \$17.2 million in Fiscal 2017; this
increase in revenue makes up DoITT's entire Citywide
Savings Program in the Executive Budget. Considering
DoITT's budget totals \$635 million, why are there no
other opportunities for cost savings identified?

JOHN WINKER: Hi, I'm John Winker; I'm
the Associate Commissioner for Financial Services at
DoITT. You are correct; the initiative that we put
up is a revenue initiative; we worked with OMB to

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essentially assess our various projects going into
FY17 and we were able to use revenue enhancement to
meet the efficiency program and targets that were set
for us. If you recall, in the FY16 Executive Budget
we had the Consultant Conversion Program and that was
able to, I guess, achieve some savings in the overall
baselined budget, cost avoidance and things of such.
Essentially we received 70 positions to bring
consultants onboard, convert those; essentially we've
done approximately 50 percent of those hires to date
and we've been able to save about \$8.1 million in the
baselined budget on a recurring basis... [interpose]

CHAIRPERSON FERRERAS-COPELAND: So that
savings is basically because you haven't hired the
remainder, so...

JOHN WINKER: Well that number will be
enhanced when we hire the remainder. The 8.1 has
been achieved just on the 35 that we've hire so far...

CHAIRPERSON FERRERAS-COPELAND: Uhm-hm.

JOHN WINKER: so essentially we'll be
achieving about \$16 million in savings in the base
once they're all hired. In terms of ongoing, we work
with OMB continuously to assess various opportunities
for savings, whether it be ELAs or other types of

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contractual mechanisms that we have in place, to
really just try to right-size the types of budget
allocations that we have. So going forward we'll
continue to do those types of... [interpose]

CHAIRPERSON FERRERAS-COPELAND: So this
is a challenge that this Council has with OMB's
savings program and you know, this is not just in
particular to your agency, but several agencies have
given savings similar to this and in the Council,
when we have a \$2 billion new needs that's proposed
by this Mayor, we have a challenge when agencies that
we're hoping can find other efficiencies don't and
while this is, you know, something you work with OMB,
we consider this revenue and it's projected revenue;
it's not revenue that you got from last year, it's
revenue that you're projecting; correct...? [crosstalk]

JOHN WINKER: Well this is actual... Well
based on the revenues that we collected in FY16,
current fiscal year, that is projected to maintain in
the base going forward.

COMMISSIONER ROEST: Yeah and I'd like to
add too; for DoITT, for a shared service agency, we...
I mentioned in my testimony that the amount of
infrastructure we're supporting, servers alone have

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increased 300 percent. So there's efficiency in
providing the services we provide and despite our
growing infrastructure support, we are still
committed to meet the budgetary requests for savings.
So we've got an especially difficult challenge
because we wanna do more and more for the agencies to
help them with the savings and the efficiencies that
a shared service can provide and still meet the
demands for reducing the budget and operating
efficiently, so we are working hard to make sure that
we are being diligent about the spending program
going forward.

CHAIRPERSON FERRERAS-COPELAND: Okay.
Procurement, DoITT's Fiscal 2017 budget includes \$14
million for their Procurement Innovation Project
upgrade. Can you walk us through the ways in which
this project will improve the system and provide a
breakdown on how these fundings will be spent, these
funds, sorry.

COMMISSIONER ROEST: So DoITT is
performing the technology work for the CPI project on
behalf of the Mayor's Office of Contract Services,
who is the business owner, but the project, in a
nutshell, will provide end to end procurement

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processing, bring some of the transactions online
that are currently paper-based and provide a more
seamless experience for the agencies, but also more
transparency and exposure for the procurement process
across the board. So we've done a competitive bid
for software, it's a cloud service that we will be
implementing, working on behalf of MOCS over the next
few years.

CHAIRPERSON FERRERAS-COPELAND: And what
is your expected timeline to get this kind of all
overhauled?

COMMISSIONER ROEST: Yeah, I think it's a
three-year... we'll have to get back to you with the
timeline for the project that was recently awarded..
[crosstalk]

CHAIRPERSON FERRERAS-COPELAND: Okay, so
you'll get back to me with the timeline.

And I guess for us, a timeline is
important because we wanna be able to track the
costs, right and you know, do you anticipate for this
in phases and will other phases cost more than
others?

COMMISSIONER ROEST: So the money that
you see in our budget was allocated for the first

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year of cost of project; we recently awarded a \$30.5
million contract for that software and for the
services to implement the software and that is a part
of the innovation project; it's the major part of the
innovation project, but there may be other components
that would be implemented at a later date.

CHAIRPERSON FERRERAS-COPELAND: So the
other components, you don't expect it to be more than
30.5?

COMMISSIONER ROEST: I really... We don't
know yet; there's a major innovation project to
streamline procurement; I expect that this will be
the major part of the project, the implementation of
the software, but that project is ongoing.

CHAIRPERSON FERRERAS-COPELAND: Okay.
The ECTP, the Emergency Communications Transformation
Project to date has contract commitments totaling
approximately \$1.8 billion in capital funds; funding
in the capital plan for the current ECTP projects
total \$306.4 million. Has DoITT identified
additional capital budget savings for this project
and are the costs associated with the project still a
target or are they expected to increase?

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COMMISSIONER ROEST: We expect no
increase, we're still within budget for the ECTP
program; the program's not complete, but we are
within budget.

CHAIRPERSON FERRERAS-COPELAND: And PSAC
II is scheduled to be fully operational by June 2016;
are you still on schedule?

COMMISSIONER ROEST: Yes we are.

CHAIRPERSON FERRERAS-COPELAND: Okay.
Excellent. Well I'm gonna have Chair Vacca, followed
by Chair Greenfield and then we will hear from our
colleagues.

We've been joined by Council Members
Gentile and Menchaca.

CO-CHAIR VACCA: Thank you, Madame Chair;
Commissioner.

I wanted to go into the Special Education
Student Information System. The Executive Budget
includes \$5.6 million to overhaul DOE's management,
evaluation, placement; service delivery for students
with special needs and I'd like to know where we are
with this project and are there additional costs
beyond the 5.6 that you would think could be
required?

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COMMISSIONER ROEST: The \$5.6 million was
our one year allocation for short-term remediation
and fixes of the SESIS project that DoITT heavily
involved in; that's not the total for future long-
term plans for SESIS and those will evolve over the
years. So DOE should be speaking to what the long-
term plans are for SESIS and whether or not there'll
be additional costs, but for DoITT, for the one year
we expect to make substantial improvements in the
existing system to support the special education
processes in the schools, and we're working very
closely with DOE on that, but that's the one year
cost for short-term remediation.

CO-CHAIR VACCA: So it's a one term cost
that's going to be to correct the system and then
DOE's on its own?

COMMISSIONER ROEST: We will continue to
work with DOE, but they'll lead the effort to
evaluate the long-term plans for SESIS.

CO-CHAIR VACCA: Why are you doing this
in the first place; why isn't DOE doing this? What
is wrong with our special education evaluation system
that DoITT has to go into DOE and install a whole new
system? How is that happen [sic]... [crosstalk]

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COMMISSIONER ROEST: So we're not
installing a whole new system; it's simply a capacity
issue. Again, we're working very closely with DOE;
there is not a meeting held that it's not both
agencies; we're bringing capacity to bear on a
problem the Department of Education has identified
and we're working very closely with them.

CO-CHAIR VACCA: Has DOE acknowledged
that we have major problems with evaluating; placing
special education students? They have to acknowledge
that there's been some type of a breakdown for this
expenditure to be spent and then for your agency to
do the total reorganization. Something must have
happened that special education parents should know
about. Are they acknowledging that we've had
problems here for a period of time that only DoITT
can come in and solve for them; is that where we're
at?

COMMISSIONER ROEST: Quite honestly, I
haven't been involved in the policy discussions
around DOE; we were asked to come in... [crosstalk]

CO-CHAIR VACCA: That I would understand.

COMMISSIONER ROEST: Yes, we were asked
to come in and look at a system that has some

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technology challenges and work with DOE on that and
that's really what our role has been.

CO-CHAIR VACCA: Does DOE have a
technology point person that you deal... [crosstalk]

COMMISSIONER ROEST: They do... [crosstalk]

CO-CHAIR VACCA: They do?

COMMISSIONER ROEST: Right now... actually
right now they don't have a CIO; they are recruiting
for a new CIO, their CIO left a few months ago.

CO-CHAIR VACCA: Did they have a chief
executive person for technology?

COMMISSIONER ROEST: They did.

CO-CHAIR VACCA: They did and that person
left?

COMMISSIONER ROEST: Yes, he moved on to
another opportunity.

CO-CHAIR VACCA: So now they are looking
for a new person; it's been vacant for a couple of
months, but you're continuing your work with them?

COMMISSIONER ROEST: Yes and they have an
acting, very competent action CIO that we're working
with.

CO-CHAIR VACCA: Alright, now DoITT's
included in the executive plan \$2.6 million for the

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Technology Development Corporation; can you tell us
what this corporation is doing; who are the members
of the corporation and what they do and some of the
projects they're involved in?

COMMISSIONER ROEST: Yes. TDC, the
members of the corporation, it's a not-for-profit;
it's managed by a board that's appointed from both...
the Mayor's office and the Comptroller's office have
representatives on the board to make sure that it's
fiscally operating well; there are consulting
services; they replace the need for... some of the need
for the City to go out and hire consultants to do
things like QA, project management and project
assistance, and so they've got expertise in project
management; again, risk assessment, business analysis
and they assist the City in place of going out and
hiring often more expensive systems integrators.

CO-CHAIR VACCA: How many members are on
the corporation and who are they; are they City
employees; who are the board of directors of the
corporation? It's a nonprofit.

COMMISSIONER ROEST: It's a not-for-
profit; the board is chaired by the City's CTO,
Minerva Tantoco, I'm on the board, there's a

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representative from OMB, there's representatives from
the Comptroller's office, there are at-large members
from the public appointed by the Mayor's office and
the Comptroller.

CO-CHAIR VACCA: Why did we have to have
a nonprofit... Why do we have to have this corporation;
why couldn't we do this in-house; why do we have to
have a nonprofit, you know, technically a nonprofit?
I mean it's a nonprofit basically controlled by the
City; the City employ... [crosstalk]

COMMISSIONER ROEST: We have...

CO-CHAIR VACCA: City employees and
mayoral appointees control the not-for-profit board..
[crosstalk]

COMMISSIONER ROEST: So I... I...

CO-CHAIR VACCA: why do we need it; why
do we need a nonprofit?

COMMISSIONER ROEST: I wasn't here when
it was initially formed, but my understanding, and I
think there's some really good arguments to have an
external group that can come in and do project
management and even QA on City projects, so they're
not City employees, but they replace, again, some of

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the expensive QA and project management resources we
were hiring.

CO-CHAIR VACCA: No, I understand that,
Commissioner, but the board of directors is composed
of City employees and mayoral appointees and they are
overseeing contracts that are issued, so my point is;
why do we need a nonprofit to oversee contracts that
are issued; why don't the contractors go through a
normal process via your agency?

COMMISSIONER ROEST: They're actually
overseeing projects and I would say the board of
directors like any not-for-profit, they aren't
running the operation, they're making sure that the
operation is run according to law and that fiscal
responsibility is exercised; they're not in the day
to day operations; there is a director in the not-
for-profit who manages the day to day operations and
they operate somewhat independently to provide that
independent view of the projects and how they're
being managed and whether they're being managed well
and if they need additional resources. So it's the
same as if you went out to hire a gardener or any of
the other QA vendors to make sure that the City is

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operating efficiently and to bring higher end
resources in.

CO-CHAIR VACCA: Does this corporation
post its minutes on your website; is there a
transparency requirement based on meetings and
minutes and who gets what contract; is there a
transparency thing that we have here?

COMMISSIONER ROEST: There is; in fact,
it's on their own website, they have [inaudible]...
[crosstalk]

CO-CHAIR VACCA: They have their own
website?

COMMISSIONER ROEST: They do, Technology
Development Corporation has their own website where
they post the projects they're involved with, meeting
minutes, etc.

CO-CHAIR VACCA: And if contracts are
given, there is an advertisement process; there is an
opportunity for people to get these...

COMMISSIONER ROEST: Yeah, I'm not aware
of many procurements by TDC; I'll have to get back to
you on what they were, but yes, they would have to
follow the standards that... it's in their charter,

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which is on the website, the procurement process...

[crosstalk]

CO-CHAIR VACCA: And their funding is
provided solely from City sources?

COMMISSIONER ROEST: Yes.

CO-CHAIR VACCA: Okay. Alright, thank
you, Commissioner.

CO-CHAIR GREENFIELD: Thank you very
much. Good morning.

COMMISSIONER ROEST: Good morning.

CO-CHAIR GREENFIELD: How are you,
Commissioner?

COMMISSIONER ROEST: I'm very well; you?

CO-CHAIR GREENFIELD: I'm wonderful...

COMMISSIONER ROEST: Thank you [sic].

CO-CHAIR GREENFIELD: feel much better,
now that I see you; it's a good way to start my
morning; thank you very much. Yes, thank you; I
appreciate that, Mr. Leader.

So I'm just curious about some staffing
issues. As the Chair mentioned, you know we're on
quite a spending spree here in the City of New York;
we're slated to spend an extra \$2 billion and you
know, you and I... you actually gave me the courtesy of

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running through some of those numbers and many of
those numbers made sense, but I had some questions
and I know some of these are just under the umbrella,
but perhaps you can shed some light on it.

Mayor's Office of Media and
Entertainment; do we call the MOME; is that what we
call it?

COMMISSIONER ROEST: Uhm-hm. Yes.

CO-CHAIR GREENFIELD: Wow; someone's
gotta work on that branding over there. So they are
looking to increase their head count by 17 positions,
including 7 new positions, such as a chief of staff,
an industry liaison, a social media webmaster; I'm a
little bit perplexed about this, so this is an agency
that has management, they've never had a chief of
staff; they never had an industry liaison; the whole
purpose of the agency is to be the Mayor's Office of
Media and Entertainment, so no one ever liaised with
anyone in the industry; I mean how does that work and
why do they suddenly have this drastic need for so
many more staffers?

COMMISSIONER ROEST: So I'm not involved
in the day to day operation of planning of exactly
how they allocate their staff and what their needs

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are, but we will get that information and get it back
to you.

CO-CHAIR GREENFIELD: Okay. I mean it's
within your budget though, right; I mean it's not
your... it's not in your direct purview but it's in
your indirect purview; is that fair?

COMMISSIONER ROEST: It is, so we will
get that information and get back to you... [crosstalk]

CO-CHAIR GREENFIELD: Okay; I'm just...
from our perspective it's a very large addition; I
think they have some 100 or so staffers or some 100
odd staffers now and to suddenly increase 17
staffers, including chief of staff and industry
liaison; a social media webmaster, that's just... it
seems a little bizarre, honestly, so we'd like to
have some specifics about that.

I actually... you know further to MOME, I'm
wondering if you know anything about the film
incentive programs, so New York City has a film
incentive program; we spend \$19.4 million in Fiscal
2017 to incentivize film and television production;
sounds like a good thing, except, interestingly
enough, the State already has a tax credit of \$420
million to incentivize production in New York, so

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once again, just curious about -- has there been a
study done on the effectiveness of this film
incentive program; do we know that we're getting more
business as a result; what's sort of the costs
benefit?

COMMISSIONER ROEST: Again, we'll have to
get back to you with that.

CO-CHAIR GREENFIELD: Okay, I'm 0 for 2
here; I'm gonna for the trifecta. Chief technology
office staffing; I think that we have a new role,
chief technology officer; I've gotta tell you, by he
way, this flummoxes me; I always thought that you
were the chief technology officer, but who knew;
apparently we have a different chief technology
officer and this chief technology officer I think is
looking for 22 staffers; that's a lot of staffers; I
mean I have 10 staffers in my office and I do a lot
of work with those 10 staffers, so what exactly is
our chief technology officer gonna do and why do they
need so many staff when already DoITT has lots and
lots and lots of staffers?

COMMISSIONER ROEST: So I believe that's
22 positions in total; not 22 new positions and they
have a different role than we do, looking at

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innovation and civic tech integration and
collaboration and so they have a different role;
they're doing a lot of work with outside
organizations and working on things like Smart
Cities, so they have a different role. I'll get
information about the 22 and exactly what they're
doing and what they're working on and we'll get that
to you.

CO-CHAIR GREENFIELD: What... I'm sorry; I
still don't understand, I apologize, I'm not so good
at the super cutting edge technology, so I'm just a
council member. Can you explain to me... no, no,
seriously, I really don't understand; can you explain
to me what that means? You're the commissioner of
DoITT; in fact, by the way, DoITT has a good slogan,
DoITT, right, I mean unlike MOME. So you're the
commissioner of DoITT and DoITT oversees all the
technology in the city; I don't really understand why
do we even have a chief technology officer and what
exactly their role is and why they have two dozen
staffers? How many people do you have in your
agency, currently, as of today... [crosstalk]

COMMISSIONER ROEST: Approximately 1800.

CO-CHAIR GREENFIELD: How many?

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COMMISSIONER ROEST: Approximately 1800.

CO-CHAIR GREENFIELD: I mean that seems
like plenty of people to do whatever you need to do
in the world of technology; we need a brand new
office and staff?

COMMISSIONER ROEST: So this is a
division that you see often in government, actually
and in corporations and that's the innovation versus
operations and the thought is it creates a natural
tension and pushes the operations to be more open to
innovation and on the innovation side they can focus
on just new cutting edge technologies, which frankly
I wouldn't have the capacity or time to be focused on
running an 1800 person operation. So the idea is you
take the innovation out and create some natural
tension between innovation and operation.

CO-CHAIR GREENFIELD: Alright, I think
you underestimate your skills, Commissioner...

COMMISSIONER ROEST: Well thank you.

CO-CHAIR GREENFIELD: I think with 1800
folks you could probably do some innovation as well,
but I will trust your judgment.

My final question is; I've always been
curious about this and you know, got this huge

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opportunity now; the City's television channel, we
spend \$30 million; is there... just curious about the
operation, the oversight; also, do they generate ad
revenue; how many people actually watch it? I don't
know, I mean so... [background comments] I mean I'm
sure a lot of people are watching us here today,
because this is very riveting; any time Chair
Ferrerias-Copeland -- no, no, seriously, she has the
best hearings. But seriously speaking, do we sort of
know what the return for that, like how much are we
paying per eyeball versus like public access
television; is that sort of the same standard?

[background comments]

JOHN WINKER: Yeah, I mean we do generate
some revenues; not necessarily from advertising,
'cause essentially it's, you know... [background
comments] oh is it off? It's on, just too far away.
Essentially, the revenues that are generated are from
leased access programming that we have from there;
it's roughly \$2 million a year that we're generating
in terms of revenue. We don't have Nielsen numbers
with us, but we could certainly... I know that they've
generated them in the past; we could certainly get
that information to you, should it be available.

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CO-CHAIR GREENFIELD: What do you mean;
what does leased access mean; sorry?

JOHN WINKER: It's essentially foreign
programming, foreign lang... foreign language
programming... [crosstalk]

CO-CHAIR GREENFIELD: We don't even have
our own programming on this television; we have a
need to give the space... [crosstalk]

JOHN WINKER: We have both types; we have
foreign language programming... [crosstalk]

CO-CHAIR GREENFIELD: Yeah.

JOHN WINKER: which is basically reaching
into the community and giving them access to the
airwaves.

CO-CHAIR GREENFIELD: Yeah. So we lease
it out to other folks who wanna... [interpose]

JOHN WINKER: That's right.

CO-CHAIR GREENFIELD: Got it. Okay.

Once again, I'm just curious about this, you know,
certainly it seems to be some whimsical programming
on the five NYC TV stations; I'm curious about if
it's a good use of resources and whether for example
if we're already doing things like letting people buy
their own air time, maybe we should look at the

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potential of advertising and trying to monetize it as
opposed to just simply having it as an informational
station. So if you can get back to us on that... yes,
Commissioner; did you wanna add something?

JOHN WINKER: Well I believe there's a
restriction on advertisement for those particular
channels, so that's... [crosstalk]

CO-CHAIR GREENFIELD: So I can... someone
else can buy time on the air and say whatever they
want, but you can't have advertisement; is that
correct?

JOHN WINKER: That's correct; it's not a
broadcast channel.

CO-CHAIR GREENFIELD: Yeah. Okay. I
mean I'm not quite sure I understand the difference,
honestly, between someone being able to buy air time
and say whatever they want versus advertisement, but
I'm understanding from your answers that it's not
also directly within your purview, so if you can get
back to us on that as well, I would be very grateful
and I... [crosstalk]

COMMISSIONER ROEST: We will [sic].

CO-CHAIR GREENFIELD: thank you so much
for your good work and so far my phones work well and

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computers we hear good things about and so we're
appreciative for your leadership. Thank you very
much.

CO-CHAIR VACCA: [inaudible],
Commissioner; can you give us an update on the
broadband access plan and where we stand with
broadband in the city?

COMMISSIONER ROEST: Well there are
several initiatives going out around broadband, I
mean LINC NYC would be the largest of the projects we
have going on; we're also working to bring Wi-Fi to
some NYCHA developments; that's been a pilot program
this year, and we've got additional investment in
libraries [inaudible], so we've got several programs
going on; we can provide you a summary.

CO-CHAIR VACCA: Is there an allocation
for that that you're requesting; is there an
additional allocation that you need for that or is it
something that is progressing to your satisfaction?

COMMISSIONER ROEST: Yes it is; we had an
allocation of \$10 million for broadband; we had an
additional I think \$1 million this year for the
libraries, so yes, we are getting what we need to
move forward with public Wi-Fi.

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CHAIRPERSON FERRERAS-COPELAND: Thank you
chairs. We've been joined by Council Members
Rosenthal, Cohen and Treyger; we will hear from
Minority Leader Matteo, followed by Council Member
Rodriguez; followed by Council Member Koo.

COUNCIL MEMBER MATTEO: Thank you, Madame
Chair. Welcome, Commissioner.

Commissioner, I wanna talk about 311 a
bit. I have a bill -- and I don't wanna go over the
substance of the bill, but I'll just generally say
it's a bill that deals with anonymous complaints
where people are using 311 for neighbor harassment
complaints; that they call 311 anonymously about
issue after issue on their neighbor and I wanna talk
about the ones that are unsubstantiated that were
obviously for harassing; that's the basically the
crux of the bill and we're gonna have a hearing on
that in the future. But what I want to ask you, if
you have; do you have data on these types of
anonymous complaints that, you know, for a property
or another issue that, you know there could be 20
anonymous complaints that all turned up
unsubstantiated and basically it really is being
used, 311, as a harassment tool and if you don't, I

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was wondering how we could work together to find out
how maybe we could put 'em on a map or portal; not
everything has to be solved through legislation and
this could be one of those issues, but there is
certainly an issue; I have cases after cases of my
constituents calling from my district, from Council
Member Borelli's district of their lives being
harassed and I understand what 311 is supposed to be
used for and support that people should be calling
311 to report incidents; downed traffic lights, all
that, but there is, unfortunately, a group of people
who are using it as a harassment tool. So I was
wondering if we can get stats or numbers or work
together offline so we could see what the patterns
are or the trends; maybe add it to portals. Like I
said, not everything has to be done legislatively,
but this is an issue that continues to arise; in
fact, just this last week I got someone come into my
office crying that they can't even go outside because
they know that their neighbor is just looking to call
311 on every move and every time that we send someone
out or 311 sends someone out, DOB; Health, comes back
unsubstantiated; the issue's not even close to being
an issue and lives are being turned upside down

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because of it and it's something that... it's an
unintended consequence, but it is a reality and it is
a consequence and I was wondering if we could get
look to get the numbers and you know, I would love to
meet offline to discuss further in how we can improve
the system and hear your thoughts.

COMMISSIONER ROEST: So we do have a lot
of great data on 311 calls; I'm not sure we have the
data on whether or not a call was substantiated, but
we'll look into that and would love to talk to you
offline; it's really a good time to sit down and talk
because we are looking to replatform 311 over the
next few years and would be interested to know
exactly what kind of data needs there are from the
system that may or may not be answered right now, so
would love to sit down **[inaudible]**... [crosstalk]

COUNCIL MEMBER MATTEO: Yeah and I
appreciate that because it is extremely important and
you know, in terms of the budget hearing, we're
talking about waste of resources too; I had this
conversation with Commissioner Chandler with DOB and
his first response was, not only is it harassing, but
we are wasting our inspectors going out time and time
again after hours and they know that they have to

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check because it's a complaint, but they know 9 out
of 10 it's not gonna be anything because there is
harassing behavior on the property and so we're
wasting resources and then we have a real issue and
the inspector can't get to because we're wasting time
on the harassing issue. So I would love to discuss
this further and if we could set up the meeting with
my office as soon as possible, that'd be great.

COMMISSIONER ROEST: We'll do that.

COUNCIL MEMBER MATTEO: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Rodriguez;
followed by Council Member Koo; followed by Council
Member Rosenthal.

COUNCIL MEMBER RODRIGUEZ: Thank you,
Chair. Good morning and thank you for all your work.

Yesterday we heard from the MTA that by
the end of this year all train stations [sic] will
have free Wi-Fi; when is your deadline on when do we
expect to see all parks with free Wi-Fi?

COMMISSIONER ROEST: Well as you're
aware, the Wi-Fi in the parks is primarily through
our franchise agreements; we don't have a plan and a
deadline for all parks; we'll work with the Parks

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Department and work with you to understand where the
priorities are around parks. What we wanna do is
blend all of the programs we have together to make
sure that we're being efficient; in other words, if
we're gonna put a LINC kiosk right next to a small
park, we wouldn't wanna also put Wi-Fi in that park
because they'll have access. So we should sit down
and look at the parks in your area and talk about
what the plans are for all the different programs in
your area and make sure that we're effectively
implementing.

COUNCIL MEMBER RODRIGUEZ: [inaudible]
important you know like, you know of course, I always
say that I support this administration 100 percent
and the commitment of Mayor de Blasio and all of you
as part of the team to close the gap on inequality
and technology is one of those where we have
inequality and I think that we don't have to, you
know do much homework to know that there's
communities that [inaudible] that we have to look at
the most organized and more vocal community and a
more powerful community in order for us to say that's
where we aim to be and when we look about parks that
you know, starting having access to Wi-Fi, no doubt

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that the working-class parks are not the first ones
and it's not only on this one; it happened you know...
that's our reality, the dynamic where we work, so
what I would like to see you know is only to say I
have Fort Tryon Park, great, you have [inaudible]
park or you have Highbridge Park, but I'd like to see
a more comprehensive plan where we can say by the end
of 2017; by the end... or 18; whatever it is, we're
aiming to have all parks in New York City with Wi-Fi;
that's when it comes to parks.

My second question is on schools, and I
know that DOE, you know, they do their own
independent... that you don't get to do the payment for
you know the bill [sic] to the DOE; even though you
do to the rest of the agency, you interact with the
rest; however, you know, as a former teacher that I
was for 13 years; as the father of two daughters, we
know that when it comes to technology female and
black and Latino are the ones behind and when you
look on how are we doing in our schools; when Verizon
made their agreement with the City, they were
supposed to be mandated to bring broadband; connect
it to the schools; it was in the original agreement
between the City and Verizon; however, for whatever

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reason or whatever they did, they were able to get a
plan, to get a waiver to [inaudible] few million
dollars and with those few million dollars that
you'll be spending at your school, then that private
company is not obligated to connect all the schools
with broadband, so how can... and today [inaudible] is
that you know the broadband, the capacity is
underground, but those are not connected between
those underground and the school, so at some level we
can say yes, it's the DOE, but how can you reinforce;
how can you go back and see what was the original
commitment with a private company and address the
reality that most of the schools today, even though
we put capital; they don't have the capacity to run
the level of quality internet services we expected
for our children, so how can you be hopeful to
address an issue that affects many of our schools?

COMMISSIONER ROEST: So you're absolutely
right that DOE has their own contracts and their own
programs for broadband; we are however interested in
supporting them however we can, and if you have
thoughts about particular areas that we could be
helpful to the DOE as they move forward, we'd be
happy to hear that.

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COUNCIL MEMBER RODRIGUEZ: I think that
the City should revise that part of the agreement
with Verizon; I think that you know, whatever way
they were able to get rid of the obligation that they
had at the beginning, which was when the City did the
deal in the previous administration, they were
supposed to be obligated, mandated to connect all the
schools with broadband; however, they came out with a
whatever waive **[inaudible]** agreement, but I don't
recall the numbers, \$7 or \$9 million and then with
those few million dollars then they got out from that
obligation and they put on the DOE to use private
contractors; something that we knew that it was
placing our schools to fail, so today we cannot go
back [bell] but we need to move forward.

COMMISSIONER ROEST: Yeah, I really would
have to look into that with the DOE and understand
exactly what happened; I'm not familiar with what
happened in the prior administration around that, so
I will... sure.

CHAIRPERSON FERRERAS-COPELAND: Thank you
Council Member. We will now hear from Council Member
Koo; followed by Council Member Rosenthal; followed
by Council Member Richards.

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COUNCIL MEMBER KOO: Thank you, Chair and
thank you, Commissioners and your staff for coming
here to testify.

My question is; during your testimony you
said the Mayor's commitment is to provide every
resident and business access to affordable, reliable
high-speed broadband service by 2025; do you think
you really can attain the goal?

COMMISSIONER ROEST: Yes we do; in fact,
we think we're making great progress now with, again,
programs like the LINC; we're looking at other
opportunities; yes, we do.

COUNCIL MEMBER KOO: So how far are we in
the process?

COMMISSIONER ROEST: We'd have to go back
if you wanted to know by coverage across the city,
square mile coverage, but...

COUNCIL MEMBER KOO: Yeah.

COMMISSIONER ROEST: the links are
rolling out rapidly; we do have Wi-Fi in the parks,
we've got several other programs around libraries and
community centers; I'd be happy to provide an update,
but we are moving rapidly and we've got other ideas
about how we can push broadband out more affordably.

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COUNCIL MEMBER KOO: Yeah. The next
question from me is; it bothers me a lot whenever I
use... on the subway I cannot use my phone or I cannot
receive message, so what's... New York City is one of
the greatest cities in the world, but we are really
behind, compared with other cities, so how far... you
know, what's in the plan to improve that; at least we
can get service, even major stations, like Penn
Station, you cannot... you don't get signals in there
or Wi-Fi in there.

COMMISSIONER ROEST: So that program is
being run by the MTA, which doesn't fall under
DoITT's purview; I love it when I get credit for what
they're doing, but in this case, you know, we really
can't answer any questions about what's happening in
their program; I would refer you to the MTA. You
know...

COUNCIL MEMBER KOO: Okay.

COMMISSIONER ROEST: I love it that I can
get connection in a lot of the subway stations, but I
do know that they still have some work to do and they
do have a plan and I would ask that you refer to
them.

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COUNCIL MEMBER KOO: Alright. So my last
question is; you have this NYC 311 on phone; it's
really good, you know I use it many times, but a lot
of times when you wanna use it, they ask you to...
usually automatic [sic] they know the location you
wanna complain, right, but that only happens when you
complain about restaurants; they will automatic
download the address for you; for the other
complaints you have to enter the address, but after
you enter the address you [inaudible], you know,
there always somehow is problem, it won't send a
message over there; there always a problem. So can
you take a look into that?

COMMISSIONER ROEST: Yeah, so I just --
to make sure I understand, you're saying when you
enter the address in the 311 app...

COUNCIL MEMBER KOO: Yeah.

COMMISSIONER ROEST: it's not carrying
the address forward?

COUNCIL MEMBER KOO: It is not
downloading the address; it is supposed to use GPS to
download the address...

COMMISSIONER ROEST: Uhm-hm.

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COUNCIL MEMBER KOO: but only...

[crosstalk]

COMMISSIONER ROEST: Okay...

COUNCIL MEMBER KOO: working only in the
restaurant category, but in other categories you have
to manually input.

COMMISSIONER ROEST: Well that's the
first I've heard of that problem and yes, we'll look
into it.

COUNCIL MEMBER KOO: So this has been
happening for a long time **[inaudible]**, but there's
no... I don't know where to complain to, you know.

COMMISSIONER ROEST: Well you found the
right person... [crosstalk]

COUNCIL MEMBER KOO: So...

COMMISSIONER ROEST: but yeah, we will
look into it.

COUNCIL MEMBER KOO: My last question is
the same question that Council Member Rodriguez
asked, but in my district we have [sic] Francis Lewis
High School, a lot of the students want to use their
Wi-Fi, but they don't have enough broadband to
support the use, so how can you help them to improve
the Wi-Fi system there?

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CHAIRPERSON FERRERAS-COPELAND: Council
Member Koo, give me one second; can the sergeant at
arms please close the back door so that we can hear
the council member?

COUNCIL MEMBER KOO: Sure. Yeah. So
that's my question. We need to improve the Wi-Fi
capacity for all high schools and libraries because
they are too slow in there, you know the Wi-Fi, you
have to wait a long time to get online and sometimes
it doesn't work. So you have to set a priority to do
that for high schools, libraries -- I think those are
the most priorities, yeah.

COMMISSIONER ROEST: Yes, thank you.
Again, the schools are a separate program, but we
will work with them; that is definitely a priority
for the city to improve the broadband in the schools
and the public's used spaces, so we'll work with DOE,
talk to them.

COUNCIL MEMBER KOO: Okay. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member Koo; we will now hear from
Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Thank you so
much, Chairs. Commissioner, great to see you.

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I'm so glad you brought Rachel Laiserin
with you; now I know we're in really good hands.

COMMISSIONER ROEST: Me too. Thank you.

COUNCIL MEMBER ROSENTHAL: Yeah. First,
just sort as chair of the Contracts Committee I have
a couple of questions for you. MWBEs, plan versus
actual overtime; how have you been doing?

COMMISSIONER ROEST: Rachel will take
that... [crosstalk]

[background comment]

COUNCIL MEMBER ROSENTHAL: I didn't mean
to punt that.

RACHEL LAISERIN: Thanks. We're actually
doing a little bit better than we were doing last
year with the MWBEs; for the first half of the year
we awarded 47 contracts to MWBE firms.

COUNCIL MEMBER ROSENTHAL: Okay. And
then the difference between the number of contracts
and in terms of the dollar amount, of the percentage
of the total dollar amount of contracts awarded, is
it similarly...

RACHEL LAISERIN: So we... in terms... last
year, in terms of number or contracts, we awarded... at
this same time as last year, we had 26 percent and

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this year it's 26 percent in terms of number, but in
terms of the dollar value, we've actually increased
from 10 percent last year to 18 percent his
year...[crosstalk]

COUNCIL MEMBER ROSENTHAL: Wow. Okay,
that's interesting. Thank you; I'd love to follow up
on that.

Commissioner, you mentioned changing the
311 platform in the next few years, first of all, is
that in the budget yet?

COMMISSIONER ROEST: Part of it; right?

JOHN WINKER: Yes, it's been funded; we
have \$13 million currently in the budget on the
expense side; that should get us through the first
phase of the implementation.

COUNCIL MEMBER ROSENTHAL: So it's a
four-year plan; what year did you put the money in?

JOHN WINKER: It starts in 17.

COUNCIL MEMBER ROSENTHAL: In 17?

JOHN WINKER: Yeah.

COUNCIL MEMBER ROSENTHAL: So you're
starting now, you're really...

JOHN WINKER: Yes.

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COUNCIL MEMBER ROSENTHAL: Okay it's in
the budget, sorry, for 17, 18 and...

JOHN WINKER: It's 17, 18 and then we'll
see where we are after...

COUNCIL MEMBER ROSENTHAL: Okay.

JOHN WINKER: at that point.

COUNCIL MEMBER ROSENTHAL: In terms of
fixes -- and we should talk about this not on my
time, but things that... or would you consider doing
this now, things like additional drop-downs; is that
stuff you're considering for your 311... would you
consider that for your 311 operators now, like
illegal hotels as a drop-down?

COMMISSIONER ROEST: So we certainly take
any requests; one of the reasons we're replatforming
311 is the difficulty in making changes to an older
platform... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Like
[inaudible]?

COMMISSIONER ROEST: but certainly
interested in hearing what some of the priorities
would be. We do continue to make some changes...

COUNCIL MEMBER ROSENTHAL: Okay.

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COMMISSIONER ROEST: complex changes are
difficult on that platform.

COUNCIL MEMBER ROSENTHAL: Right. So
here's a complex one...

COMMISSIONER ROEST: Okay.

COUNCIL MEMBER ROSENTHAL: a call comes
in and if it involves multiple agencies, how does
that get addressed and maybe we should talk about
that offline, but that's I think our biggest problem
in our district is that there will be a mold problem,
lack of ventilation, construction as harassment, you
know, whatever... noise... [crosstalk]

COMMISSIONER ROEST: Yeah, we should talk
about that now and I think, again, it's a good time
to talk about it, because whatever we can do in our
current system of course we'll look into, but as we
go forward and replatform and then the new system, we
wanna make sure that we're addressing any of the
shortcomings in the existing system.

COUNCIL MEMBER ROSENTHAL: Okay. And is
training of 311 operators; is that in your budget or
someone else's?

COMMISSIONER ROEST: That would be part
of the budget, part of our budget.

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COUNCIL MEMBER ROSENTHAL: Okay. So if I
could get a breakdown of your expense numbers in
training versus software...

JOHN WINKER: Sure.

COUNCIL MEMBER ROSENTHAL: whatever it is
you people do. Okay.

JOHN WINKER: Yeah.

COUNCIL MEMBER ROSENTHAL: And do you
have a relationship with the Technology Development
Corporation; do you know if that contract is
continuing?

COMMISSIONER ROEST: It is continuing
this year, yes, and in fact, I am on the board.

COUNCIL MEMBER ROSENTHAL: Good. Was
that something that had to be renewed?

COMMISSIONER ROEST: Yes... [crosstalk]

COUNCIL MEMBER ROSENTHAL: And it [sic]...

COMMISSIONER ROEST: A renewed contract;
it's newly added in the budget; it had to be added
again to the budget...

COUNCIL MEMBER ROSENTHAL: Yes.

COMMISSIONER ROEST: I think the existing
contract is up at the end of this year...

COUNCIL MEMBER ROSENTHAL: Okay.

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COMMISSIONER ROEST: this fiscal year.

COUNCIL MEMBER ROSENTHAL: How much was
put in the budget for it for 17?

COMMISSIONER ROEST: Point six, was it?
[background comment] \$2.6 million.

COUNCIL MEMBER ROSENTHAL: And is that
flatlined; ongoing?

JOHN WINKER: Yeah.

COMMISSIONER ROEST: Yes.

COUNCIL MEMBER ROSENTHAL: \$2.6 annually?
Great. But it's also a contract. Hm, I'll ask you
about that. And then how's it going integrating, in
terms of technology, and of course I think of it in
terms of MOCS, but you're thinking of it, you know
broader than that, but with... you know, what's the
timeline in terms of integrating technology with DOE,
NYCHA, HHC; is it on the horizon; is it something
you're working on?

COMMISSIONER ROEST: I'm not sure... could
you restate that question?

COUNCIL MEMBER ROSENTHAL: Well like the
Verizon contract; that was something that was... that's
an IT...

COMMISSIONER ROEST: Uhm-hm.

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COUNCIL MEMBER ROSENTHAL: contract and
you know the thought of sort of integrating that with
non-mayoral agencies; is that something you guys
contemplate or think about?

COMMISSIONER ROEST: So I would refer to
MOCS [bell] on that, just how we're gonna handle some
of the contracts going forward. Are you talking
about for TDC or for DoITT?

COUNCIL MEMBER ROSENTHAL: IT, IT in
general.

COMMISSIONER ROEST: Just in general.
Well we do work with the non-mayorals on IT issues..
[interpose]

COUNCIL MEMBER ROSENTHAL: Okay.

COMMISSIONER ROEST: often speaking with
NYCHA; DOE, so we do; I'd like to know what you think
we should do more.

COUNCIL MEMBER ROSENTHAL: Okay. Thank
you so much. Thank you so much, chairs.

JOHN WINKER: There's one thing I wanna
clarify before we walk away; TDC, their allocation is
.6, it's \$600,000; I think you said 2.6; it's ac..
[background comment] it's actually .6, yeah,
\$600,000, \$600,000 in the base.

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COUNCIL MEMBER ROSENTHAL: Do you think
that's sufficient?

JOHN WINKER: Well that's what their
current allocation is.

CHAIRPERSON FERRERAS-COPELAND: Thank
you.

COUNCIL MEMBER ROSENTHAL: Uh okay.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member; we will have Council Member
Treyger; followed by Council Member Cumbo.

COUNCIL MEMBER TREYGER: Thank you very
much, chairs.

I just... couple of questions and something
that... we passed, not too long ago, a bill requiring a
plan on how to make our telecommunication systems
more resilient in light of Superstorm Sandy and
climate change and it is my understanding that DoITT
would play a critical role in this Climate Change
Adaptation Task Force in outlining details on how to
make our systems more resilient in light of the fact
that a lot of our communication systems went down
during the storm and there were plans on how to make,
you know, food distribution more resilient, how to
make fuel energy distributions systems more

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resilient; where are we at with the
telecommunications resiliency plan?

COMMISSIONER ROEST: So we did form a
Telecommunications Resiliency Task Force and they've
been working closely with the providers -- Verizon,
AT&T, Sprint, etc. -- and documenting their progress
toward a more resilient system; we can get you a
report from that group, but we've made great progress
and the telecommunications providers have been good
partners in that and that's rolled up into the
broader resiliency planning for the City, but on the
telecommunications side we do feel like we've made
good progress and that we've gotten a lot of good
participation from the providers.

COUNCIL MEMBER TREYGER: Is there a
report ready or are they just still meeting?

COMMISSIONER ROEST: We can update you; I
think the broader resiliency report will include
telecommunications.

COUNCIL MEMBER TREYGER: And have all the
providers been cooperative in these discussions...
[crosstalk]

COMMISSIONER ROEST: Yes.

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COUNCIL MEMBER TREYGER: because we heard
last year that not all of them were being very
cooperative and I'd like to get a clear answer
whether or not all of them are and which ones are
not.

COMMISSIONER ROEST: Some responded more
quickly than others, but we will get you that along
with a status on **[inaudible]**... [crosstalk]

COUNCIL MEMBER TREYGER: Can you share
with us today which ones have not been cooperative?

COMMISSIONER ROEST: No; my understanding
is at this point they have all come to the table and
they've all been cooperative, but I will get you
information if there's anything contrary to that.

COUNCIL MEMBER TREYGER: Because last
year I remember hearing Time Warner may not have been
very cooperative and I also would like to hear about
Verizon's level of cooperation; I know that AT&T had
an enormous role during the communication outage and
there was a lot of discussions and I would look
forward to getting an update on that, because my
committee, which I chair, Recovery and Resiliency,
we'll be doing a follow-up hearing at some point soon
on our telecommunication systems.

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I know we heard before about Wi-Fi and
LINC NYC and all these things; at last year's budget
hearing I raised this issue and I'm raising it again;
there was a report not too long ago that showed the
City installed I think one of the first LINC NYC
systems in, I think it was in Manhattan, right
outside a Starbucks that already offers people free
Wi-Fi inside and in Southern Brooklyn, I represent in
Coney Island, Seagate, Bensonhurst, Gravesend; I
don't believe we have a LINC NYC system at this
point. Why don't areas I represent in Southern
Brooklyn; why don't they have a Wi-Fi system yet and
why is it that Cablevision sys that if you are a
customer of theirs and you are by the boardwalk you
might get looped in for a little while of Wi-Fi
service, but then you have to pay... if you're resident
that doesn't have Cablevision, you have to pay for a
fee to use Wi-Fi, so we have systems where Central
Park and Prospect Park offers I believe free Wi-Fi
through their agreements with some providers; you
have areas in Dumbo, Downtown Brooklyn that certainly
are wealthier areas than Coney Island that provide
free Wi-Fi to many residents and small businesses;
why is it that there are is still a major digital

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divide to this day and areas that I represent in
Southern Brooklyn do not have free Wi-Fi and what is
the plan moving forward to make sure that this
happens?

COMMISSIONER ROEST: I'll speak to the
LINCs first. The LINC rollout started, and how it's
being rolled out is based a technology
infrastructure, so they started with an aggregation
point right outside a major telecom center in
Manhattan and then they're building out and they'll
build out rapidly. We've only been putting LINCs in
the ground for a few months and there is a plan to
get to the other boroughs quickly and making sure
that it's done with equity is a focus of the Mayor's
Council Office and of ours, so... [crosstalk]

COUNCIL MEMBER TREYGER: Commissioner,
with all due respect, and I mean this respectfully, I
heard the same thing last year and I'm hearing that
there's just a plan. At some point words have to be
implemented and a plan has to be implemented. I see
that there's been a rush to install them in parts of
Manhattan and other parts of the city, which again,
I'm not begrudging, but I'm begrudging the fact that
my neighborhoods are still left out of this process.

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When are [bell] we gonna see infrastructure
installations to make way for the LINC's system and
other free Wi-Fi services?

COMMISSIONER ROEST: I know that they've
started laying fiber in the other boroughs; I can get
you a progress report, but the bottom line is;
they're building out from a central point and they're
moving as quickly as reasonably possible to the other
boroughs from that central point, so it's going to
spread quickly.

COUNCIL MEMBER TREYGER: I know my time
has run out, Commissioner and at a later time we'll
meet to discuss also security concerns I have about
people's private information. Thank you, chairs for
your time.

CHAIRPERSON FERRERAS-COPELAND: Thank you
Council Member; we will hear from Council Member
Cumbo and then we will hear from Chair Vacca with his
second round of questions. Oh sorry, Council Member;
we've been joined by Council Members Torres, Rose and
Cumbo.

COUNCIL MEMBER CUMBO: Thank you, thank
you so much, Chair. Wanted to talk about the 911
NextGeneration; the ability to utilize text, and very

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excited about this legislation because it's going to
give us an opportunity in order to empower
particularly the hearing impaired, those with
speaking challenges, those that are perhaps a victim
of domestic violence or other issues that would not
have an opportunity normally to call; this will give
them a new power in terms of their safety. Where are
you all in this particular process; I understand that
a request for proposals was issued and wanted to know
what is your timeline and how is it moving forward?

COMMISSIONER ROEST: So the RFPs were
issued; we've gotten responses back and we're
evaluating. I do wanna break out the Text to 911
from the NextGen 911 though, because although text
would naturally be included in NextGen, we're also
working on an initiative to bring text in sooner than
the full NextGen implementation.

COUNCIL MEMBER CUMBO: I'm sorry; can you
say that last part again?

COMMISSIONER ROEST: We're working on an
initiative to bring Text to 911 in to deliver that
prior to the full implementation of NextGen 911.

COUNCIL MEMBER CUMBO: Oh that's
fantastic. When do you look to see that happening?

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COMMISSIONER ROEST: So we're testing
solutions right now; we're hoping to have something
within the year.

COUNCIL MEMBER CUMBO: Within a year?

COMMISSIONER ROEST: Within the year.

COUNCIL MEMBER CUMBO: Within a year in
terms of hoping to have a plan or hoping to
implement?

COMMISSIONER ROEST: Hoping to implement...
[crosstalk]

COUNCIL MEMBER CUMBO: Oh that's
fantastic.

COMMISSIONER ROEST: Text to 911. But
again, we're testing technologies; they have to work,
they have to work for the operation, so we're working
closely with our partners at PD and fire what
potential opportunities would be to bring something
in sooner.

COUNCIL MEMBER CUMBO: How many people
responded in terms of...

COMMISSIONER ROEST: I'll have to get
back to you; we got many responses to the RFI; it was
more than a dozen, but I don't know the exact number.

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COUNCIL MEMBER CUMBO: Oh that's
fantastic. And what are some of the things that
you're looking for; are you looking for companies
that have done this in other cities; are you looking
for... what is the expertise that you're looking for
exactly?

[background comment]

COMMISSIONER ROEST: So what we're
looking for is definitely people who have done it in
other cities; I just wanna make clear what we issued
recently was an RFI; not the RFP yet... [crosstalk]

COUNCIL MEMBER CUMBO: Right.

COMMISSIONER ROEST: So what we're hoping
to get from the RFI are the best-in-class ideas for
the RFP to know what people are doing in other
cities; how to get the best, most robust, resilient
system, but also, how to implement the features that
NextGen offers most quickly. So we're looking for
what's been done in other cities; what's tried and
true and also, what are some of the great new ideas
that people are looking at with NextGen.

COUNCIL MEMBER CUMBO: Is there a
particular city that you're looking at that has
become somewhat of a model of what we're most

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interested in before you've even really gotten a
chance to touch the surface of the responses you've
gotten so far?

COMMISSIONER ROEST: You know there
aren't any major cities that have gone completely to
NextGen, so we're looking at just successful
implementations of multimedia or text. We recently
had a group go down to visit Harris County, Texas
where they've been successful in implementing Text to
911, so we are looking around to see who's
successfully implemented, but there aren't that many
large cities who have moved forward with NextGen yet.

COUNCIL MEMBER CUMBO: Well I certainly
look forward to New York City being the first major
city to implement 911 Text in the NextGeneration
system. I thank you for the work that you're doing
thus far and I'm excited about what the year end will
bring as far as implementation, so thank you very
much.

COMMISSIONER ROEST: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member; we will hear from Council Member
Gentile; followed by Chair Vacca.

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COUNCIL MEMBER GENTILE: Thank you,
Madame Chair. And Commissioner, I'm not sure, 'cause
I stepped out of the room, whether this was asked,
but I think this is in your valleyway [sic]. The
franchise agreements that the City has, particularly
with the Fios, the Verizon Fios agreement and indeed,
I think you were there when the City Council had this
hearing on the compliance that Verizon has or has not
done in regard to the complete rollout of Fios.
Their rollout was due in 2014; this is 2016 and since
this is a budget hearing, I was looking in the budget
to see if there was any talk or any personnel that is
dedicated to checking on these compliance issues with
the franchise agreements, particularly as I
mentioned, the Fios, so could you talk about that?

COMMISSIONER ROEST: Sure. There's no
new personnel who are working on compliance issues;
we've got the existing staff who continue to work on
monitoring the Fios rollout, and I do wanna say,
while I have the opportunity; I really appreciate
what the Council did, helping us push Verizon and the
Fios rollout by holding a hearing that was very
effective... [interpose]

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COUNCIL MEMBER GENTILE: So what's
happened since that hearing that you can congratulate
us on or thank us...? [crosstalk]

COMMISSIONER ROEST: Yes. So I would say
that Verizon came to the table a lot more willing to
provide information; if you remember, that was one of
the issues we had was a lack of information from
Verizon, so they've come to the table, they've
provided a lot more information to the City about
what they're doing, options for improving the
rollout; we have not yet heard a plan that we're
satisfied with for the rollout, but they did come to
the table and were willing to talk and were willing
to look at different options for rolling out Fios.

COUNCIL MEMBER GENTILE: Do we know
percentagewise how much of the rollout has been
completed?

COMMISSIONER ROEST: We do; I would wanna
get you those numbers rather than...

COUNCIL MEMBER GENTILE: Could you do so?

COMMISSIONER ROEST: Yes, we will.

COUNCIL MEMBER GENTILE: Great. Okay.

Thank you very much.

COMMISSIONER ROEST: Thank you.

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CO-CHAIR VACCA: Commissioner, I wanted
to go into FirstNet; I'd like to know what FirstNet
is and is DoITT in negotiations with the federal
government to use FirstNet and what would be the
contract terms and renewal conditions?

COMMISSIONER ROEST: So FirstNet is a
really big topic, so FirstNet is a federally run
first responder network that will be nationwide;
there's an RFP on the street that the federal
government put out for folks to respond to build out
the FirstNet network and that was actually extended
recently; they were supposed to be due I think in
late April, but they extended to May 31st, so
responders have until May 31st to get their RFPs back
to the federal government. The federal government is
negotiating with the State, not with the
municipalities, although they have been in so speak
to us several times about the requirements around
FirstNet for each of the states and then the states
will have an option to opt into FirstNet or not. We
have been working directly with FirstNet; for the RFP
they allowed states and municipalities, interested
parties to provide requirements and to comment on the
RFP, which we did; the New York City Police

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Department actually took the lead on that, but worked
with DoITT and the Fire Department and other
responders to provide input into the RFP. So we're
waiting to see the award from the RFP; we've been
working with the State, we have people that sit on a
committee that the State has around FirstNet and when
the RFP comes out and we understand how it will be
rolled out, we'll have more information about how the
City will be able to participate. We don't know yet
what the terms and conditions will be.

CO-CHAIR VACCA: So this is a nationwide
program for first responders?

COMMISSIONER ROEST: Right, for a first
responder network.

CO-CHAIR VACCA: How would that relate to
911, for example?

COMMISSIONER ROEST: It would relate to
911; it would be communications between dispatch and
first responder to first responder out in the field.

CO-CHAIR VACCA: So it would supplement
911 or would be different system or?

COMMISSIONER ROEST: It would be the
communications network; they currently have radios
for communication to dispatch; it would be a newer

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version of the communication network for the City,
should we decide to use FirstNet.

CO-CHAIR VACCA: And there's no expense
budget obligation that you anticipate this coming
year?

COMMISSIONER ROEST: No, in fact that's
part of the RFP is to come up with recommendations on
how it could be funded, even self-funded or if the
cities will have to contribute to be able to use the
network.

CO-CHAIR VACCA: 'Cause that's not
resolved yet?

COMMISSIONER ROEST: That's not resolved
yet.

CO-CHAIR VACCA: Now during the Council's
preliminary budget hearing for DoITT, I had asked
some questions on the use of NYCWiN and the key issue
that we discussed was the cost benefit analysis of
the network; there is a concern that commercial
carriers, which would be overwhelmed in the case of
an emergency, that they would find it very expensive.
Has the administration prepared any comparisons
between the cost of providing services on NYCWiN as

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opposed to contracting out for those services through
a commercial provider?

COMMISSIONER ROEST: Yeah, that was the
intention of the RFI we did last year around NYCWiN
to find out from private industry and from the
commercial carriers what some of our options would be
and what it would look like as far as support and
cost and we are continuing with that evaluation while
we're working with the NYCWiN support provider to
lower the cost on the existing NYCWiN network; that's
current negotiation that's ongoing, so I can't say a
lot about that, but we are working to lower the cost
in the existing network and looking at our options,
both through an RFI and other conversations with the
carriers. We're also working with the agencies to
better understand what their needs would be and
whether a commercial carrier could provide support to
some of the agencies for some of the systems
currently on the network.

CO-CHAIR VACCA: I had expressed a
concern that we developed a system that now is really
not usable.

COMMISSIONER ROEST: So it is usable; the
question is, is it the best network for us going

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forward; I think at the time it was built it was the
right answer; it was built based on recommendations
from the 911 Commission and it really was --
actually, from a technologist point of view, it was
quite a feat, the building of a network that covered
the 305 square miles. But like with any technology,
you have to step back at points in time and say is
this still the right thing for the city and that's
where we are right now.

CO-CHAIR VACCA: Okay. I'm sorry; there
is just so much noise; I don't know where this noise
is coming from. [background comments] Can someone
go outside; can you go outside and tell them to move
their discussion to somebody's office or something?
I'm sorry, Commissioner, because... [crosstalk]

COMMISSIONER ROEST: No problem.

CO-CHAIR VACCA: you're testifying and
it's distracting to me and I'm sure to you.

My concern is that we spent a lot of
money that we could've spent elsewhere; was the
NYCWiN expenditure a waste of money; was it a waste
of taxpayer dollars because it's become obsolete so
soon?

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COMMISSIONER ROEST: Yeah, I don't
believe it was; with all of the nodes we've had in
the network, those were people who would've had to
pay carriers for subscription services all along. So
no, I don't believe it was a waste of money; again, I
just think it's time to look to see if there are --
with the changes in technology and the
commoditization, if that's a word, of
telecommunication services, it is time to look and
see if there's a more cost-effective way to support
our agencies.

CO-CHAIR VACCA: I mentioned the special
education before, the allocation for the special
education where you are going to be doing a new
system for them regarding evaluation and all; are you
involved in any other way with DOE looking at
technology and the lack of uniformity of technology
that various schools have? Every school seems to
have different technology; some schools have very
good technology resources; other schools have
inadequate technology resources, and when you go from
school to school you'll see a Smart Board in one
room; the next room with no Smart Board; the next
school will have no Smart Boards. We in the Council

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provide discretionary money many times for
technology, but we're really filling gaps here and
there that DOE should've filled, so I had questioned
the Chancellor maybe, oh my god, four years ago;
three years ago, and then the new Chancellor, when
she first came in, saying is there a survey as to the
technology needs of the schools and how are we
meeting them and I just don't get an answer; it
doesn't seem like we have a uniform technology policy
at our schools and I was wondering, maybe your agency
should be called to the rescue again, because I just
don't think DOE has their act together on that.

COMMISSIONER ROEST: Yeah, we have not
been involved in the discussions around technology in
the schools; I imagine that's quite a challenge with
the number of schools in the distributed network, but
be happy to have any conversations with DOE if
they're interested.

CO-CHAIR VACCA: Thank you, Commissioner.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. We will now hear from Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Just really
quick follow-up; thank you, Commissioner. I wanna
bring your attention back to TDC, to Technology

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Development Commission and I was just looking it up
online and it looks like there are four pretty
important vacant positions there; I don't know if a
new president has been hired yet or director of
operations; I hope...

COMMISSIONER ROEST: They have not been;
in fact, the recent resignation of the president was
a surprise; it was actually due to a relocation of
his wife to an overseas post, and so that did leave
that additional position open, but we are actively
recruiting, and he had been the director of
operations before that, so...

COUNCIL MEMBER ROSENTHAL: Uhm-hm.

COMMISSIONER ROEST: left two positions
open. But we are actively recruiting and looking to
fill those as soon as possible.

COUNCIL MEMBER ROSENTHAL: Uh-huh. And
then just to clarify; it is 2.6 in the budget; it's
in the PS line, so it's not an OTPS; I imagine the
OTPS is maybe 600, although I don't know what it's
for, but in the PS line it's 2.6, growing a little
bit next year, although I would be curious to know if
last year or the previous year it was higher; if it's
been cut in any way I'd be concerned and if anything,

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I would wanna look into thinking about making it
larger. You know the issue that Council Member Vacca
was talking about... [crosstalk]

JOHN WINKER: Well just... just... just to
clarify, DoITT does not have PDC's PS budget; the 2.6
may be... may... may be accurate, [sic]... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Oh it might
not be in DoITT?

JOHN WINKER: but it's not in DoITT's
budget.

COUNCIL MEMBER ROSENTHAL: Okay, we'll
figure that out... [crosstalk]

JOHN WINKER: Okay, yeah [sic].

COUNCIL MEMBER ROSENTHAL: **[inaudible]**
think that's important. I mean with 31 people, I
don't think it could be 600,000; these people get
paid a little bit more than that. But you know, to
go to Council Member Vacca's issue, and we all know
that the issue about schools not having access to
broadband and having very different systems is a
crisis; it's been a crisis for the last 15 years, and
it doesn't seem like the Department of Education is
really moving it along; they have a lot of other
priorities; they're trying to educate our kids, but

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it strikes me that maybe DoITT or TDC could have a
really impactful role there in making the situation
better. All of my schools complain about the same
thing and I'm being asked to put money in the budget
to improve the broadband, which is a little
incomprehensible to me, but is that something you
would consider, as a member of the board of TDC, sort
of bringing back?

COMMISSIONER ROEST: So TDC operates on
requests from the agencies, so if DOE did request
support from TDC, we certainly would consider it.

COUNCIL MEMBER ROSENTHAL: Uhm-hm. What
is DoITT requested support for DOE?

COMMISSIONER ROEST: I'm not really in a
position to do that.

COUNCIL MEMBER ROSENTHAL: Thank you very
much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Thank you very much for coming
to testify today; there are additional questions that
we'd like to get to you; if you can respond to us
expeditiously, 'cause we're gonna be using them in
the coming days for negotiations on the budget.

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COMMISSIONER ROEST: Sure thing..

[crosstalk]

CHAIRPERSON FERRERAS-COPELAND:

Excellent.

COMMISSIONER ROEST: we'll do that.

Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank

you. Thank you again for coming to testify; thank
you, chairs. We will take a 5-minute break while we
will begin with DCLA.

[pause]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the City Council's hearing on the Mayor's
Executive Budget for Fiscal 2017. The Finance
Committee is joined by the Committee on Cultural
Affairs, Libraries and International Intergroup
Relations, chaired by Majority Leader Van Bramer.

We just heard from the Department of
Information Technology and Telecommunications and now
we will hear from the Commissioner of the Department
of Cultural Affairs, Tom Finkelpearl.

In the interest of time, I will forego an
opening statement, but before we hear testimony, I

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will open the mic to my Co-Chair, Majority Leader Van
Bramer.

CO-CHAIR VAN BRAMER: Thank you very
much, Madame Chair and obviously we are very, very
excited about this hearing and hearing from our
Cultural Affairs commissioner, and having just come
from a raucous rally out on the steps of City Hall in
support of a robust addition to the budget for
culture in the arts in the City of New York, which is
so incredibly important, and in the interest of time
I won't say too much and reserve my time for the Q&A,
but I'm anxious to hear from the administration on
how we're going to make sure that culture in the art
continues to inspire all of New York City and drive
all that is good about our city. Thank you very
much; thank you chair.

CHAIRPERSON FERRERAS-COPELAND: You will
be sworn in by our counsel and then you may begin
your testimony.

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

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COMMISSIONER FINKELPEARL: I do. Okay.

Good morning, Chair Ferreras, Chair Van Bramer and
the committee and council members.

I'm here today to present testimony
regarding the Mayor's Executive Fiscal Year 2017
Budget for the Department of Cultural Affairs. I'm
joined by a number of my colleagues from the
Department of Cultural Affairs sitting in the first
couple of rows over here.

I'll begin today with a brief summary of
the numbers. The Executive Budget allocates \$144.1
million in expense support for the Department of
Cultural Affairs; this includes \$108 million for the
Cultural Institutions Group, \$28.5 million for the
Cultural Development Fund, \$6.7 million for agency
operations, \$481,000 for the creation of the Cultural
Plan, and \$370,000 for building community capacity
programs.

As I've emphasized in the past, while we
look like a large agency, we spent just 3.7 percent
of our annual expense budget on agency operations in
the current fiscal year. The rest goes straight to
our constituents to support an incredible range of
cultural programming.

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Turning to the agency's capital budget,
the four-year plan is now \$774.6 million, which
includes funding for 386 active projects at 190
cultural organizations across the city. From major
new construction projects to equipment and system
upgrades, these projects are essential to maintaining
the infrastructure that provides New Yorkers with
access to world-class cultural facilities in all five
boroughs. This figure also includes \$7.5 million for
the Affordable Real Estate for Artists that we're
calling the AREA Initiative; that's the studios and
workspace.

This investment is a step towards the
commitment that Mayor de Blasio made in his 2015
State of the City Address to build affordable housing
and workspace dedicated to artists living and working
in the communities across New York City.

Other project highlights include the
complete exterior rehabilitation and interior
renovation of the Nuyorican Poets Café, their turn of
the century tenement building on East 3rd Street;
sight-wide electrical improvements for Snug Harbor on
Staten Island, which will increase the efficiency and
safety of electricity on the campus and allow

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capacity for future growth; construction of a new
Edible Academy and Family Garden enhancements at the
New York Botanical Garden, providing extraordinary
new educational amenities for families that visit the
garden; the South Side project in Downtown Brooklyn
cultural district, which will provide the
neighborhood a new cultural hub with space for 651
Arts span [sic], the Brooklyn Public Library and a
new home for the Museum of Contemporary African
Diasporan Arts, and a chiller replacement at the New
York Hall of Science, which will keep visitors cool
in New York's hot summer, so you can see we chose
just one project from each borough, I believe.

Now I'd like to expand on a few of the
items included in the expense budget; first, funding
for the cultural plan. Last year Mayor de Blasio
signed legislation, sponsored by Chair Van Bramer and
Council Member Levin, that will create the first-ever
Comprehensive Cultural Plan for New York City. Over
the last several months we've done a great deal of
research and have had in-depth conversations with
officials from other cities who have undertaken their
own cultural planning process. While these have been
illuminating, New York is a place like no other; we

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are fully committed to creating a plan that speaks
for all New Yorkers.

This plan will also allow us to unite a
lot of work we've been doing into a clear and
compelling vision in a format that welcomes feedback
and input from the public; the plan will sew it all
together, from the Cultural Workforce Diversity
Survey released earlier this year to the social
impact of the arts report currently in development,
to new initiatives like Public Artists in Residence
Program, the IDNYC cultural partnerships and more.
The plan will integrate this research and new
programming in a way that gives residents a better
understanding of where we're at with regards to our
cultural engagements. In turn, the public's input
will provide the backbone of the plan's policy
recommendations and benchmarks moving forward.

Another program represented in the
expense budget is building community capacity. BCC,
as we're calling it, strengthens organizations and
cultural networks that connect residents in targeted
neighborhoods; it takes a collaborative and
comprehensive approach to building cultural capacity
by bringing together local stakeholders from across

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sectors for training, workshops, public programs and
more. We announced in January that East New York,
Cypress Hills and Brownsville be the first
neighborhoods to host this new DCLA program; we want
local cultural groups to be deeply engaged in the
community planning process currently underway there.
We have increased funding for BCC by fourfold so we
can bring the program to new neighborhoods across the
city.

The de Blasio Administration's commitment
to diversity, equity and inclusion in all fields is
also something we're actively pursuing with our
partners in the cultural sector. We thank the City
Council for its collaboration in these efforts; just
last week we welcomed more than 200 representatives
of theater groups from across the city to the New
Victory Theater on 42nd Street to discuss strategies
and opportunities for promoting diversity, equity and
inclusion; we were delighted to have Chair Van Bramer
join us and address the crowd. It's our hope that we
can continue to drive this conversation forward and
make real progress; not something in the distant
future, but today. A commitment to diversity is a
multifaceted effort and we've been able to increase

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funding for cultural programming that engages
residents of all backgrounds through partnerships
with sister agencies.

The administration's number one priority
in the arts is arts education. Within months of my
appointment as commissioner, I was proud to join the
Mayor, the Chancellor and members of the Council;
some of you were there, to announce \$23 million
increase in funding for the arts; we also worked
closely with Paul King from the Department of
Education Arts Office to bring turnaround art to four
Brooklyn schools, infusing their curriculum with
intensive arts training; each school also partnered
with a celebrity artist; though I can't divulge the
details, the students will be taking part in some
very exciting end-of-the-year activities later in
May; more to come on that soon.

Our Public Artists in Residency program
(PAIR), P A I R, which brings the power of creative
practice to civic issues, has been embraced
throughout the administration. We launched the
program last summer with the Mayor's Office of
Immigrant Affairs and announced our second PAIR with
the Department of Veteran Services in November.

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Veteran Services Commissioner Sutton has given art
and culture a central role in her new agency in its
mission of improving lives and cultivating health,
healing and wholeness. We'll soon announce our next
PAIR with the Administration for Children's Services.

DCLA's current fiscal year 2016 budget is
among the highest in the agency's history; the
administration is pleased to have such strong
partners in the City Council on providing the robust
support for our cultural sector. We're proud to work
with the Council on the Cultural After School
Adventures, SU-CASA creative aging program, the
Cultural Immigrant Initiative and Artist Catalysts
for Change Gun Violence Prevention Program, these
targeted investments in the arts, which educate,
transform and transform communities in every
neighborhood.

We look forward to continuing this
important work in partnership with you on the
Council. The arts are an integral part of what makes
our city such a remarkable place, as Chairman Van
Bramer said just a minute ago, and we're proud of the
role City support plays in the vibrancy, breadth,
diversity and cultural activity.

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Thank you, Chair Van Bramer, Chair
Ferrereras and members of the committee for your
ongoing support. I will now take any questions you
[inaudible]... [crosstalk]

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Commissioner. We've been joined by Minority
Leader Matteo, Council Members Johnson, Rosenthal,
Koo, King, Kallos, and Crowley.

Commissioner, last fiscal year all
cultural Council initiatives were enhanced and new
initiatives were included in the budget -- sergeant
at arms; can we... -- existing initiatives have grown
in both the number of organizations funded, as well
as in total designations over the years; however, the
administration has not matched the Council in its
commitment to New York City's culture and arts; the
Fiscal 2017 Executive Budget does not include the
Council's preliminary budget response call for an
additional \$40 million for the CIG members and small
community-based nonprofit cultural organizations, and
I just wanna add; you have been in the shoes of these
cultural institutions, so please walk me through your
engagement with OMB and what is the thinking behind

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why this priority that's so important to this Council
was not included in the Executive Budget.

COMMISSIONER FINKELPEARL: So first I
could say that you're correct; I had spent 27 years
of my adult life working at and running cultural
institutions and I understand the, you know, ongoing
year to year effort it is to raise the money and so
I'll say also that, as we know, this is not a
finished budget negotiation; there's still weeks to
go, so that's not a closed book. But I also would
like to say, if I may, that there are new things in
this budget and there is a robust appreciation, and
if I could just run through some of the new stuff.
We did add \$481,000 for the Cultural Plan, building
community capacity, another \$185,000, which brings it
to \$555,000 over a couple of years; that's quadrupled
the size of that. In capital there have been two
robust years in capital; \$320 million of new projects
under this administration; we're looking forward to a
partnership with the Council for another robust year
for capital this year; in Executive Budget there was
added \$7.5 million for new capital funding for the
AREA program; we have put in \$80,000 for Public
Artists in Residency; other agencies have put in

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money, including ACS, NYCHA; obviously the big one is

Arts Education, the \$23 million added by the DOE.

But I'd also like to say that sometimes it's quite

difficult to very quickly get additional City money

for individual projects or initiatives, so we've gone

out and gotten private money as well from the Ruben

Foundation, David Rockefeller Foundation, National

Endowment for the Arts, Ford Foundation, Rockefeller

Foundation, and Mertz Gilmore to add to the funding

for things like diversity, the diversity initiative,

the Public Artists in Residency and so on.

So what I'm saying is; that the core

mission of what we do is reflected in a robust way;

there's no other city in America that spends anything

close to the amount of money that this city is

spending. It is a robust budget already and we look

forward to continuing to talk to you on the Council

about possible enhancements as we go forward.

CHAIRPERSON FERRERAS-COPELAND: So this

is kind of the theme that we've gotten from a lot of

commissioners where they're just assuming that the

Council is going to step up, as we've done; this was

evident with DYCD, DFTA, HRA; there's a lot of

agencies that feel we're relying on the Council to

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come in and put their Council discretionary dollars
to enhance the agency; what we're saying is, while
you've mentioned, and there is... I don't wanna take
any credit away from the growth and where you've
taken the agency; there is a \$40 million need that
still remains and the need didn't happen in one year;
the need is... it grew into a \$40 million need and
that's a challenge that we're... we're trying to
understand why this hasn't been a priority for the
administration, and you know this mayor funded \$2
billion in new needs and if we're calculating
everything, your agency maybe got about \$1.3 million
out of \$2 billion and that is where we're having a
challenge and we... you know while I understand that
for you, Commissioner, every bit of work that you do
is... yes, it's a victory, but there's a very big
victory that has yet to be accomplished. Would you
agree?

COMMISSIONER FINKELPEARL: So yes and no
and yes, in a sense that... [crosstalk]

CHAIRPERSON FERRERAS-COPELAND: Well
start with no then, 'cause I know yes.

COMMISSIONER FINKELPEARL: Alright. So
no; what I'm saying is that the budget that has been

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proposed, the Executive Budget, is a budget that is
robust by any national standards; it does include new
funding that includes the really brand new idea of
spreading out the arts into agencies that really
haven't been in a core way engaged in the arts in the
past. There is new activity happening so that the
budget being proposed also is a budget that gives,
you know, very large amounts of money out to the
cultural field by any national comparison. So I'm
saying that the core mission is maxed by this budget;
I'm saying also that we're, you know, still in
discussions and that we're obviously quite aware of
the \$40 million ask and that that's, you know the
subject of discussions as we make our way towards
adoption in the coming weeks.

CHAIRPERSON FERRERAS-COPELAND: And when
we talk about the Cultural Development Fund; what has
been the increase on the Cultural Development Fund?

COMMISSIONER FINKELPEARL: Well the
Cultural Development Fund increase is one that
happened when that was reformed a number of years
ago. Are you saying in this budget?

CHAIRPERSON FERRERAS-COPELAND: Yes.

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COMMISSIONER FINKELPEARL: No, there's
not... it's the same.

COMMISSIONER FINKELPEARL: And in past
[sic] it will have [sic]... [crosstalk]

COMMISSIONER FINKELPEARL: So the CDF
funding increase; I think it was six years ago when
there was sort of the reform and a change in the way
that that money was allocated into, you know getting
rid of the previous, the line items, etc. and making
it a competitive process; there was an increase up to
the level it's at now, \$28.5 million at that time;
that was a big increase and a big reform that
happened under the last administration.

CHAIRPERSON FERRERAS-COPELAND: So again,
I mean and I'm sure my co-chair is going to repeat
this; you're going to hear this throughout this
hearing, because it was put in our budget response
and it is... [crosstalk]

COMMISSIONER FINKELPEARL: Yes.

CHAIRPERSON FERRERAS-COPELAND: a
priority for this Council...

COMMISSIONER FINKELPEARL: Yep.

CHAIRPERSON FERRERAS-COPELAND: The core
direction that you're taking your agency, and it is

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not what we're questioning; we think all those things
should happen, but they shouldn't happen in the place
of a \$400 [sic] million increase. So that is the
point that I wanna get very clear across to yourself,
Commissioner and the this administration; we can't
change priorities in the administration or in your
agency and then leave the cultural institutions that
have been through some of the toughest times just not
funded.

COMMISSIONER FINKELPEARL: Or funded as
they have been funded... [crosstalk]

CHAIRPERSON FERRERAS-COPELAND: Right.

COMMISSIONER FINKELPEARL: or there's no
cuts...

CHAIRPERSON FERRERAS-COPELAND: Well with
no growth...

COMMISSIONER FINKELPEARL: No growth,
right. And so I will say... [interpose]

CHAIRPERSON FERRERAS-COPELAND: and then
expecting them to grow and expecting them to do
IDNYC, expecting them to... every time that this
administration has challenged them to perform they
have and they have gone above and beyond, but we now
need to put our money where our mouth is and support

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these cultural institutions in the way that they
deserve. So I'm gonna leave that there; I want to
talk about CIG, the Citywide Cultural Plan and then
I'm gonna come back to my second round after the
chair speaks.

CIG is a public-private partnership
between New York City and a group of private citizens
that was established 130 years ago; there are 34 CIGs
throughout the five boroughs; these private
organizations are linked to the City through formal
partnership agreements which have guaranteed a
measure of public funding to the institutions. When
was the last time a cultural organization was
incorporated into a CIG and what is the process for
an organization to become a CIG and what are the
requirements for consideration?

COMMISSIONER FINKELPEARL: So the last
CIG to join was the Museum of Jewish Heritage -- what
year was it? -- 1997.

CHAIRPERSON FERRERAS-COPELAND: The
Museum of...

COMMISSIONER FINKELPEARL: Jewish
Heritage in Battery Park... [crosstalk]

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CHAIRPERSON FERRERAS-COPELAND: Okay,
Jewish Heritage.

COMMISSIONER FINKELPEARL: So the answer...

So it has been a long time since it's happened; there
was a big growth in the Cultural Institutions Group
under Commissioner Gelstaller [sp?], several
commissioners back and it was the time at which the
CIG grew out into the boroughs in a really robust
fashion, so everything -- it's in Queens, by the way
-- there were no cultural institutions in Queens in
1970; right, none, so every single one, both the
public and the private are new, but all those CIGs
were added at that time; it was a way of getting
culture out to the boroughs and the way that it
happened, you know, as I understand it and this
happened for a long time, is simply it's a
designation by the mayor; that there is a process,
often a quite public process, which I was involved in
personally, I will say, when I was at PS 1
Contemporary Art Center in the 70s; that was a very
public discussion amongst the council members,
Geraldine Ferraro at the time was the congresswoman,
there was the mayor, there was the commissioner of
Cultural Affairs, etc., but it hasn't... [crosstalk]

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CHAIRPERSON FERRERAS-COPELAND: So
several were... there... right, there hasn't... this hasn't
happened since 1997... [crosstalk]

COMMISSIONER FINKELPEARL: It happened
not at all under Bloomberg; it hasn't happened for a
long time.

CHAIRPERSON FERRERAS-COPELAND: Right.
So have you engaged in any conversations; we've had
several organizations... [interpose]

COMMISSIONER FINKELPEARL: Yes.

CHAIRPERSON FERRERAS-COPELAND:
requesting some type of engagement either in the CIGs
or in something similar; have you given it thought as
to what the next phase this might be?

COMMISSIONER FINKELPEARL: So the
Bloomberg Administration announced quite publicly
that there would be no CIG, no new Cultural
Institution Group designations under their mayoralty;
we haven't made that announcement, nor have we said
that there will be any, but what we have said is that
there will not be any until the completion of the
Cultural Plan, so we're not going to consider the
idea until -- 'cause we have to... if we're gonna spend
all this money and spend the entire year doing

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planning, it makes sense to make a decision of this
magnitude only after having done that. So the
Cultural Plan is gonna begin in August; it's gonna
take the entire fiscal year; the report will be due
at the end of the fiscal year and that would be the
time we would consider that question.

CHAIRPERSON FERRERAS-COPELAND: Okay.

Well you kind of pivoted to my next question, but the
executive plan includes \$480,000 in new funding for
the implementation of citywide cultural plan; can you
elaborate on how the funding will analyze the city's
current cultural priorities? I know that you...

COMMISSIONER FINKELPEARL: Yes.

CHAIRPERSON FERRERAS-COPELAND: you kind
of pivoted from the CIGs, but how do you see this
[inaudible]...? [crosstalk]

COMMISSIONER FINKELPEARL: Yeah. So it's
gonna be... we have gone through the process of
choosing a consultant; it hasn't been announced,
we're doing some contracting; they'll be under
contract soon; there'll be a robust public discussion
about what... you know to understand what it is that
the people of New York City value in the arts and
culture sector. So it'll include community meetings,

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it'll include stakeholder meetings, etc.; again, a
quite robust public process. And so you know, it's
a... creating a plan is something that's done quite
often in cities; we have never done one in New York
City; there have been a bunch of cultural plans all
over America; we've read a lot of them, talked to a
lot of people that did them; we have ideas about how
to do it successfully, but it comes up with a series
of recommendations; for example, in Chicago the
number one recommendation is; we need better arts
education in the public schools; we already agree
with that; that could be the result of this plan as
well. But it's a comprehensive look at the arts
cultural sector with an eye towards the understanding
of how we can best support it.

CHAIRPERSON FERRERAS-COPELAND: So you
expect this to be done in a year... [crosstalk]

COMMISSIONER FINKELPEARL: Yes.

CHAIRPERSON FERRERAS-COPELAND: and
public engagement; what do you... when you say public
engagement; that can mean one thing for me and
another thing for you, so what is it that you're...
even though... when you worked at the museum we were on
the same page, but... [interpose]

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COMMISSIONER FINKELPEARL: Yeah.

CHAIRPERSON FERRERAS-COPELAND: but now
that you have your new hat on we might not be. Like
we're not on \$400 million, so I want you to be a
little specific on... [crosstalk]

COMMISSIONER FINKELPEARL: \$40 million.

CHAIRPERSON FERRERAS-COPELAND: I'm
sorry, \$40 million... here... you guys... [laughter]
[crosstalk]

COMMISSIONER FINKELPEARL: Uh... no, she
spoke right, \$400 million, \$400 million.

CHAIRPERSON FERRERAS-COPELAND: You know
I have millions, billions; all of it, \$40 million.

COMMISSIONER FINKELPEARL: Okay. So I
mean look, but we have appointed, in conjunction...
this is all in the law, which was passed last year
and signed by the Mayor and sponsored by Jimmy and
Steve; there is an appointment of a Cultural Plan
Advisory Committee and the Council put in names and
we put in names and the committee has met already
twice, Eddie, twice; I was out for the first one; I
was there for the second one; the first thing... and
that's a really good group that represents a lot of
different interests around the city; there's a plan

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that's been proposed to us by the consultant that's
gonna do the plan, and by the way, this is I think a
fantastic group that's gonna be doing it and the
first thing we're gonna do is go to that commission
and get input, but it includes community meetings,
community forums; it will seek public input.

CHAIRPERSON FERRERAS-COPELAND: Okay.

COMMISSIONER FINKELPEARL: I mean the
enormity of the city is a challenge; right?

CHAIRPERSON FERRERAS-COPELAND: Right.
Right. Okay. I'm gonna come back with my second
round; we're gonna now hear from Chair, Majority
Leader Van Bramer. We've been joined by Cumbo,
Corney and Levine.

CO-CHAIR VAN BRAMER: Thank you very
much, Madame Chair and I want to follow up,
Commissioner on some of the questions, and in some
ways, just as importantly, some of your answers; I
thought and I'm paraphrasing here that Chair
Ferrerias-Copeland said; would you agree that there
are still big victories yet to be won; you said yes
and no and...

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COMMISSIONER FINKELPEARL: I can't
remember exactly what I said yes and no to, so I
would have to get back to that question.

CO-CHAIR VAN BRAMER: So I guess what I
would ask... [crosstalk]

COMMISSIONER FINKELPEARL: She asked me;
do I agree with X, Y and Z and I said **[inaudible]**...
[crosstalk]

CO-CHAIR VAN BRAMER: Right. So let me
ask you a question. So given that we know that this
administration has now passed with the Council two
Executive Budgets and you now have a third that
you've proposed, and yet the Mayor has not allocated
even one dollar to increase your budget that would
then go through the Cultural Development Fund, for
example, to all of the groups that so desperately
need the funding; is that a good thing for the City
of New York?

COMMISSIONER FINKELPEARL: So the \$28.5
million that's going through our agency to the field;
what I'm saying is, is that that is a robust amount
of money, that there's nothing like that... [interpose]

CO-CHAIR VAN BRAMER: Is it enough?

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COMMISSIONER FINKELPEARL: there's
nothing like that in any other city. I think that
there is, you know, a question of scale and that this
is at a large scale; this is a lot of money going
through; when you say is it enough... [interpose]

CO-CHAIR VAN BRAMER: Is it too much
money?

COMMISSIONER FINKELPEARL: Not too much
money; I'm saying this is **[inaudible]**... [crosstalk]

CO-CHAIR VAN BRAMER: Are you saying that
the groups that want more money and need it don't
have the capacity to accept additional funding and
therefore spend it in ways that would benefit the
children and the seniors in all of our neighborhoods?

COMMISSIONER FINKELPEARL: I'm not saying
that.

CO-CHAIR VAN BRAMER: Okay. It sounded...
When you say it's a question of scale...

COMMISSIONER FINKELPEARL: No, no.

CO-CHAIR VAN BRAMER: I know you don't...
[interpose]

COMMISSIONER FINKELPEARL: What I'm
saying is that that the core mission of the agency is
accomplished with the budget that's proposed; that

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additions like the ones that are being proposed by
the Council are ones that are still under
consideration; this is not adoption; this is an
Executive Budget; that we absolutely -- and I mean I
wanna look over at the groups and say that what
they're doing is an incredible value to the city; we
understand that every day and I also understand the
challenges of the... you know the fundraising
challenges in the environment that we're in. But the
budget that's being proposed is a very, very large
budget even by historical standards of this city...

CO-CHAIR VAN BRAMER: You said that many
times and I get that that's a talking point for the
administration as far as today's hearing, but it's
not good enough and budgets are reflections of values
and I would ask you; is culture and the arts a
fundamental value, access to culture and the arts a
fundamental value of this administration?

COMMISSIONER FINKELPEARL: And I would
say yes, absolutely and I would say yes both because
I feel like culture and the arts are being integrated
into the everyday activities of other agencies, and I
do think that the \$23 million added to arts education
counts; that does count for 1.1 million students in

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the system and you know, obviously that's not money
that's directly going to the cultural groups, but
that's money that is enhancing the cultural life of
New York City that's important for the long-term
viability of the groups.

CO-CHAIR VAN BRAMER: No one here I think
would dispute that, but if budgets are about values
and this administration has as a core value culture
and the arts, then it has got to stop proposing
budgets that don't include one dollar of increases to
your budget that would directly go to the cultural
organizations that are seated here today and so many
who are not; increasing your agency's budget we agree
with and support, though nominal for some of the
additional staff and some of the additional things
that you've got going, but I would argue that one of
the core missions of your agency is also making sure
that the Cultural Development Fund and even Council
initiatives are being allocated to all of these
cultural nonprofits, neighborhood-based organizations
and if those dollars have never been increased by
this administration, and if in fact inflation
adjusted, those dollars are actually lower than what
they were; then you're not fulfilling a part of your

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core mission and you're not doing it to the fullest
extent of what can and should be possible,
particularly given the situation that the City finds
itself in today. Do you agree with that?

COMMISSIONER FINKELPEARL: I would say
that if you look at the increases in funding for the
arts, including the robust capital budgets, including
the \$23 million added to the public school education,
there's no city in America that has increased funding
for arts and culture as much as we have done. That
having been said, again I don't wanna diminish what
you're saying, I hear you; believe me also that I
hear this from cultural groups all the time; this is
not... this year the effort, in terms of getting the
word out has been quite vibrant; I've heard it from
Council Members, I've heard it from the cultural
media repeatedly. So you know again, I'm saying that
the core mission is met by this and we're gonna
continue discussions up to adoption.

CO-CHAIR VAN BRAMER: So I think you
understand that, you know, notwithstanding our very
long relationship and mutual respect, I am
increasingly frustrated you know at not having the
Cultural Affairs Commissioner, you know, being able

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to speak even more affirmatively about the value of
this and the importance of this; I realize you can't
get out in front of the Mayor of the City of New York
that you serve, but there's got to be a way, and
maybe you can speak to how you do it internally a
little bit, where you can advocate and you can be an
advocate, not just explaining some of the things that
have been done, but forcefully advocating with us for
an increase to your agency's own budget which would
then in turn mean an increase in the budget of all of
the cultural organizations that you so rightfully
turned to to address in this hearing; they are
clambering for this; our neighborhoods are clambering
for this, 46 Council Members in this body signed a
letter to the Mayor if the City of New York yesterday
calling for this \$40 million; that's an unprecedented
level of support in this City Council for culture,
for the arts and I'm proud to work on that with our
Minority Leader Steven Matteo, but we're not seeing
the same passion from the administration; we're not
seeing the same commitment from the administration;
that's the problem. When you talk about increases in
culture over the last two years, they have all come
from the City Council; our City Council initiatives

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have increased dramatically for culture; we've
created new cultural initiatives under this Council
and we're just not seeing the commitment from this
administration.

So I'm looking at you, Commissioner for
you to speak to how the internal conversations are
going on the other side and what's being said and is
there an active dialogue going on about the \$40
million increase over on the other side...? [interpose]

COMMISSIONER FINKELPEARL: So... you know,
I mean obviously the internal conversations are
internal, but I can say that there are conversations.

CO-CHAIR VAN BRAMER: Would you say
they're going productively?

COMMISSIONER FINKELPEARL: I mean I... and
I can't publicly comment on internal conversations,
but I can assure you internal conversations are
occurring.

CO-CHAIR VAN BRAMER: I just wanna feel
that this administration is passionate about this
work and that you, as the Cultural Affairs
Commissioner, whose life has been dedicated to this,
you know are in there, banging the drum and getting
people to focus on this, which has not been a focus

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of this administration; the funding for arts in ed is
terrific, we all agree with that; I would also point
out that it was in the City Council's response to the
Mayor's first proposed budget before it was
allocated, so this Council once again has just been
leading the charge, pushing this administration to
this place where we could get more funding for the
arts in every way. So I wanna ask; would \$40 million
for culture, were it to happen, be a good thing for
your agency, for culture in the State of New York and
for the City of New York?

COMMISSIONER FINKELPEARL: So yeah, I'm
convinced that the groups who are sitting here could
well use the money, if that's what you're asking for;
I can say that, yes.

CO-CHAIR VAN BRAMER: And would you agree
with me that the administration can do more to
establish this as a priority?

COMMISSIONER FINKELPEARL: I would say
that I don't agree with your premise that it's not a
priority of the administration; I think the
administration has demonstrated with robust budgets,
with robust capital budgets, with you know the
baselining of the -- which I know is something that

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was in a budget that the Bloomberg Administration had
sort of proposed on the way out the door, but as you
know, the first time we had no budget dance in a long
time was a couple years ago and I know that you have
said it's sort of time to get past that, but that was
I think an accomplishment as well. So I do think
that arts and culture has been a big priority; I do
believe these are robust budgets; I obviously hear
what you're saying in terms of this \$40 million and
the priority; I've heard it from the field.

CO-CHAIR VAN BRAMER: So let me just say,
I think in terms of the budget dance, I think this
Council and Chair Ferreras-Copeland has done great
work to... [crosstalk]

COMMISSIONER FINKELPEARL: Absolutely.

CO-CHAIR VAN BRAMER: end it in many
meaningful ways; in terms of culture and the arts,
like we haven't even started to dance though...
[interpose]

CHAIRPERSON FERRERAS-COPELAND: We're not
at the party.

CO-CHAIR VAN BRAMER: right, we're not
even at the party, because there's no discussion of
oh, we put a little bit in last year or we're gonna

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baseline it or we're gonna restore it; that's the
dance, traditionally; you haven't even gotten to the
ball and that's the problem and that's where we need
to go this year in the budget.

I wanna just say a couple other things..
[crosstalk]

COMMISSIONER FINKELPEARL: Can I just go
through some more [sic]... [crosstalk]

CO-CHAIR VAN BRAMER: Yep. Yep.

COMMISSIONER FINKELPEARL: The budget
dance was in response to cuts, right, so it was
restoring cuts, yeah, no?

CO-CHAIR VAN BRAMER: Well having also
worked for... [interpose]

COMMISSIONER FINKELPEARL: Yes.

CO-CHAIR VAN BRAMER: a nonprofit that
faced this issue, it's not simply about cuts, because
it's also about funding that is put into a budget
that is adopted that is then not baselined, because
even if that's not a cut from the beginning, if it's
not restored it's a cut... [crosstalk]

COMMISSIONER FINKELPEARL: **[inaudible]**

CO-CHAIR VAN BRAMER: so there is a dance
in terms of whether or not it's gonna get restored;

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I'm saying that while libraries are there this year
in some way, you're not there because you didn't even
see any increases, right; that's what we're talking
about. I just wanna talk about IDNYC for a second..
[crosstalk]

COMMISSIONER FINKELPEARL: Yeah.

CO-CHAIR VAN BRAMER: before I move on to
a second round later, but what has happened with
IDNYC has been a great success for the
administration, for the Council; for the City of New
York; do you think it would be as successful as it is
without culture and without the memberships, the free
memberships and all of the work that culture has done
to make that a success?

COMMISSIONER FINKELPEARL: Yes, I think
that the success of the card with 820,000 plus is..
one of the big reasons it was a success was the
culture partnership, absolutely, and I think that
the... and this has been said many times before, that
the original idea of the card before cultural, you
know was really to help New Yorkers who don't have ID
at some level, and what the IDNYC cultural
partnership did was open it up to all New Yorkers and
we're very happy to see that really in places all

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over the city there are large numbers of people
getting those cultural memberships.

CO-CHAIR VAN BRAMER: So I just wanna say
the number you cited of 820,000 cards, we know that
the cultural memberships that have already been
redeemed are approaching 400,000, which is staggering
when you think that almost 50 percent of the people
who have the card have in one way or another redeemed
membership; that's just a staggering... [interpose]

COMMISSIONER FINKELPEARL: But it's not...
'cause there are a lot of people that have gotten
multiple memberships... [interpose]

CO-CHAIR VAN BRAMER: Sure.

COMMISSIONER FINKELPEARL: we don't
actually know the unique users, but it is fantastic
and it's a large number, yes.

CO-CHAIR VAN BRAMER: Right. Right and
we don't wanna diminish the success of the program in
any way. But does the administration appreciate the
role of our cultural organizations in making IDNYC a
success; does it appreciate the value or do we take
it for granted?

COMMISSIONER FINKELPEARL: No, I think
it's highly appreciated. We had a meeting of many of

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the groups that are here today at the [inaudible] --
when was that -- earlier this week and yeah, I mean
we have repeatedly expressed our appreciation. The
other thing that that meeting was about was how to
strategically make sure that those hundreds of
thousands of people that are now engaged with
institutions remain members and that's important for
audience development; it's also important for long-
term growth of membership programs. And so we had a
panel discussion; it was organized by our agency; a
lot of the best practices were shared and it was
really interesting to see. So it is a big
partnership; we're extremely grateful; I think we
have said that repeatedly to the groups and I think
that you're next going to get to the question of, you
know, what is the financial burden that's been
imposed upon the groups by that and it is a kind of
mixed bag, which is that there is an initial outlay,
you know of printing membership cards or streamlining
your process, etc., but there's also a very large
upside long-term potential in audience growth and
membership growth.

CO-CHAIR VAN BRAMER: Potential.

COMMISSIONER FINKELPEARL: Yes.

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CO-CHAIR VAN BRAMER: Right. Has there
been a windfall, lucrative, beneficial surge in
funding in that way that you're aware of?

COMMISSIONER FINKELPEARL: So that
question will be answered and it's not just renewal
of memberships, but buying individual tickets, etc.
later in the year that weren't... so those memberships
that are expiring right now are not huge in numbers;
the huge numbers came over the summer and into the
fall and that's gonna be the moment -- believe me, we
are hoping and all the groups are hoping to capture
that energy.

CO-CHAIR VAN BRAMER: So I'm gonna wrap
up, but I just wanna say, culture needs more than a
pat on the back, right; it needs funding and the arts
and ed funding is great and very, very successful;
cultural capital is absolutely vital for the City of
New York, but this agency, this administration is not
doing all that it should unless we see a step forward
on the part of this administration in this budget to
make sure that culture is increased in terms of the
funding that it receives and that that funding then
goes and flows right back to all the organizations
who are doing this amazing work, and I certainly will

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continue to press through, as I know this Council
will, to make sure that that happens. Thank you very
much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Chair. We will now hear from Minority Leader
Matteo; followed by Council Member Koo; followed by
Council Member King.

COUNCIL MEMBER MATTEO: Thank you, Madame
Chair; welcome Commissioner. I want to begin by
commending Majority Leader Jimmy Van Bramer on your
leadership; every cultural group here appreciates
your leadership on this and it's been wonderful
working with you to attain this goal and we will be
steadfast in budget negotiations, so thank you Jimmy.

And I want to follow up with the Majority
Leader's remarks, you know and he spoke about budget,
about values and I always talk about a budget, it's
about priorities and everyone who knows me and
follows me knows my priorities, you know starting
with property tax, property tax relief, because it
gives the City funding back to our constituents,
where it should go and when we talk about cultural, we're talking about money that needs to go back to the cultural so they can do what they do best. They

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all have to deal with rising costs and every time
there's rising costs and everything else, it takes
away from the services and the great services they
provide to our children, to our families, to our
friends all over the city and I wanna thank all the
cultural groups for coming today; I do wanna
recognize the four that came from Staten Island --
the Staten Island Zoo, Richmond Town, Staten Island
Museum and Snug Harbor -- and thank them for their
services they provide for not only Staten Islanders,
but for New York City residents; thank you to all the
groups and it's a very dedicated coalition and there
is no doubt that this \$40 million is needed and
again, operational costs have been stagnant since
'08, we have the money in the budget and we're asking
for \$40 million and in an \$82 billion budget, that's
pretty much crumbs and it will make an impact in
borough equity, Staten Island groups will get it,
every borough, every group will get it, they deserve
it, they need it and this is the year to make this
happen, so I just wanna reiterate those and that, you
know Commissioner, we do want to work with you to
make this happen.

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I just wanna switch now to capital. Many
of us, my colleagues spend a lot of money from our
budgets on capital for our cultural, I've given over
\$1.5 million over the first two years, and you know,
we get that feeling that without us providing that
money, the capital needs are gonna go unmet. So with
that I'm asking, how does your agency prioritize
funding for capital, not only for Staten Island
organizations, but for the organizations around the
City, because you know, we're more than happy to fill
in gaps, but you know, there are capital needs that
sometimes have to be phased in because we don't have
that type of capital and we get concerned that that
roof that needs to be replaced, you know is gonna
take time and then you know -- talk about the zoo, if
the roof needs to be replaced and they can't use that
building, services get shut down, so there's an
impact, so I'm asking how you and your agency can
work with us and to prioritize capital funds?

COMMISSIONER FINKELPEARL: So I mean the
capital budget, which has been a good success story,
I think everybody agrees, that in the last two years
\$320 million have been allocated for capital budgets
for cultural institutions; the administration has put

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in about half of that, maybe just a little bit shy of
half of that; the capital applications from cultural
groups come through in the spring, they're analyzed
by our capital team, we have a capital team at our
agency; we don't build this stuff, it's built by DDC
or if it's a large capital project where there's a
lot of private money, that can be a cultural capital
grant. So it is something that we do in
collaboration with the Council, absolutely, that
large amounts of money are going from the Council;
capital to these projects as well, but I think it's a
very successful collaboration with the Council; that
we are constantly listening to priorities, 'cause you
guys know the cultural organizations in your
districts; pretty much every group that comes to talk
to me about their capital needs says they've already
talked to the council member and the borough
president and I feel like that is a good
collaboration [background comments]... I'm sorry...
that's a good collaboration that is happening already
that is meeting the capital needs. DDC is building a
lot of those projects on behalf of the City, so I...
yeah... [interpose]

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COUNCIL MEMBER MATTEO: Right and we look
forward to continuing that. One last question; do
you have data in regards to the economic impact on
the cultural organizations on the city and if not;
can you get that for us...? [crosstalk]

COMMISSIONER FINKELPEARL: There have
been... So we haven't done a study of that; there have
been studies done of the impact of cultural
organizations on the city, [bell] and I think the
last large one was done by -- what's that? -- Center
for an Urban Future did one recently; we could
certainly send that to you; that was released I think
less than a year ago, and the impact is enormous.

The other thing though that we're quite
interested in is the economic impact, but there's
also the social impact. So we all know that small
culturals in communities that aren't necessarily
bringing a lot of tourists to New York City can be
very, very valuable for that community; I think
that's what we experienced in Corona over all those
years. And that is a study that we have been
involved in commissioning, social impact of the arts
and culture in New York City, which preliminary
findings will be available next month and then about

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six months later we'll have the final report. So
think that there are economic impacts and social
impacts that are equally important.

COUNCIL MEMBER MATTEO: Man, if you could
send that to us, we will appreciate it. Thank you..
[crosstalk]

COMMISSIONER FINKELPEARL: Yeah,
absolutely, we're gonna definitely publicize that.

COUNCIL MEMBER MATTEO: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Minority Leader. I just wanted to piggyback on
one point, and I know that in many cases we are
collaborating when it comes to the cultural
investments, but there have been certain projects
where the administration has not stepped up with
their partnership, where the cultural institutions
believe the City Council could put in a portion, the
administration will put the other portion and then
now this project is delayed another year because they
have to then go renegotiate with you and I feel like
the administration assumes that the Council's going
to put in whatever the remainder money is and that to
me is not a fair partnership.

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COMMISSIONER FINKELPEARL: I mean I'd be
happy to talk to you further about this. There are
projects also that we think are high priority that
the Council doesn't think are as high priority; it's
a balance; in many, many, many cases we're both
putting in money, the majority of the cases and I
think there's a lot of agreement on what the most
important projects for the institutions across the
city. In some cases there have been, you know, ones
where the administration's put in more than the
Council or vice versa, but it's not just a one-way
street.

CHAIRPERSON FERRERAS-COPELAND: So I
would love to follow up with you so we can go through
some of these projects in particular, which is a
challenge for us in the Council, 'cause obviously
you're... you know, you have an opportunity to set your
priorities before the Council does and unfortunately,
when you set your priorities and you don't fund
something, then you're imposing priorities on us
because you didn't fund it. So it's not like the
Council can say, we want... you know, our priorities
are different; it's just you didn't fund it, so then
it becomes our priority because we have to save it.

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COMMISSIONER FINKELPEARL: Uhm well let's
talk... [crosstalk]

CHAIRPERSON FERRERAS-COPELAND: We'll
follow up.

COMMISSIONER FINKELPEARL: Okay. Thank
you.

CHAIRPERSON FERRERAS-COPELAND: Council
Member Koo; followed by Council Member King; followed
by Council Member Crowley.

COUNCIL MEMBER KOO: Thank you, Chair
Ferrerias.

Thank you, Commissioner Finkelpearl; you
have a very nice name. [laugh]

COMMISSIONER FINKELPEARL: [laugh]

[background laughter]

COUNCIL MEMBER KOO: My question to you
is; Flushing is a very small district and we only
have a few cultural institutional groups, like in my
area, Flushing Town Hall is actually the only place
that can provide stage shows, like concerts and
everything, so but in the year 2008 their budget was
\$762,000; this year, 2016, they're \$434,000 and but
next year, 2017, they will have a loss of \$60,000
from supplemental income; then they will only receive

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\$375,000; it will be a big loss for a small
institution; they're already **[inaudible]**... [crosstalk]

COMMISSIONER FINKELPEARL: So the
[inaudible]...

COUNCIL MEMBER KOO: a lot of programs.
I understand you're gonna take... [crosstalk]

COMMISSIONER FINKELPEARL: Okay.

COUNCIL MEMBER KOO: the supplemental
income for diversity programs, but Flushing Town Hall
already provides a lot of diversity programs; they
have jazz one night and then Beijing Opera the other
night, so they really need the staff; if you take
away \$60,000 from them to one of the programs,
they're going to lose maybe two staffs, so who's
gonna run the programs; that's the important point?

COMMISSIONER FINKELPEARL: So the
supplemental... So we have been in discussions, believe
me, at some length with Flushing Town Hall on this
particular issue and I think it depends on how they...
first of all, supplemental money is money that is
awarded on a year to year basis that comes and goes,
it's not something where it's there every year; some
organizations have applied; some years gotten it;
some years they don't get it and the... so it's not

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something that is there every year. The money is...
that \$1 million supplemental money for the Cultural
Institutions Group is aimed towards diversity and we
are quite aware of the idea that organizations that
are already quite diverse and doing diverse
programming can put the money towards those diversity
programs and including paying for the staff. So it's
not necessarily the case that they're going to have
to -- I know the issue you're talking about, but I
think that the interpretation of that issue can be
more creative. So I think that their particular
application and the application for all the Cultural
Institutions Groups in relation to diversity should
be something that really helps the institution, but
it's also aimed towards staff diversity so it can be
supporting staff positions.

We could also talk at some further
length... [interpose]

COUNCIL MEMBER KOO: Okay.

COMMISSIONER FINKELPEARL: but this is a
particular issue I'm quite aware of and that we have
been talking to Flushing Town Hall about.

COUNCIL MEMBER KOO: Yeah, so I am hoping
you will take care of my district, because my

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district produces a lot of tax revenues for the City

of New York, you know all this commercial...

[interpose]

COMMISSIONER FINKELPEARL: Yes.

COUNCIL MEMBER KOO: property tax, all
these people working downtown, so we are one of the
major tax producers in the city.

So the second thing I wanna mention is
the Queens Botanical Garden, it has been a leader in
science and education for a long time, but their
building, their building is very old; it was like
built in the World's Fair, so 19... [crosstalk]

COMMISSIONER FINKELPEARL: Yes.

COUNCIL MEMBER KOO: a long, long time
ago...

COMMISSIONER FINKELPEARL: '64. Yes.

COUNCIL MEMBER KOO: 1960s, yeah, so they
need a tremendous infrastructure update; like they
need about like \$60 million. So we have some
commitments from the City, like me myself and the
borough president; I'm hoping you will commit some
money to... [crosstalk]

COMMISSIONER FINKELPEARL: Yeah, so
we've... we've... I'm very well...

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COUNCIL MEMBER KOO: to renovate this
place, which is important for the school children
around Flushing to go to the botanical garden to know
how the trees grow or the science behind them.

COMMISSIONER FINKELPEARL: Yes. And
again, I'm quite well aware of their capital requests
and I understand the new building that you're talking
about, which we met with them recent and are fully
versed on that project and you know it's quite an
interesting project; obviously we haven't committed
the capital dollars yet, but that's obviously... I
understand that that's a major priority for them.

COUNCIL MEMBER KOO: Alright. Thank you
for your leadership.

COMMISSIONER FINKELPEARL: Thank you very
much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member; Council Member King; followed by
Council Member Cornegy.

COUNCIL MEMBER KING: Thank you, Madame
Chair and Mr. Chair and Commissioner, thank you.

I just wanna chime in a little bit of
what my colleagues have been talking about, [bell]...
I'm done already, thank you. [laughter, background

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comments] I was a little concerned as I'm listening
to the conversations about commitment and priorities
and value systems; due to the fact that our friends
and neighbors who put the work in every day and even
though you're working in an administration and you
are here to give us the position of the
administration, they're in the neighborhoods doing
the work, so for them to sit in here and not get your
concrete answers on some things and oh I can't say
this, you know it was behind closed doors
conversation is just not fair to the process of why
we're here and when we talk about transparency. As a
commissioner **[inaudible]** I'd really like to hear you
give the position of the administration so we have
something; we are partners in all of this, so to get
into a mums kinda conversation or priorities that you
know are priorities that we don't know about that
we're strapped and trying to make sure that we fill
the gap; how fair is it to the partnership that the
Mayor's committed to having to the City Council?
When you stand before us, you're supposed to be that
voice of the partnership that's real. So I really,
really hope to hear more dedicated answers as opposed
that what you can't answer, 'cause we wanna hear

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something; that's why we're hear today; we wanna hear
the truth, we wanna hear how do we work it, how do we
build on what we have and the cry and the call and
the conversation is how do we restore the Cultural
Committee back to where it was; \$40 million, as you
heard from Minority Leader Matteo, you know is a drop
in the bucket to our budget, so how do we get to that
\$40 million; how do you make a commitment; how do you
tell the folks out here who are doing the work each
and every day that we're listening, we're hearing;
we've got a plan; this is the plan, this is what I
can share with you, this is what I can't share with
you, but say something other than...

COMMISSIONER FINKELPEARL: Yes.

COUNCIL MEMBER KING: So I'm a little
concerned on that, because when I look at, you know,
the budget of \$144.8 million and an executive plan
that includes \$480,000 in new funding to implement a
citywide culture plan, I don't know what that means;
if you can explain to me what is a new cultural plan
when we have culture already here and you say you're
spending new money, but you haven't made a commitment
to put back some of the old money, so I'm a little
off balanced on that, as well as if you're saying in

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2017 your plan also says it includes a decrease of
\$7.1 million in the Fiscal 2016 and \$2.3 million in
the Fiscal 2017 plan in heating, lighting and power
costs. I'd like to get an idea how this decrease was
achieved, but more importantly, if we're decreasing
and we're saving monies on some end, why can't we
just figure out how to get back to our \$40 million
and restore that if we've got savings on one end and
if we're gonna start new stuff, don't you think it
makes a little more sense of us being on the same
page of filling what we already have established
before we start adding new? So those are the couple
questions, so.

COMMISSIONER FINKELPEARL: Okay. So let
me... I'll answer two of them and then if I haven't
answered something, you can re...

So the energy -- look, for the Cultural
Institutions Group there's an energy supplement, you
know so we are paying the electric bill of whatever,
you know Jamaica Center for Arts & Learning or the
Queens Museum or the Met. [interpose, background
comment] In years... I'm saying we're paying the
energy bills for the Cultural Institutions Group,
whether it be the Bronx Museum or the Metropolitan

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Museum or whatever; that's part of what we do and on
years where there's a very mild winter obviously
there's less money spent; there has been a lot of
discussion over the years about whether if there's
money saved in energy, whether it could be somehow
put back into the budget for those groups; the
problem is, what happens if there's, you know, a very
hot summer or very cold winter and there never has
been a formula -- believe me, I was working on this
quite a bit when I was on the other side of the table
-- to try to figure out how to do that. So the
energy... there is no decrease in the energy, we're
paying the energy bills; it just looks different
because of a particularly mild winter. So there's
that and that's a long conversation we've been
having; if anybody can come up with a great formula.
We have been talking to DCAS about creating formulas;
we had a special group of students working on how to
create energy efficiency at the cultural
institutions; it's a very complicated question, but
we're not in any way cutting the energy budget. I
know it looks that way; we're not cutting the budget.

The cultural plan for which you were just
talking about is something that -- we had Council...

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there were Council hearings; the Council was quite
interested in this; we have embraced the idea of
doing a cultural plan and that has to do with just
really getting out and understanding what New Yorkers
want and need and can be productive and you know,
profitable for the City and it's an expenditure that
we've never... we've never done a cultural plan in New
York City; many other places have done it; it's
happening in cities all over the country, and it's a
way to understand the needs, the cultural needs of
the entire city and I think it's a really great
opportunity; it was added, you know, it's not... there
were worries early on are we gonna cut the budget; is
it gonna come out of the funding for [bell] cultural
institutions; it's not. So if you wanna meet, I
could tell you all about what's going on with the
cultural plan; I'm happy to do that; that's been a
big priority for the Council as well as for us.
That... and those are two of the points that you had
made or that you had asked. The cultural plan and
the energy are two of the things that you were asking
about that I wanted to address.

COUNCIL MEMBER KING: I'm gonna end with
this -- there was a rally out in the front, you know

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we talk about culture, how it has impact on NYC and
the Mayor has made a commitment to improving all of
New York, whether it's progressive values,
progressive ideas; this is one way. You know, we say
culture is who we are in New York City and the Mayor
has to, has to make sure that his money is where his
mouth is; he has to make sure that this \$40 million
that we asked him for, that is maintained, you know
there's no way we can get around the culture of New
York City; when we are all long gone, it's the
culture that's gonna maintain and define who we are
as a society, so you've gotta have a greater
conversation with us when it comes to where we've
gotta place this money and the ask that we're asking
should be like yeah, how do we get on the same page;
not, I can't answer that question. So I'm asking
you, when you go back in your behind the doors
meeting, these are the conversations you've gotta
bring back to us; anything is unacceptable, but thank
you for your time today... [crosstalk]

COMMISSIONER FINKELPEARL: Thank you.

Thank you.

COUNCIL MEMBER KING: Thank you.

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COMMISSIONER FINKELPEARL: And what you
said about the culture defining the values of the
city, etc.; absolutely, yeah, I'm with you 100
percent.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Commissioner; thank you, Council Member.
Council Member Cumbo.

[background comments]

COUNCIL MEMBER CUMBO: Council Member
Corney and then Council Member Cumbo.

COUNCIL MEMBER CUMBO: That's fine.

COUNCIL MEMBER CORNEGY: I know she's the
voice of arts and culture in the Council, but...

[interpose]

CHAIRPERSON FERRERAS-COPELAND: It's been
a nice day; I'm sorry, nice day.

COUNCIL MEMBER CORNEGY: Thank you Chairs
for this very important hearing; Commissioner, good
to see you.

I just wanted to kind of expound on what
some of my colleagues have already talked about in
regards to the fact that I've noticed a somewhat
disturbing trend in programming and that some of the
larger cultural institutions are focusing on very

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ethnic-specific exhibits and I just wanna make sure
that there's not a trend away from allowing the
smaller culturalists that on the ground in the districts
to be removed from the work that they do which are an
integral part of their connection not only to our
communities, but articulating a narrative through the
city. So while I understand that there's space
[interpose, background comment] that is provided in
larger spaces, I just don't want the... I wanna be
specific with how our monetary asks go, because while
we ask for an increase in funding and we demand, I
just don't want it to then, the lion's share, be in
the larger culturalists and the larger culturalists are
responsible for exhibits that are representative of
particular communities as opposed to having the money
spent in smaller culturalists that on a daily basis
spend and focus the amount, you know, their entire
being on particular ethnicities throughout the city,
which is really the fabric of the city. So I just
wanna make sure that this disturbing trend that I've
noticed; maybe even you've noticed it or haven't
noticed and I can just bring it to your attention.

COMMISSIONER FINKELPEARL: Yeah, no; I
hear what you're saying and actually, one of the

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things we've been talking about in relation to... you
know we did a study of the diversity of the staffs of
cultural institutions across New York City and the
results, you know were not great, you know the staffs
of cultural institutions overall are not as diverse
as the city; we all know that. So one of the worries
is that as organizations -- let's say that a small
organization has trained somebody, has worked there
for a number of years and they've taken -- hired by
another cultural institution that's doing a diversity
initiative; that might hurt the smaller organization
where they came from. So I think one of the ways
that we have been recognizing that is this building
community capacity initiative, so that is the idea of
going into neighborhoods and working collaboratively
with those neighborhoods and finding leaders in the
neighborhoods that wanna build the capacity of the
smaller organizations so that they you know have the
capacity to grow. So that's been an important
initiative that we felt strongly about. But I think
that the idea that you see, you know, a large
exhibition let's say at the Whitney Museum or the
Museum of Modern Art of more diverse artists I think

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is a good thing as long as it's done without hurting
the smaller institutions [inaudible]... [crosstalk]

COUNCIL MEMBER KING: And that's all I
wanna illustrate... [crosstalk]

COMMISSIONER FINKELPEARL: yeah.

COUNCIL MEMBER KING: Sometimes we've
been accused as a city of not being able to walk and
chew gum at the same time and I believe that we can;
I believe... [interpose]

COMMISSIONER FINKELPEARL: Yeah.

COUNCIL MEMBER KING: that we can ask
for, you know cultural inclusion in everything from
hiring to exhibits without doing away simultaneously
with the smaller culturalists who've done the bulk and
the body of the work, so I don't wanna be guilty of
making demands that ultimately, you know as a
byproduct, costs the demise of the smaller
institutions, so I wanna be clear; I'm with my
colleagues and I'm demanding, you know, greater
accountability and all those kinds of things, but I
don't wanna leave the smaller culturalists who myself
and my family have relied on since we've been here to
provide arts and culture for us throughout the city.
Thank you.

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COMMISSIONER FINKELPEARL: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member Cornegy; we'll now hear from
Council Member Cumbo.

COUNCIL MEMBER CUMBO: Thank you, Chair
Ferrerias-Copeland and thank you Majority Leader Jimmy
Van Bramer, and thank you so much for that wonderful
press conference this morning, it was exciting, it
was fantastic, it was important and it was so great
to see the cultural energy on the steps of City Hall
and I look forward to much more of it when we have
our celebration press conference.

Wanted to talk to you about the economic
health of our cultural institutions. So in my
district, many institutions are doing buyouts,
layoffs, furloughs and just a plain firing of certain
staff in order to keep pace; have you done a citywide
understanding or gain the information of finding out
how healthy are our cultural institutions, because I
know that several in my district are undergoing that
process right now?

COMMISSIONER FINKELPEARL: Yeah and I
mean obviously there was a press report about the
Brooklyn Museum buyouts; it's happening at the

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Metropolitan Museum, Museum of Modern Art. So this
is -- look, I serve; meaning, me and my board; I'm on
38 boards, so I go to lots of board meetings of
cultural organizations; the entire CIG plus a handful
of others, and I would say it's kind of a mixed bag
right now; that there are organizations that are
thriving; there are lots that are growing, but this
what's just happened and the specific answer is no;
we haven't done a survey that's compared all of the
cultural institutions and how they're doing; I'm not
sure exactly... that kind of study hasn't exactly been
done, but it is disturbing what's just happened in
the last two or three weeks; right, with these
announcements; we're certainly aware of that; I've
been at board meetings where these things have been
discussed.

COUNCIL MEMBER CUMBO: I would say, as
you've brought up, if an institution of the size and
scale of a Brooklyn Museum is undergoing buyouts and
furloughs, an institution of that size and magnitude;
we can only imagine what's happening on the ground
for much smaller grassroots institutions, because
many smaller institutions also don't own their own
space...

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COMMISSIONER FINKELPEARL: Right.

COUNCIL MEMBER CUMBO: so if we haven't
had an increase to the budget, the opportunity to
have resources to DOE in terms of the opportunity to
have more art teachers; doesn't reflect the bottom
line of many of our cultural institutions. So we...
[interpose]

COMMISSIONER FINKELPEARL: Yeah, but I
could say it's also... I think it's a mixed bag; it's
not the case, just being on all these boards and
having groups coming in, that everybody
simultaneously in the city is in that kind of
distress; it is... you know, it is the case in a number
of institutions.

COUNCIL MEMBER CUMBO: I would say in all
the large institutions in my district are having
challenges with that, so maybe it's different in
other boroughs; I'm not aware of that, but I would
say that if we have no understanding of the health
and the wellbeing of our cultural institutions and
we're not making any movements towards having an
increase to their budgets while at the same time in a
community such as Brooklyn, New York, particularly in
the 35th District and many others where many

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institutions are situated, rent prices are escalating
at an astronomical rate, utilities, all of these
things are growing very rapidly, so if we don't
provide that level of resources for these
institutions and we have no idea what impact it's
having, we don't know -- and I'm just going to assume
because we don't have the survey -- what institutions
have actually closed or gone off the grid or on the
brink of closure; I don't know if we have a list such
as that -- do we have a list of the understanding
since... over the last eight years where we haven't had
an increase; do we have an understanding of the
attrition or the loss of cultural institutions to the
City of New York?

COMMISSIONER FINKELPEARL: No, we don't
have... that survey hasn't been done; I think a
theater... there have been little parts of that survey
that have been done, you know, how many small
nonprofit theaters have closed, etc. But no, we
don't have an overall survey of closures. No, we
don't have it.

COUNCIL MEMBER CUMBO: You brought up
also the point of utilities and you know in my
district there has been a strong movement around

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utility relief for institutions that are on City-
owned property...

COMMISSIONER FINKELPEARL: Yeah.

COUNCIL MEMBER CUMBO: have you come to
any further understanding of where we stand with
that?

COMMISSIONER FINKELPEARL: Certainly
further understanding; not a further decision. So we
have... there's a group that got together and said...
[crosstalk]

COUNCIL MEMBER CUMBO: Very aware.

COMMISSIONER FINKELPEARL: we're on City
property and we'd like the City to assume the energy
costs; there were other groups that are on... So we
said well it's a limited group; let's get a bigger
picture of all of the other groups that are on City
property that aren't included in that group. So we
did that; we've talked back and forth to those
groups, 'cause then they hadn't actually collected
the information about the energy costs for those
other groups that hadn't been included. So I think
we now have a comprehensive sense of what the groups
on City property are and what the energy costs are.

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COUNCIL MEMBER CUMBO: My time is up,
[bell] but I just wanna conclude by saying; from the
questions I've asked, we really have no idea about
the financial health of our institutions; we don't
know how many are closing; we don't know how many are
on the brink of closing; we also don't know at the
same time how many have to do furloughs, layoffs,
buyouts and have so many other critical issues. But
what we do know, while we don't know that, is that
the cost of living in New York has continued to rise;
rent prices have continued to double, triple and
quadruple in the last eight years. So for us not to
provide a critical increased for these institutions;
the biggest one in the borough, if it's on the brink
of having layoffs, we understand that we are in a
very unhealthy financial place, so I would urge you
to continue to fight for these institutions because
they are the backbone of New York City, they are what
brings New York City the vitality, the economic
resources, the social resources, but as I said in the
press conference, it also saves the lives of so many
of our youth. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. I wanted to acknowledge that

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we've been joined by the Urban Assembly for Music and
Art in Council Member Williams' district from
Brooklyn. Hello; they're up in the balcony. Welcome
to your house. [clapping] We are doing budget
hearings on cultural institutions with the
Commissioner, so this is an important budget for you
guys also, so thank you for coming.

Commissioner, we're wrapping up.

[laughter] I don't think I've seen you this excited
this entire... [laughter] We have questions that we
are going to be sending to you...

COMMISSIONER FINKELPEARL: 'Kay.

CHAIRPERSON FERRERAS-COPELAND: we need
you to get them back to us very, very quickly so that
we can use them to negotiate on our budget.

COMMISSIONER FINKELPEARL: Yep.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much for coming to testify today; we will
continue to engage with you throughout this process.
Thank you, Chair.

We will now take a 15-minute break before
we begin with our library systems.

[gavel]

[pause]

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SERGEANT AT ARMS: Alright, ladies and
gentlemen, we are about to start. Make sure all the
cell phones are put on silent; if you have a
ringtone, make sure they're turned off; if you're
gonna take a conversation, go outside in the rotunda;
you can make your phone calls outside. Do not
approach the dais up here; if you have any questions,
you come up to my desk. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Hello
everyone; welcome. We will now resume the City
Council's hearing on the Mayor's Executive Budget for
Fiscal 2017. The Finance Committee is joined by the
Committee on Cultural Affairs, Libraries and
International Intergroup Relations, chaired by
Majority Leader Van Bramer and the Subcommittee on
Libraries, chaired by Council Member King. We just
heard from the Department of Cultural Affairs and now
we will hear from Tony Marx, President and CEO of the
New York Public Library, Dennis Walcott, President
and CEO of the Queens Public Library and Linda
Johnson, President and CEO of the Brooklyn Public
Library.

In the interest of time, I will forego
making an opening statement, but before we hear

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testimony I will open the mic to our Co-Chair,
Majority Leader Van Bramer and Council Member King.

CO-CHAIR VAN BRAMER: Thank you very
much, Madame Chair and it is great to have a trio of
hosts for this hearing. I'll be very brief;
obviously we all care deeply about our libraries and
it's been a privilege to fight on behalf of the
libraries for the last 17.5 years in one capacity or
another. And we had an enormous victory last year
that I firmly believe that this Council led the
charge on, making sure that we received the \$43
million that we so desperately needed and that we
have six-day service in every library in the City of
New York is a testament to this Council working
closely and in fact prodding and pushing the
administration, and the fact that half of that
funding was baselined by the Mayor is a good sign,
but we still have a long way to go to make sure that
libraries are fully funded in every way and that that
funding is not in jeopardy every single year.

So I wanna thank all the folks who are
here from libraries; whether you are a staff person,
a friend, a supporter, a volunteer, all of you do
such amazing work and libraries are such core

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critical services of the City of New York and
obviously you have our support making sure that
libraries remain strong. So I wanna thank Chair
Ferrerias-Copeland for her love of libraries and
obviously Chair Andy King, who is dressed
appropriately in orange, I believe that is... yes.
Chair Ferrerias-Copeland and I did not get the memo,
but we... [background comments] yes [laughter] the
three of you would rather \$43 million than the two of
us dressed in orange; right? Yeah.

DENNIS WALCOTT: We can end the testimony
right there.

CO-CHAIR VAN BRAMER: There you go; fair
enough. So I will pass it along to our third chair
for this hearing, Chair Andy King.

CO-CHAIR KING: Well good afternoon,
Mr. Chair, and I thank you again; Finance Chair,
Madame Julissa, I wanna thank you all; this is my
first executive chair presiding over as the Select
Committee Council of the Subcommittee on Libraries.
I wanna say to all my orange squeeze out there, thank
you, thank you, thank you, thank you. But again, to
our tireless leader; as I always say, my cousin on
the Met fans, makes sure that our Mets do as well as

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our libraries do; that we're gonna continue to stay
strong, making sure that we find whatever monies that
we need to find to make sure that our library system
stays strong.

Fiscal Year 2016 was a big year for our
libraries; the Council and the administration
provided historic increase in funding for our city
libraries; this increase means that for the first
time in a decade every single public library across
the five boroughs will be open at least six days a
week; some libraries even are open seven days a week;
all libraries have expanded their hours as well. As
a vital system in our city, public libraries provide
a broad range of services to New Yorkers; this goes
beyond access to books. New York City's libraries
are more accessible for patrons where they need them
the most; working parents bring their children to
libraries on weekends and busy professionals and
students are able to access resources in the evening.

Recognizing their importance to New York,
I was glad that the Council was able to negotiate
with the administration on the increase, allowing us
to focus our efforts on how we maximize our ability
to serve the most in need. In the preliminary budget

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response, the Council urged the administration to
increase their newly [sic] baselined funding from \$22
million that was proposed in the preliminary budget
to \$65 million. At this funding level, which is so
critical, it will ensure the continuous six-day
service of all libraries in every community. I've
gotta say I'm deeply disappointed that this wasn't
reflected in the Executive Budget, you know we've
come to a stage that we dance here, we dance there;
some of our shoes are worn out right now, but at the
end of the day we need to stop this dance and that we
all understand that we have a commitment to our
library system, all of us [inaudible] show up at the
plate and do our jobs effectively.

Many New Yorkers rely on libraries'
internet access; it's available for our immigrant
population to learn English and underemployed receive
job assistance. Our library systems provide a range
of programs to the community and participate in
various initiatives, such as adult basic education,
early childhood literacy initiatives and broadband
technology opportunity programs; it is therefore
essential that the library systems are fully funded.

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Finally, the Fiscal 2017 Executive
Capital Commitment Plan includes \$845 million in the
Fiscal 2016-2020 for libraries; however, the three
library systems together have more than \$250 million
in additional critical and capital maintenance needs.
The Council urged the Mayor in the preliminary budget
response to add \$100 million to help the libraries
address those capital challenges as well as establish
an annual funding stream that will resolve these
pressing problems, and if this can be accomplished,
then we can finally move away from the current
process of drafting piecemeal solutions to
infrastructure deficiencies to creating a well-
functioning library system for the 21st century.
Sufficient funding will allow the library system to
be compliant with America's Disability Act as well,
increase the amount of healthy and life safety
projects offered, updating heating and cooling
systems, upgrade roofs, conduct full branch
renovations **[inaudible]** and provide technical
upgrades.

In closing, I wanna thank the committee
for sitting with me on my first one and helping me
understand process and putting the conversation

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together and looking forward to questions that make
sense to improve our library systems.

Again, I wanna say thank you to all the
librarians, everyone who has spent time to making
sure that a young person understands the process in
the library **[inaudible]** does research and has helped
our young people understand that reading is cool. So
with that all being said, I'm looking forward to
hearing testimony from presidents' row so we can
figure out how we continue to help the library system
of the City of New York. Thank you again.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Chair King and thank you, Majority Leader Van
Bramer. I just wanna reiterate and clarify; we don't
dance here anymore, we negotiate, so no more budget
dance.

If you can begin your testimony,
whichever order you think appropriate and should we
be following with a PowerPoint, so you'll
[inaudible]... [crosstalk]

DENNIS WALCOTT: Yes, ma'am.

CHAIRPERSON FERRERAS-COPELAND: Thank
you.

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DENNIS WALCOTT: Thank you very much.

And good afternoon to all of you; it's a pleasure to
be here once again. My name is Dennis Walcott; I am
President and CEO of the Queens Library and it's a
distinct pleasure -- thank you, Tony -- it's a
distinct pleasure to provide testimony to the City
Council today on the Mayor's Fiscal Year 2017
Executive Budget.

Before I begin I would like to express my
really deep gratitude to The Speaker, Melissa Mark-
Viverito, to the Mayor, to our Finance Chair, Julissa
Ferrerias-Copeland, to our Majority Leader, Jimmy Van
Bramer, to our Library Subcommittee Chair, Andy King,
and the entire City Council for restoring the \$43
million to the operating budget of the three library
systems represented by our great, great presidents
who are sitting to my left and really make a major
difference in the lives of the citizens of New York
City for the current fiscal year.

As you know, this investment has ensured
universal six-day library service and for some seven-
day service and enhanced programming for all of the
New York City residents. Your investment in the
libraries have paid enormous dividends for the people

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of New York City; they have used expanded library
services to enrich their lives in so many ways, but
neither my colleagues nor I can express it as
eloquently as your constituents can, so we will let
them speak for themselves.

[pause]

[video presentation]

CHAIRPERSON FERRERAS-COPELAND: I think
you should not testify; you're good.

[laughter]

DENNIS WALCOTT: I... I...

MALE VOICE: We're done.

CHAIRPERSON FERRERAS-COPELAND: We're
done. Done. You may continue.

TONY MARX: Okay, luck me; I get the ball
back. Thank you to... thank you, Dennis; thank you,
Speaker and Council Members and Chairs Ferreras-
Copeland, Van Bramer and King and of course to the
entire committee and the City Council and to the
Mayor and his colleagues. It's great to be here
together with my fantastic colleagues from Brooklyn
and our great new colleague from Queens. Dennis,
it's great to have you...

DENNIS WALCOTT: Thank you, sir.

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TONY MARX: here at the table. So we've
come many times before to tell you that the demand
for what the library offers, as you have just seen,
is soaring. For instance, since 2008 our program
attendance, just program; not the sort of day to day
use of the library, has increased 150 percent to two
million visits this year, but those kinds of numbers
-- numbers in general are abstract, which is why we
wanted you to see and hear from our neighbors and our
fellow New Yorkers directly. Libraries are changing
and improving people's lives and people are asking
for more of what we can offer. Libraries are the
cornerstone, the foundation for success in this city
that still attracts immigrants by the millions
because it is the City that promises that kind of
opportunity and that's what the library is here to
serve and does more to serve than any other
institution, from young children in high-need
communities to those kids who we know have a 30
million word gap compared to more privileged kids and
that that makes a life determination that we cannot
let stand. From new immigrants to homeless families
to disconnected youth to the incarcerated or the
recently released, we are the lifeline for

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opportunity and advancement in a city that has always
been committed to that ideal and has sometimes fallen
short.

So you heard from New Yorkers last year
and together with the Mayor you did, and we are so
grateful for the major increase in funding, it's a
testament to the leadership of those of you who are
here and a testament to the dedication and commitment
of all those you've heard from, many of whom are here
in the audience today.

We were able at the New York Public
Library to hire 141 more staff, add 293 more hours,
open four more sites on Sunday, we increased our
visits to schools by 120 percent; we expanded our
early literacy program attendance by 30 percent.

Whenever the City Council, whenever you
have said these are our priorities, I think you have
found and we are proud of the fact that the library
is there, not just to partner, not just to help, but
to deliver, because we reach more New Yorkers and we
can deliver. When you asked and had the inspiration
to start IDNYC, the largest place where people
naturally feel welcome and calm has produced 177,000
of those IDs just from our libraries. When you said

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we need more books going into the schools, we
created, and this was a partnership when Dennis was
chancellor, My Library NYC; in the last year 140
percent increase in the delivery of books; that
program has taken off. We're bringing our literacy
expertise to UPK classrooms that you expanded and to
the city's homeless shelters; we are partnering with
nearly every City agency because those agencies have
also come to understand that we are in every
neighborhood, we are committed to delivering and we
are able to move and deliver and yet we remain under
resourced, our gains, the gains of this city,
dependant upon its libraries, remain in jeopardy and
will if the budget increases are not baselined;
that's why our communities are asking you, we're
asking you to restore our expense funding to where it
has been so that we can meet soaring public demand
and need, especially amongst the neediest of our
neighbors and friends and family members. Baseline
that funding and allocate \$100 million to begin to
address our infrastructure crisis.

The New York Public Library is already
having a dramatic impact, but there is so much more
that we can do. In New York City the vast majority,

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70 percent of 3rd graders do not read at grade level.

I'm sorry; I'm gonna stop and repeat that, because as
an educator, as a parent, as a proud New Yorker, that
simple fact is beyond my comprehension; 70 percent of
New Yorkers in 3rd grade cannot read at grade level.

The librarians, the libraries are the frontline in
this struggle and we are ready and eager to do more.

Members of the City Council, you will walk by the New
Amsterdam branch at 9 a.m. and you will see people

lining up around the block for story time; at the
great Morrisania Branch in the Bronx -- we have

colleagues here today from Morrisania; Colbert is
here joining us today with his great team -- working
with DHS, delivering story times for 89 families at
the Crotona Inn Family Shelter and library card

drives for a dozen shelters in the area, or go to

Rikers Island where our Daddy and Me program is

putting fathers together to record their book

readings for their children who they cannot see and

those same folks, when they are released from Rikers,

a bus drops them first stop at 125th Street where you

saw one of our users testify to how important the

library is to them.

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We are working with hundreds of pre-K
classrooms, but with an additional \$22 million to the
three systems, the New York Public Library will
expand family literacy programs to every neighborhood
in our boroughs; we will create space for 280,000
more attendees in our family literacy programs; we
will extend our outreach to schools by another 75
percent; we will go into the shelters and make sure
that those families and those kids, because again,
shocking statistic, there are 20,000 kids, innocent
kids who are homeless in New York and we have to make
sure that they get every opportunity to prosper and
enjoy all that New York has and we're ready to start
with literacy programs; libraries can do so much more
on the literacy front, but also, in terms of digital
equity. Just last week a man came to my office; had
to come up to the second floor, [laughter] from the
Tremont section of the Bronx; he'd just been released
from Rikers and he'd heard that the library was now
offering free instruction in coding; this is to get
jobs in the fastest growing industry in New York, an
industry that cannot find skilled workers and has,
shall we say, not the diversity of those workers that
it should have and I'm including women as well as

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folks of color, and he was turned away because we
have 5,000 people on our wait list for free coding
instruction; that is crazy in New York in the 21st
century. So with additional resources we're ready to
expand our coding classes by 150 percent. We've
already increased our basic tech training 300 percent
in the last four years. Because we saw and you saw
and the Mayor saw that 27 percent of New Yorkers
still lack internet access at home, we've been
lending 10,000 households together hotspots, Wi-Fi at
home and we're ready to extend that for the next two
years. We're eager to work with NYCHA where they're
providing more digital access; we're ready because
we're the only institution that can help people be
trained to know how to use those great tools.

But of course none of this works if we do
not have branch libraries that are robust, that are
in great shape, they should be inspiring; they should
not be disrespectful of New Yorkers who depend upon
them.

Last year, again with huge thanks, the
City allocated \$300 million and put us for the first
time in the 10-year capital plan; again, I have to
repeat that. The idea that 4 million square feet of

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public library space for, I don't know, a century,
was only provided with capital funding year by year,
member by member and we are grateful for all of that
support, meant that we could not plan, we could not
spend money rationally, we could not anticipate
problems and we ended up with staff having to move
buckets around to catch leaks from the roof; that is
not what our great library staff should be doing. So
we know that there is so much to do; independent
studies showed \$1.4 billion in deferred capital needs
and your investment last year means that each of us
are totally renovating five branches in the highest
need neighborhoods in New York; that is a great,
crucial first step, but we have critical maintenance
problems throughout the system; we therefore have our
staff dealing with those rather than meeting the real
needs of New Yorkers. We estimate \$250 million of
critical maintenance needs, as the chairman cited in
his opening remarks -- boilers and roofs and HVACs --
these are unsexy projects, but they are essential.

The Board of Trustees of the library met
last week at 115th Street in Harlem, great branch,
surrounded by schools, literally three high schools
across the street; the entire basement of that

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branch, which was once a vibrant community room and
could be a teen center, is out of commission because
100-year-old pipe burst; those kids are being robbed
of the programs and the opportunities that New
Yorkers all deserve and that they deserve. We've
asked for \$100 million, a lump sum allocation to get
at those problems across three systems; it is not
much compared to \$67 billion of the capital budget,
but it is a life changer in those neighborhoods and
it means that we can do what you want us to do, which
is to get at the physical problems faster, better,
cheaper and more rationally and planfully; we can fix
this broken system together and the reforms of this
City Council and this Mayor to make New York City's
governance work better in these ways can be built
upon, it's been a great foundation; let's keep going.
Libraries, we have held up our end of the bargain;
you in the City Council and the Mayor have held up
your end of the bargain; libraries are now uniquely
positioned and have proved their ability to address
key challenges at the scale that our large, diverse
and great city deserves; we are eager, ready to do
more of what we all agree this city needs more of.
Thank you.

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DENNIS WALCOTT: So it's a pleasure again
to be here and what I will do is give you the cliff
notes of my remarks, so I see the heads nodding very
eagerly [sic] [laughter] about that, so let me just
touch on a couple of things... [crosstalk]

TONY MARX: Sorry.

DENNIS WALCOTT: and then we'll rapidly
go to Linda.

And as Tony indicated, I think the
uncertainty of the continued funding has been
detrimental across the board, both from a staffing
point of view, and one of the things that I think the
three of us have been able to do as a result of your
funding has been able to put in place new staff in
addition to our existing staff and have the
continuity of being able to plan appropriately.

And just a couple of factoids in my cliff
notes -- one, in the six months since the Queens
Library implemented six-day service across the
borough, more than 765,000 New Yorkers have visited
the library on Saturdays, solely on Saturdays an
additional 765,000 New Yorkers in only a six-month
period of time.

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As you saw in the video, Emily Chin and
Victoria Love are two shining examples of how we at
the Queens Library have positively impacted the lives
of our customers through our valuable Adult Learners
Program and our Job Business Academy. Last week you
may have seen in the *New York Times* mention of our
graduation and the valuable service that has provided
to our immigrant population and those who are looking
for their degrees.

Last year we implemented a curriculum-
based after-school program called our STACKS program,
which we currently operate in 18 of our community
libraries, but there's a long waiting list for more
STACK programs throughout our entire system and our
program is aligned with the City's Equity and
Excellence Universal Literacy Initiative as well.

Queens Library Adult Learner Program is
one of the largest library-run literacy programs in
the United States; in our ESOL program alone we
provided instruction to over 6,500 students, but
again, we can increase that to even more with
additional funding.

As Tony indicated, we've expanded our
digital access points to families in homeless

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shelters and hospitals, but we are currently in the
process of implementing a new initiative that we'll
be announcing soon that will be another innovative
way to reach the individuals in our homeless shelters
and our hospitals and additional support will allows
us to achieve that goal as well.

In addition to that, we've been able to
expand our digital footprint throughout the Borough
of Queens and as Tony indicated, the deficit is still
existing as far as the digital world and especially
in communities of color and districts that we'll
target with additional funding as well, and beyond
that, our goal is to make sure collectively with our
fellow systems to make sure we do what's necessary
around the capital and infrastructure of our
libraries. We continue to have serious needs as far
as the capital work and we will expand our capital
program along with the money that is provided to us.

I'll stop there because you have the
material before you, but you know as a result of your
hard work you've been able to provide us with the
funds to give us the ability to hire more staff,
provide more services and reach more people. And
with that being said, that's my cliff note and we'll

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more from there. You like that; was that... okay,
okay, thank you very much.

[laughter]

LINDA JOHNSON: I think I've been
challenged. [laughter] I will refrain from thanking
each of you by name... [interpose]

TONY MARX: [laughter] No, they like that
part.

LINDA JOHNSON: You like it? I will
refrain from thanking each of you by name, regardless
if you like it, but please do know how deeply
grateful we are for all the hard work last year. I
will also refrain from telling you, because my
colleagues have done it so eloquently, about all the
great work that we actually did with those funds,
including hiring 95 new staff members.

But there are a few things I do wanna
talk about today. First, I would be remiss if I
didn't thank the terrific librarians and staff and
senior team at Brooklyn Public Library, because on
June 1st we will be going to the White House to
receive the National Medal for Museum and Library
Service, which is the nation's highest honor for

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libraries, so thank you to everybody who's been
working with me on that.

Obviously the expanded hours and programs
need to be maintained and we need to retain the
fabulous staff that we were able to hire last year
and we're counting on you to baseline that funding
that we received in last year's budget. But
preservation of that alone is not enough; we would
very much like to take the next step together,
because with your help we could be doing so much more
for the New Yorkers who rely on us.

We have specific plans for how we would
spend the \$6 million of the \$22 million that we're
seeking, which would include expanding our literacy
and technology programs, reaching more underserved
patrons, increasing our hours of operation and
purchasing more materials for our collection.

One of our highest priorities is the
expansion of literacy services and with your support
we would offer the Ready Set Kindergarten program,
currently serving 30 locations, at all 60 of our
branches. Every branch will host STEM programming
for children ages 6-12 on weekends and after school,
while successful young adult programming, such as

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Teen Tech Time will be made available to youth in
every Brooklyn neighborhood. We will create new teen
areas in five of our branches, while improving 10 of
our most heavily used children spaces.

As we reach more young people and
families, we will also ensure that more Brooklynites
are able to access our free digital resources and
technology, and with your increased support, the In-
Branch Laptop Loan Program that currently operates in
10 locations will expand to serve 40 libraries. We
will host more tech programming with 46 new classes
ranging from computer and internet basics to advanced
coding and we will offer wired tables in all of our
facilities, which seems so basic, but yet are not
available, and we'll install more electrical outlets
to better accommodate our patrons' digital devices.

Outside of our branches, Brooklyn Public
Library will serve more residents of homeless
shelters, senior centers and Department of Correction
facilities. We currently host library collections in
nearly 200 locations and provide services in 552, 552
outreach sites throughout the borough; with your help
we can do more. And as you see, we have an ambitious
vision for the next 12-18 months and our staff and

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volunteers are up to the task, but they do need your
support.

However, in our case, the most dire
situation really centers around the capital
challenges that we face. With \$100 million in
additional capital funding this year for the three
library systems, we can begin to address the years of
underfunding and neglect. We alone face nearly \$300
million in unfunded capital needs, including \$80
million in emergency repairs; our laundry list of
needs is or should be an embarrassment to the City;
Brooklyn's 60 public libraries, institutions to which
hundreds of thousands of people turn every year, need
28 new boilers, 20 new HVAC systems and 18 new roofs;
14 branches require ADA and accessibility
improvements, 29 need fire and other safety upgrades.
Brooklyn Public Library patrons lost nearly 1500
hours of service last year from unplanned branch
closures, many of which were caused by emergency
building maintenance issues.

Our challenges are dire in libraries like
McKinley Park; it is among the smallest of our
libraries but the most heavily used in our entire
system. Indeed, it would be easier to tell you what

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isn't wrong at McKinley Park than it would be to go
through the litany of what needs to be repaired; of
course, as you might imagine, those repair needs
include roofs and HVAC and boiler systems, among
others. Meanwhile, Pacific Library, Brooklyn's first
Carnegie branch, is almost totally inaccessible to
patrons with disabilities. McKinley Park and Pacific
illustrate the stark contrast between the high demand
for our services and the unwelcoming environment in
which we provide them.

The City's inclusion of \$300 million for
libraries in last year's 10-Year Capital Plan was an
encouraging start, but this investment amounted to
less than one-quarter of what we needed, enough only
for each system to complete five full branch
overhauls. Our critical infrastructure needs are
staggering, yet the plan included no additional
funding to Brooklyn Public Library in the Fiscal 2016
budget. There is a better way forward and it begins
with our request for more funding in this year's
capital budget.

We're grateful of course for this
opportunity to testify and we're proud to join our

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great sister systems, New York Public Library and
Queens, in asking the City for very specific things.

First, to preserve the increased
operating support we received last year and to
provide an additional \$22 million in discretionary
operating support in Fiscal 2017. And next, to
allocate sufficient capital funding for libraries to
finally address the emergency needs that threaten our
ability to serve the public. We ask for your support
of this request and we look forward to working with
you to extend the reach of the library with more
programs, longer hours, more outreach outside of our
walls to New York City's most vulnerable populations,
the people and communities that need us most.

I'll close by noting that millions of
patrons visit New York City's 217 libraries every
year, some are compelled only by their intellectual
curiosity, the inspiration they draw from our vast
collections to contribute something of lasting value
to the world; others come to us determined to change
the course of their lives by finding new jobs,
starting businesses or mastering new skills; children
begin their journeys here, discovering the wonders of
reading, while older adults depend on our branches to

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remain engaged in their community. I'm sure that
each of you have your own reasons for supporting the
library; whatever they are, we hope that you will
remember our patrons as you enter into the budget
negotiations with the administration and that you
will do everything you can to pass a budget that
reflects how New Yorkers feel about their libraries.
Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you; thank you for testifying. We've been joined by
Council Members Koo, Gibson, Constantinides,
Rodriguez, Johnson, Cumbo, and Miller.

We've said this before and we have to say
it again; this is always a tough hearing for us,
because usually we have the administration that we
can challenge on that side and that we'd go through
this process; in this case, in a very few cases,
we're on the same page; we're asking for exactly what
you want and we understand the importance of why you
want it; we've been your partner for years and we are
as frustrated and as disappointed that our portion of
last year's appropriation was not baselined.

So basically we're gonna go through some
questions, but it really is to get it on the record.

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So you know, pardon us being repetitive, but I think
it's an opportunity for you to express very clearly
what this impact will be. So in no way is it
questioning your programming or questioning your
capital investment; it really is just an exercise for
us to be able to document this in the appropriate
manner.

So with that being said, for Fiscal 2017
the library system has identified an additional \$22
million in need to meet the increased demand for
services and programs in your preliminary budget
response; the Council urged the administration to
increase baseline expense funding by \$43 million, but
it did not do so, as we all know.

What additional programming staff hours
can libraries achieve if the full \$65 million were
baselined? I know that Brooklyn just mentioned that
specifically in your opening testimony, but perhaps
the other two branches can speak to what you will be
able to get with the addition.

TONY MARX: Thank you, Madame Chair. So
we are ready and eager to add additional hours,
including three additional Sunday sites; we have
found that of course when the libraries are open more

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people can enjoy them more. But we're also eager to
add additional staff who can provide more of the
educational programs that we've seen exploding in
terms of use, whether that is the early literacy
programs as well as the digital access programs,
reaching out to homeless shelters, particularly to
kids there, as well as to classrooms, pre-K as well
as in-school and additional literacy programs. All
of that is only possible if we can continue to build
on the investment that you all made last year.

DENNIS WALCOTT: So based on our current
level of service and support, we have seven-day
service at two of our libraries; with the additional
support and the baselining we will have that go to
seven-day service at 14 of our libraries; one per
councilmanic district in the Borough of Queens, which
means roughly a gain of 350,000 additional customers
served per year; operating hours jumping from 45.6
hours per week to an average of 49 hours; in addition
to that, **[inaudible]** create 60 roughly new employees
to our services; in addition to that, as I indicated
in my testimony, with our STACKS after-school program
currently we're in 18 of our libraries now; that will
go to all of our libraries in each library throughout

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the Borough of Queens. Of a material point of view,
we will jump from now 6.3 million to roughly 7.3
million, a 16 percent increase in our materials and
our circulation will go from 13.59 to 16.5 million,
which will roughly equal a 21 percent increase in
technology. Our computer service right now, we're
serving 3 million per year and that will jump to 3.5
million for a 17 percent.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. I wanted to talk about the \$250 million in
critical maintenance needs. The preliminary budget
response, the Council urged the administration to add
\$100 million in additional funding to the library's
capital budget to address the capital challenges, as
was mentioned throughout your testimony. Can each of
you describe what could have been achieved in your
library system with \$100 million additional capital
funding in Fiscal 17? So I guess the difference is
we advocated for the 10-year, so someone can say,
well we did the 10-year, so can you just speak, in
FY17 what could you accomplish with this \$100
million?

[background comments]

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TONY MARX: So at the NYPL alone, we have
a \$128 million of very clearly enumerated critical
capital needs; everything from ADA upgrades and
mechanical systems to facility preservations; HVAC.
So we have... if you take \$100 million across three
systems, we're not going to be able to meet even the
critical maintenance needs and we know that's a
problem because they only get worse if you don't
address them; anyone who has a home knows that. But
we understand that if we can get moving with this
pool across the three systems, then we can really
address what is critically needed at 56 of our
locations, so more than half and we can really make
sure that we can deliver programs rather than closing
branches for those renovations or having staff
working on leaks and other problems.

[background comments]

LINDA JOHNSON: As I mentioned, Brooklyn
Public Library has approximately \$300 million of
deferred maintenance issues; we've taken some steps
on our own to raise funds to address them, but of
that \$300 million, \$80 million are what we are
calling emergency repairs, the kinds of repairs of
course that are dire and need to be addressed

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immediately; they are the most expensive types of
things to fix, because we've let them go too long.
There are, as I said in my testimony, a need
systemwide for 28 new boilers, 20 new HVAC systems,
18 new roofs and 14 branches require ADA
accessibility improvements. So with additional
capital funding this year, we would do everything we
could to chip away at that list, with the ultimate
goal of minimizing the number of hours that we lost
to emergency closings based upon leaking roofs or
buildings that are not warm enough in the winter or
cool enough in the summer to meet the work rules for
our staff.

DENNIS WALCOTT: So let me pick up on a
word that Linda used, chip away. So for example, in
our Langston Hughes Library masonry, we don't have
the funding for that and that would be extremely
helpful because it then chips away if we don't fix
that right away -- [laughter] you like that, huh --
it fits right away into that HVAC and all the other
specific pieces that we laid out before around the
critical needs that are not funded and how that will
help us along that line, so it's dealing with roofs,
it's dealing with masonry, it's dealing with

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exterior/interior renovation replacements and so
those to me are the critical issues that we have to
tackle and that will allow us to have, as Linda I
think so well put out there as well, making sure our
libraries are respectful for our customers.

LINDA JOHNSON: If you don't mind, I'd
like to add one thing. In listening to the three of
us sort of, you know, cry about the condition of our
libraries and talking about what we would do with the
money if we were to get more capital funding this
year, not one of us spoke about what we should be
talking about, which is making our libraries more
inspiring and more attractive and places where our
communities actually look forward to going.

CHAIRPERSON FERRERAS-COPELAND: Right,
which is the direction we should be going in. So I'm
gonna ask one final question; we are actually running
a little behind, so we need to... we have one more
committee after this one, so I wanna give my
colleagues an opportunity to ask their questions.
And we've been joined by Minority Leader Matteo.

So when we've talked about capital
investments, and I'm sure you'll hear this throughout
today, there's nothing more frustrating than for a

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member to allocate capital dollars; some will leave
their term and the project still hasn't been built;
in my case, it's the forever growing cost of a
project, so with your experience, we do this \$100
million; how can you assure us or what tools would
you need to make sure that when we give you this
money you're able to use it within a fiscal year or
efficiently, or is there a more efficient way for you
to be able to invest capital dollars in our community
where we don't have to wait a decade?

DENNIS WALCOTT: So as the new kid on the
block, one of the things that's been extremely
frustrating is just that and I was shocked, and
obviously I'm spoiled by my former experience at the
School Construction Authority and the building of
schools and the length of time it takes to either
repair or build a library and to me, we would look
forward to working with you and the administration on
how we expedite the process, how we develop the path-
throughs that allow us to get the money to the
communities a lot quicker to repair the necessary
things that have to be done. I'm horrified that it
can take up to eight years to do work; that's
ridiculous and that's not fair to our customers, it's

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not fair to our staff and to me, if we can get
together and reform that process, and you see all of
our heads nodding, this is new to me and so to see
that and to work with our hardworking staff to face
the frustrations and then as elected officials, I
don't know how you tolerate it because as you
indicated, you allocate the money; by the time the
money hits the libraries, the money price jumps up
and then you're out of office and you can't see the
results while you're in office and to me as an
elected official, as I was once, that would be
extremely frustrating, so I think, and I speak for
all of us, that collectively we look forward to
trying to streamline the process and to make it more
efficient so we can serve our customers and our staff
better and our elected officials.

LINDA JOHNSON: You know the only thing I
would add is obvious and that is that the longer a
project takes, the more it costs and so the delays
actually mean that we get less for the money that is
allocated than we should be getting and that is a
sin.

CHAIRPERSON FERRERAS-COPELAND: Right.

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TONY MARX: So I completely agree of
course with our colleagues and welcome to the library
world. Look, it's very... we have shown... our track
record is clear; when we can move we can self-manage
projects, we can deliver them at much faster rate,
much lower cost, which is in everyone's interest; our
interest, your interest and most importantly, the
citizens' interest. So we're ready to discuss the
way to do that and to meet whatever principals need
to be met to assure whatever needs to be assured of
the citizenry of the City Council along the way; in
the meantime, an important step is to say okay,
here's a lump sum investment added into the 10-year
capital plan; being in the 10-year capital plan is
great, but we need enough funding in it. By putting
that lump sum in, we can move fully-funded projects;
we don't have to keep trying to put Band-Aids
together [background comments] and adding after the
fact; we can move in a more planful way; we can do
all HVAC together; we can get a cheaper price, and
then we can deliver to you in a timely way, and most
importantly, we could deliver to the citizens in a
timely way. It's simply a more rational way to do
business and we all wanna see the effects of that.

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CHAIRPERSON FERRERAS-COPELAND: So I
just... You know, I thank you for testifying to this,
and again, we've had conversations; we needed it
clearly for the record, but it is a challenge for us
as members to advocate for an additional \$100 million
if there isn't another mechanism other than DDC to be
able to do this. So you know, we must not rely on
the current system.

DENNIS WALCOTT: I think we have some
ideas, both individually and collectively to help the
process along... [crosstalk]

CHAIRPERSON FERRERAS-COPELAND:
Excellent.

DENNIS WALCOTT: and we look forward to
[inaudible]...

CHAIRPERSON FERRERAS-COPELAND: Well
we'll follow up and we'll make it part of our
negotiations. Majority Leader Van Bramer.

CO-CHAIR VAN BRAMER: Thank you very
much, Madame Chair and given the time constraints and
given the general agreement between us and those who
are testifying, I'll be relatively brief. I just
wanna say that this is the 18th City Council
Executive Budget Hearing that I've been at in a row

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in one way or another and it is time to end these
hearings where we're talking about restoring the
funding that we added last year and I think, as we've
said earlier, this Speaker, this Finance Chair, this
Council have done a great at ending the budget dance,
but the administration, the other side of this
building has got to baseline all of your funding once
and for all and make sure that every single person
who works at a library, visits a library; cares about
a library knows that that service is going to be
there; it is a core critical service of the City of
New York, as critical as just about any other and we
need it to be there in perpetuity; libraries are that
important. And your capital needs are great; I just
wanna say again, I'm very proud to be the Chair of
the Cultural Affairs and Libraries Committee and
working with this Council; we led the charge for the
restoration of the funding, led the charge for the
10-year capital plan inclusion; are leading the
charge, because it was in our response to the Mayor's
budget, both for every expense and capital dollar
that you're asking for; this City Council is 100
percent behind our public libraries and I know that
all of you, in your testimony and talking to us, talk

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about the City needs to do more; the City needs to
step up and sometimes that's a euphemism for the
administration, but I just wanna say and put it on
the record that this Council and its commitment to
libraries is a above reproach and question.

And I was very, very happy to see the
Queens Library's number on Saturdays; 765,000 people
have visited their Queens Library branch on Saturdays
in the last six months; that is a staggering number
and so impressive and I'm so happy that so many
people in Queens have shown that if we open the doors
they will come and I'm sure those numbers in Brooklyn
and New York Public are equally fantastic.

The staffing levels, 141 staff hired at
NYPL, 95 at BPL; I didn't hear Queens' number, but
I'm sure you have... Could all of you talk about the
breakdown in terms of union and non-union and then if
you were to get the funding that you so rightly
deserve that you're requesting, how many additional
staff and is there a breakout of union and non-union
there as well?

DENNIS WALCOTT: So with Queens, as was
in my cliff notes, so that's why you didn't hear it,
but 129 in total, 114 union and 15 non-union.

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TONY MARX: So at NYPL, 85 percent were
union and we're proud to be partnering with our union
colleagues and we'll continue to partner with them
and for instance, we invested so heavily in
librarian, frontline staff; this time we're gonna go
back to some additional investments in addition to
those, but also security and facilities folks; again,
working with our unions in doing so.

LINDA JOHNSON: In the case of Brooklyn,
we hired 95 new people in last fiscal, 100 percent of
which were union and plan to hire an additional 40
people should we get the additional funding that
we're looking for in the next fiscal year.

CO-CHAIR VAN BRAMER: A 100 percent of
yours were union?

LINDA JOHNSON: Yes.

CO-CHAIR VAN BRAMER: Frontline staff?

LINDA JOHNSON: Yeah.

CO-CHAIR VAN BRAMER: Okay. And of the
folks that you would hire, you gave a number of how
many you would, right, hire going forward?

LINDA JOHNSON: The number that we would
hire going forward is 40.

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CO-CHAIR VAN BRAMER: Forty. And that
would be a similar ratio... [interpose]

LINDA JOHNSON: Yes.

CO-CHAIR VAN BRAMER: union to non-union.

LINDA JOHNSON: Yeah.

DENNIS WALCOTT: Mine; 50 union and 10
roughly non-union.

CO-CHAIR VAN BRAMER: In the future
phase?

DENNIS WALCOTT: In future, yeah.

CO-CHAIR VAN BRAMER: Phase two of this
[inaudible].

DENNIS WALCOTT: Next phase.

TONY MARX: Also 50 for us; roughly the
same.

CO-CHAIR VAN BRAMER: Great. So I just
wanna also make the case in terms of what we have
already accomplished is it's unfathomable that we
would not continue six-day service in the City of New
York, I would like to say, and that we wouldn't roll
back the gains that we so rightly celebrated last
year; opening these libraries, hiring these staff,
and if it's unfathomable to all of us that we would
one year later pull all of that back, then we should

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just baseline it, because if we understand this is
absolutely essential, we need it; it's critical; we
can't turn back, then it should be baselined. I'm
disappointed the administration didn't do that in the
executive, but obviously there are negotiations
taking place. You know where my heart is; it has and
always will be with libraries and I will continue to
fight along with our co-chairs and all of our
colleagues for libraries, because you three and this
room represent millions of people whose lives are
changed every single day by libraries, and I know
mine has and everybody else has a story as well. So
in the interest of time, I will leave it there and
pass it to our third co-chair, Any King.

CO-CHAIR KING: Thank you, Mr. and
Mrs. Chair; Presidents. [laughter] I yearn for the
day and I'm looking forward to the day that the City
of New York realizes there are three things that we
shouldn't touch definitely when it comes to budget --
our children and youth services, our senior services
and our cultures and our libraries. Our seniors are
the ones who have laid out the history of the City of
New York, while our children learn what the history
and cultures of New York is and the library system

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and the culture system harness all of this so people
can always be reminded of yesterday and so we can
improve on our tomorrows. So I'm really hoping one
day that we don't ever have to continue to go and
this administration gets it, that there are just some
things in the City of New York just need to take care
of and then as Julissa says, the Chair says, we're
not dancing; we're negotiating; this shouldn't even
have to be a negotiating, it should be just like here
you go because you are a vital instrument of the City
of New York and once we can finally get there, then
we can probably figure how do we add new money to
continue to improve new and greater things to improve
our systems here. So I'm gonna be praying; I'm
praying for the other side and I'm thanking all of
you for continue to doing the great work, what you've
been able do to, 'cause you've been able to make an
omelet without the cheese and without the peppers and
still getting the meal together, so thank you for
that.

I'm gonna shrink down my questions
because in the essence of time, so I'm just gonna
jump in to research libraries, and I wanna talk about
the Schomburg, because I know there was about \$22.6

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million, including City and non-City capital funds
for FY 2016-2020; the executive capital plan for
research libraries, the majority of the capital
funding, \$13.3 million, was earmarked for renovations
at the Schomburg, so I would like to know what was
the initial estimate of the project and has anything
altered that as time has gone on; have there been any
bumps in the road with the process of taking care of
the Schomburg; is this \$13.3 million still on, and is
the project on schedule, because I've driven past it
a few times; I've seen how, you know, scaffolding,
how things are coming along, so I just wanna get an
idea; where are we with the Schomburg?

[background comments]

TONY MARX: So Mr. Chairman, I'm proud to
say that the Schomburg phase two renovation, total
\$22.4 million project, which you all have been so
generous as well as the tax credit that we were able
to negotiate for the first time for our system, is on
budget and on time; it is currently, as you see when
you drive by, in construction and we look forward to
hosting a ceremonial groundbreaking that we have
scheduled for... that we hosted a ceremonial
groundbreaking that many of you were at on December

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18th, 2015 and we are on schedule and on budget and
we are super excited about this; the demands in use
of the Schomburg as a crown jewel of the Harlem
community, as the greatest depository and collection
of expertise of the study of the African experience,
the African-American experience; the diaspora
experience is doing great; we're busily in process to
find the next great director of the Schomburg who
will lead us to the next great levels of that
engagement. We share your total excitement for this.

CO-CHAIR KING: Thank you. So the
completion date; what is the completion date again?

[background comments]

TONY MARX: Early 2017.

CO-CHAIR KING: Alright. I'm just gonna
speed through my questions quickly. So just in a
wrap-up, I know we're asking for restoration of \$23
million; something I would like to know; how do we
get to the certain numbers that we've asked... you've
been able to break down some of the stuff, but when
we ask for restoration of funding, you know how do we
totally come up with some of the numbers that we
asked, so I know the \$250 million you've kind of put
together how you would spend it with the additional

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\$100 million that we're giving you now to try to make
up, or what's been put in the budget \$100 million,
but if we're talking about anything that you have to
do, this \$40 million additional that's needed; how do
we come up with those numbers, you know 'cause some
cases we can say the DOE could tell us, well we spend
\$700,000 for an auditorium, we spend \$12 for a
toilet, you know, however that... so how do we come up
with... to get to certain numbers?

DENNIS WALCOTT: So if you were focusing
on the capital side; I mean we do an internal
analysis as far as needs, we take a look at the age
of the building, we take a look at some of the
priority issues that are facing us from a capital
point of view and then we do our assessment of the
cost that's associated with that and then we factor
that in to our planning and then as we approach you,
especially in the delegation, how we get support to
fund that. But we do a very comprehensive analysis
of age, need, type of infrastructure challenges that
we have, emergency issues; we factor that in as well,
and then that's how we come up with a cost.

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CO-CHAIR KING: Okay. So when you're at
a shortfall of capital funding, how do you prioritize
what projects need to get done first as opposed to..

[background comments]

DENNIS WALCOTT: Go ahead, Linda.

LINDA JOHNSON: No, it's a great
question; I mean what happens is, we come up with a..
we develop a plan for every year and then as the
emergencies arrive we pivot away from the projects
that are in the pipeline and we do what needs to be
done to shore up buildings as best as they can be, at
least temporarily, until we can get to the larger,
more expensive fixes.

TONY MARX: So on the capital, as you've
heard, we expect and we hope, with your support and
the Mayor's support, to be in the second year of
really an important transformation of how capital is
invested; because we're not a City agency; because we
have the particular relationship historically with
the City that we've had, we have not been able to
have the investment fund so that we can be planful
and get you better results faster and cheaper; that's
what we wanna be able to do. The \$100 million across
three systems won't do everything that we know is

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critical, but it will do a lot and it will do twice
as much because we'll be able to plan in the first
way. On the operating side, the way we come to our
requests is we say, what is it that we hear from the
citizens and from our great staff and trustees is
needed and what will it cost? So if we wanna get to
half-a-million early literacy attendees in those
programs, which will be a doubling over two years; if
we wanna get our library to continue the hotspot
Wi-Fi lending at the level we've been doing; if we
wanna get at that 5,000 person waiting list for
coding instruction; we wanna add three additional
Sundays to get to seven-day service in Mott Haven,
Aguilar and St. George; add 50 more staff; do more
for homeless kids in particular and literacy, we can
cost that out and that's how we get to that request
number; it's to meet the needs that you and the City
have set and that the citizens have asked us to meet.

CO-CHAIR KING: Okay. Then my final
question is this; is there a plan to renovate or just
make sure that you historic library buildings are
kept intact so we don't lose that historic portion of
the library system as we continue to upgrade or build
new libraries so we don't lose that building that has

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artwork that we'll never get again or you know,
represents a certain era of history?

DENNIS WALCOTT: Well that goes to the
heart of our ask, quite frankly, to make sure we have
the capital available to us to allow us to both
maintain and improve on our historic buildings, as
well as those buildings that were built along the
line beyond the original Carnegie buildings and we
have the Lindsay block buildings and everything else
that goes along with the original designs that were
put in place, but how we maintain that and improve on
it. So yes, we do analyze that, but at the same
time, without the money, then we go further and
further down the hole as far as our infrastructure
needs, which then costs more and more money.

LINDA JOHNSON: I'd just add; you know we
take very seriously our responsibility to preserve
and take care of the Carnegie branches that we have;
they are more expensive to fix because they are older
buildings and they have emergencies like any of them
and they're in a pool of -- we have 18 out of 60, but
they're being cared for as best we can under the
circumstances, just like all of our other buildings.

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CO-CHAIR KING: Well I wanna say thank
you for all your work; thank you for all the
programming; thank you for doing all that you do and
we'll continue to find the eggs, we'll find the
cheese and we'll find the peppers so you can continue
to make omelets [laughter] and make the City great
again. So thank you all... [interpose]

CHAIRPERSON FERRERAS-COPELAND: Okay, I
just [background comments] stepped away for like 10
minutes and you're talking about an omelet

[inaudible]... [crosstalk]

[background comments, laughter]

CO-CHAIR KING: Oh yeah.

CHAIRPERSON FERRERAS-COPELAND: we have
to stay focused on money. So we're gonna hear from
Council Member Koo... thank you, Chairs. We'll hear
from Council Member Koo; followed by Council Member
Gibson; followed by Council Member Rodriguez.

COUNCIL MEMBER KOO: Thank you, the three
distinguished leaders of our three library systems.
I am City Councilman Peter Koo, your humble public
servant from Flushing, Queens.

In my district we have one of the most
busy libraries in the whole country; any time you go

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in you see people... all the seats are taken, people
sitting on the floor and it's all the time, you know,
just not certain time of the hours. So first I want
to compliment you on the many programs you have all
done in addition to basic library service, like
Wi-Fi, after-school programs, GEP, GS... ESL
[inaudible] a really good job; you do such a good
job; maybe if we can ask other agencies to divert the
funds to you, you know, to the library service, you
know.

DENNIS WALCOTT: Thank you.

COUNCIL MEMBER KOO: After saying that...
[laugh] my first question is like to Dennis; since
Flushing Library is so busy, right; have you got any
plans to expand the library, maybe building an annex
or building an extra floor on the top; something like
that?

DENNIS WALCOTT: So we're always looking
to both expand and improve and so as you know,
Councilman, with our children's room construction;
that'll be completed in June of 2016 and the
outfitting will be completed in October 2016 and
we'll have a soft opening in the fall, so we're
looking forward to that and that was \$1.6 million,

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and then we're adding in a second elevator as well
because of the volume that you refer to and it's
every day, the volume is significant, and so that
will be complete by 2020, in July and then we're
gonna improve our HVAC system and our window shade
replacement and some final design and that's gonna
cost \$600,000. And then, as you know, and we talk
about it on a regular basis, our bathrooms; we are
working on that as well and we have been deep
cleaning and we've SaniGLAZED them as well and so we
are very clear on what we're doing at the existing
library. And then we wanna work with you and your
colleagues around Flushing West and rezoning project,
as far as how we take a look for a new alternative as
well, so that way we can expand. So we have some
ideas that we wanna share with you and our team, as
you may know, I announced my permanent team this past
week and so our VP, the capital facilities is here,
along with all of our other team members, including
our formally named chief librarian, Nick Yorn [sp?]
as well, so we are here to work with you to deal with
the expansion of the library.

COUNCIL MEMBER KOO: So on the library
service, can you make sure [inaudible] library

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service like seven days a week, because it's critical
because Saturday and Sunday, when people get off, is
the best time to go to the library, family time,
things like...

DENNIS WALCOTT: So I'm about to say
something that's going to make my colleagues upset
with me, but it's not the original thing they thought
I would include in my testimony, but two Sundays ago
I went to Flushing, along with Central and Kew
Gardens Hills to wish all the mothers a Happy
Mother's Day and when I got to Flushing, the volume
at Flushing, even though on Mother's Day, was
tremendous; I mean Flushing is really a high-demand
library and we need to take a look at how we both
improve the existing structure but also expand it as
well.

COUNCIL MEMBER KOO: So my final question
is about maintenance of the library system. I mean
you guys in charge of the libraries, it's like own...
if we own a home, you know, we should schedule
regular maintenance; we don't wanna wait until the
last minute; everything fall down and you fix it...
[interpose]

DENNIS WALCOTT: Right.

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COUNCIL MEMBER KOO: so it gets really
expensive. So but during the... every year we allocate
money for capital projects, either from us or from
the borough presidents, so I was wondering; how come
you need so much money to fix critical maintenance
and why you wait so long to fix those things?

DENNIS WALCOTT: Well I think there are
two parts, and I see Linda leaning forward, so I'll
defer, but I think one of the key things is with
capital, as we indicated earlier, it's between design
and construction and completion, it's a long period
of time; we need to improve on that, and so while
you're going through that process, deferred
maintenance around certain critical pieces
unfortunately may fall down, but with the basic
maintenance, I know in Queens [bell] we work very
hard to keep up with the basic maintenance and making
sure that we're on top of things and then applying
the appropriate funds to meet those particular needs.

LINDA JOHNSON: I would just add that
while it does sound like a lot of money; if you think
about the number of square feet that we're each
responsible for taking care of...

DENNIS WALCOTT: Right.

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LINDA JOHNSON: and in your case, 2; in
my case, 1.1...

DENNIS WALCOTT: I don't know; it's
probably over that [inaudible] million... [crosstalk]

LINDA JOHNSON: we're talking about
millions of square feet.

DENNIS WALCOTT: Yeah, [inaudible]
million.

LINDA JOHNSON: we're really receiving a
very small amount, if you look at the number of
dollars; in our case, \$15-17 million to take care of
1.1 million square feet of real estate; even under
great circumstances, with the most efficient
construction, it wouldn't be enough.

DENNIS WALCOTT: Especially with the
average age of our buildings as well.

LINDA JOHNSON: Yeah. Yeah. At the
Carnegie libraries alone, you know are a 100 years
old and you never know how much you're gonna spend in
those buildings until you're actually in the wall.

COUNCIL MEMBER KOO: Okay, so my final
ask is like, we wanna make sure that a library has
good functional bathrooms...

DENNIS WALCOTT: Uhm-hm.

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COUNCIL MEMBER KOO: because we want to...
if we subject some libraries to like proper health
standards, you probably cannot pass inspection from
the Health Department... [interpose]

DENNIS WALCOTT: Well you know, it's an
interesting discussion, because as a result of your
advocacy around bathrooms and also what I hear back
from our customers on a regular basis, we've worked
very hard to make sure we continue to focus our
energies on bathrooms, but as a result of the
increased volume as well, the bathrooms get increased
usage and so it's a constant maintenance of making
sure the bathrooms are clean and we do it on a
regular basis and we have accountability systems and
monitoring that as well and we fight a number of
challenges in making sure that our bathrooms are used
for their intended purposes and so we try to make
sure that we have staff monitoring on a regular
basis. So we're very conscious of the importance of
bathrooms and what it means to our customers and our
staff as well as far as regular service is
[inaudible].

CHAIRPERSON FERRERAS-COPELAND: Thank
you; thank you... [crosstalk]

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COUNCIL MEMBER KOO: Thank you; thank you
for your attention and leadership.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. And before we go over to
Council Member Gibson, I just wanted to follow up;
this Council is leading a big effort in making sure
that all of our bathrooms have access to feminine
hygiene and our focus has been schools, shelters and
prisons. I would think that the next stage we wanna
focus on, once you get all the money that you need
for programming, is figuring out a way where the City
can also provide free feminine hygiene products at
the library systems. So I'd just like to plant that
seed so that we can start engaging on what the cost
would like and what a great opportunity would it be
to have... you know, young girls have everything that
they need like young men have everything that they
need in the bathrooms, so just wanted to put that
plug in there. Council Member Gibson; followed by
Council Member Rodriguez; followed by Council Member
Johnson.

COUNCIL MEMBER GIBSON: Thank you very
much to all of our chairs. We're having a log of
conversations around food, so I would just say that

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our library systems, you guys are a cake; you keep
everything together; right? [laughter] So that's
the dessert part of it all; right? We had the entrée
and now we have the dessert, which we cap it with,
right. But thank you to all of our chairs and thank
you to all of you for being here and certainly I too,
you know want to echo the sentiments of all of my
colleagues in just expressing our appreciation and
gratitude to the entire NYPL and Queens and Brooklyn
system that keep our libraries operable to all of the
staff and branch managers; I certainly want to
recognize my own branches in the Borough of the
Bronx; Colbert Nembhard is my branch manager at
Morrisania and Margaret Fleesak is at High Bridge and
they are doing phenomenal work. I've partnered with
them on reading programs, literacy programs; we've
had career fairs and college fairs and I wanna make
sure that you know my voice is added to the record in
making sure that we fight to make sure you get the
necessary funding, because our libraries are an
investment, they're an educational tool, an
educational gem for our families; our children; when
you invest in libraries you invest in our children
and our families across the city, so I certainly want

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to join my colleagues in making sure that you know
how appreciated that you are.

I just had just a couple of very quick
questions and I also want to acknowledge the work
you're doing with NYCHA around the library hotspots
and DHS with the family shelter library project,
which is incredible, it's fantastic; I wanted to ask
about the adult learning centers. We at the Council
are very ambitious and prioritizing adult literacy;
very important for many of our immigrant families who
are learning a second language and really adapting to
New York City life. So I wanted to ask about the
adult learning centers and where we are and in this
budget, do you see an expansion of services for our
adults as it relates to literacy?

TONY MARX: Well first; thank you Council
Member for your leadership and for your personal
engagement with your libraries and we're proud that
libraries in your district have added eight hours and
three additional librarians, thanks to the work of
this City Council and the Mayor on his side in last
year's budget, so that's all fantastic and we've
already talked about, for instance, the great
programs that are happening at Morrisania..

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COUNCIL MEMBER GIBSON: Right.

TONY MARX: in terms of ESOL, so we're
going to add another 1000 spots... sorry; we're gonna
add another 1200 spots from this year of our most
formal intensive and another 5000 of conversation
classes, citizenship, but... [crosstalk]

COUNCIL MEMBER GIBSON: Oh great, great.

TONY MARX: because Dennis has already
invoked Mother's Day, I have to say that my mother at
87 continues to provide literacy work in Aguilar in
East Harlem three days a week, so...

COUNCIL MEMBER GIBSON: Okay.

TONY MARX: mothers are all part of this;
I was with her on Mother's Day; not at the branches,
sorry.

The... [laughter] But the ESL programs, I
think we have more than tripled; perhaps four times
increased our ESL spots in the last two-and-a-half
years at the New York Public Library...

COUNCIL MEMBER GIBSON: Okay.

TONY MARX: and working in partnership
with Neesha [sp?] and the folks in her agency...
[crosstalk]

COUNCIL MEMBER GIBSON: Right.

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TONY MARX: that we've put... all of us
have put citizenship corners in every branch to
provide information; we now have legal advisors in
the branches across the three systems. We know that
the immigrant community, which is after all where we,
all New Yorkers come from originally, is the life
blood of this city and that they depend on the
libraries more than any place else and they feel more
welcome at the libraries; that's why IDNYC has
exploded at the libraries in terms of demand and it's
why we're eager to provide more of those services...

COUNCIL MEMBER GIBSON: Great.

TONY MARX: to the immigrant community,
as we do to kids, as we do to homeless, every New
Yorker deserves those services... [interpose]

COUNCIL MEMBER GIBSON: Great. My last
two questions; I wanted to ask if you could give us a
little bit of detail on the partnership with Small
Business Services as it relates to immigrant
businesses and entrepreneurial opportunities. And my
second question is; every year what I like to do for
families that simply cannot afford to put their
children in day camp and summer camp; I give them a
brochure of all of the events going on at all of our

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libraries and so I know during the summer months we
have a little bit more and there are more
partnerships, so could you talk about any specifics
that you have planned for this summer?

[bell]

TONY MARX: So very quickly, to Small
Business Services, we are providing the Business
Solution Centers at seven branches; again, all New
Yorkers are welcome, but we're delighted that the
immigrant community takes advantage of those.
Through SBS we're providing training to all library
staff to offer small immigrant, small business owners
and entrepreneurs; a lot of that is programming that
also comes out of our Science, Industry and Business
Library and our plans in Midtown, including building
a brand new, the largest business startup center in
New York for free at 40th and 5th and we know that
those communities will be using that fully...

[crosstalk]

COUNCIL MEMBER GIBSON: When is that
starting?

TONY MARX: So we hope to begin that
construction roughly a year-and-a-half from now or a
year; we're just finishing the schematic designs for

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what will be an extraordinary center. And in terms
of summer, we have all the summer reading programs
and the summer literacy programs; adding the staff to
the libraries, particularly young adults and
children's librarians means that we can meet those
needs during the summer; we don't need... we have to
make sure... the former chancellor would be the first
to say; we have to make sure that the kids who are
making progress against that terrible statistic of
reading below grade level; when they make that
progress they cannot slip back in the summer and the
library is there to help them make sure that they do
not slip back and we're proud of that.

COUNCIL MEMBER GIBSON: Thank you; keep
up the good work. Thank you, Chairs.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Council Member Rodriguez; followed by Council
Member Miller.

COUNCIL MEMBER RODRIGUEZ: Thank you.
The most important thing that I will take from this
hearing today, from this hearing is that to see our
great Deputy Mayor using the Occupy Wall Street
symbol **[inaudible]** today, so keep using it, because

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you are in the right direction, okay; it's a great
thing to do.

Second, a serious note; thank you for the
years of serving our city and in your role as leading
the Queens Library, I know that we are in the good
hands of someone that really will take care of the
finance of the institution, so I know that you have a
great proven record and you will contribute a lot, so
thank you.

I can go back to my district and tell
Tony Marx's mother, who is one of my constituents,
that her son is really like doing a great job, your
presentation...

TONY MARX: Please do, sir.

COUNCIL MEMBER RODRIGUEZ: Okay, I will,
and I... [laughter] and in Inwood we can say like look,
your presentation was amazing; the only thing that I
[inaudible] you, and I will be quoting one of the
great council members who is not here, because he's
in recuperation, Jumaane Williams, is the system is
not broken; we have built this system; we have built
a system where 86 percent of children going to New
York City public school, in a disadvantaged community
from 3rd grade to 8th grade; they are only level 1

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and level 2; we have built a system where more than
90 percent of the 14,000 inmates in Rikers Island,
they are the black and Latino youngsters in there;
most of them coming back, recycling in the same
process. So you know, there's a lot that we need to
do and yes, we rely on the public libraries as an
important resource in the learning process of our
city. So that's... you know we have to take our hat
and say thank you to all those directors of those
branches, all the staff, all the librarians; you
know, I believe that it's like... being a librarian is
like being a teacher; you have to really love it; you
have to believe that you will make a difference; you
have to believe that by engaging your students
basically, and although they are navigating through
thousand of years of history and you will make a
difference and yes, as Martin Luther King said, we
need to build a mountain, the mountain where every
should have the same level of opportunity and I... you
know, listening to your presentation, your concern
about how those students going to the library, you
know they are not the level 4 students; many of them
they are the level 1 and 2; we have a lot of gaps

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when it comes to reading and writing, so thank you
for all the programs that you do there.

One area that I would like to emphasize
in my time is about coding. I have two daughters and
as someone that when we take my daughter to a robotic
program, what we have seen is the absence of black
and Latino and female and the majority of children
enrolled in robotic programs in our city, they're
boys and they're white. So I believe that the 150
percent increase of coding classes that you have in
the library is very important; for me, I would like
to take you to the quality of those programs. How
can we... What do we have today in those coding classes
that as we will go to the robot forum [sic] and in a
week in robot forum [sic] in the summer is \$450;
there's value there, like are we running those coding
classes you know with the same high-quality
expectation [sic] that a wealthy family is able to
get when they enroll their children in a two-month
session and then they come back and their parents and
their grandmother, they're able to see a lot of
innovation that these children are able to
[inaudible] in those few sessions that they were able

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to attend? So what is the quality of the coding
classes that we have?

TONY MARX: Well first, thank you,
Councilman. Let me just say again it's great to
partner with you back in the hood and we're so proud
that the effort from last year provided 22 additional
hours in your district, as well as 7 additional
librarians; Fort Washington is one of the five
Carnegies we're gonna spend \$20 million to totally
redo and that's just fabulous; you know we've been
talking about our beloved Inwood branch; I was there
last week, thinking about what more we can do there.
[bell]

In the Washington Heights branch we have
a third floor that has been left empty for decades;
we're about to renovate it; we're gonna create a new
tech center there that will include a space for after
school that can include coding work, as well as
coding classes. With the additional funding that
we've requested this year, we'll be able to have 1000
seats in coding and I heard you on the quality
question.

When we started coding, for all the
reasons that you so eloquently described, we found

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that we had five times as many applicants as we had
spaces in that first round; we found that 97 percent
of the people who started those 10-week courses
completed those 10-week courses, intensive courses,
so they believed in the quality. We are now talking
with the industry, which needs more skills and needs
more diversity; it needs more engagement; we're
talking with that industry to make sure that we will
ensure the quality of these programs, partnering with
the best coding programs in the city for those who
can afford the best, but offering them for free in
the library and then finding a way to create a
pipeline from our coding programs into those with
financial aid with the real prospects of job
placement thereafter. We need that to work for all
New Yorkers or we will be leaving talent on the table
and New York cannot afford to do that.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member; Council Member Miller; you are
last.

COUNCIL MEMBER MILLER: Thank you, Madame
Chair; Chairs and our Presidents.

So in all seriousness, because my
colleagues have been so thoughtful and insightful in

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the questions that they've asked and because I've
been listening so attentively and because I've spent
such significant time with my new president over the
last few weeks and going over the vision and really
getting to understand the system, I am going to take
my time and just merely reaffirm my commitment to the
work that is being done; reaffirm my commitment to
the vision of my chairs here and say that we will
continue to work diligently to support all that the
libraries are doing, and also just say that I'm
really excited, I'm excited about the work that's
being done; in Southeast Queens we're doing great
things, as is being done throughout the city and I'm
really happy to be a part of this team and look
forward to it. Thank you, Madame Chair [inaudible]...
[crosstalk]

DENNIS WALCOTT: Madam Chair, I would be
remiss... Oh...

COUNCIL MEMBER MILLER: my four minutes
for the next round.

[laughter]

DENNIS WALCOTT: Madame Chair, I would be
remiss if I didn't thank the Councilman for his
leadership; it has been a pleasure in my last seven-

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and-a-half weeks or so in working with all of our
representatives from Queens and all of you have been
just outstanding partners and I wanna say thank you
as a person who is learning the ropes, but more
importantly, having the insight from all of our
elected officials and especially our Council Members
around the table and this has been a pleasure.

CO-CHAIR VAN BRAMER: So in wrapping up,
and we almost got there, but we've had lots of
moments in this hearing where like three people did
this and then like 12 people did this, but we never
had that moment where every single one of you did
this together, so let's do it to close out this
hearing [waving hands] if you believe in libraries;
then... there you go. So with that thunderous
applause, I... [laughter] Did Bill **[inaudible]** say do
it as well? Nice. [background comments] Were you
doing that? [laugh] So... there you go. Thank you.
[background comments] That's calla photo op, my
friends. [laughter, background comments] So thank
you so much; this Council is and always has been and
always will be committed to public libraries.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Before you... [background comments] we have

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additional questions that we're gonna get to you; if
you can get us the responses [background comments] as
soon as possible, 'cause we'll be using them to
negotiate on the budget, and one of those questions
is gonna include an update on the Queens Library
addition at the Queens Museum.

DENNIS WALCOTT: Oh, perfect. [sic]

CHAIRPERSON FERRERAS-COPELAND: Okay,
great. Thank you very much for coming to testify
today. We will take a two-minute [sic] break before
we resume [background comments] with NYCHA.

[pause]

[background comments]

SERGEANT AT ARMS: Ladies and gentlemen,
we ask everyone to please exit the building if you
are not staying for the next portion of the Executive
Budget Hearing, which is Public Housing. We ask you
to please exit the chambers and if you can please
keep it down, we're gonna resume momentarily. Thank
you.

[pause]

[background comments]

SERGEANT AT ARMS: Ladies and gentlemen,
we ask everyone to please find a seat. Once again,

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please find a seat. Just a reminder; no food or
beverages allowed in the chambers; if you have that,
please remove those now. Can we have your attention,
please; please quiet down. [background comments]
Once again we ask everyone to please find a seat; any
coffee cups, please remove from the chambers; any
food, please remove. Also, please silence all
electronic devices at this time. Thank you.

[pause]

[background comments]

[pause]

[gavel]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the City Council's hearing on the Mayor's
Executive Budget for Fiscal 2017. The Finance
Committee is joined by the Committee on Public
Housing, chaired by my colleague, Council Member
Torres. We just heard from the three library systems
and now we will hear from Shola Olatoye... [background
comment] Olatoye; it's a long day, Chair and Chief
Executive Officer of the New York Housing Authority.

In the interest of time, I will forego
making an opening statement, but before we hear

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testimony, I will open the mic to my co-chair, Chair
Torres.

CO-CHAIR TORRES: No, in the interest of
time, I too will forego an opening statement.

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

SHOLA OLATOYE: I do.

Chair Ritchie Torres, Chair Julissa
Ferrerias-Copeland, and members of the Committees on
Public Housing and Finance and other distinguished
members of the City Council, good afternoon.

I am 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,
Nicole Ferreira, Vice President for Development and
other members of NYCHA's executive team. Thank you
for this opportunity to update you on the Authority's
first quarter, our reforecasted estimate for 2016 and
NextGeneration NYCHA.

Before I get into the budget, I wanna
recognize that today is an important milestone for
NYCHA; a year ago today Speaker Melissa Mark-

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Viverito, Chairman Torres, myself and many other
distinguished elected officials, residents and
advocates joined Mayor de Blasio in a packed
community center in East Harlem Johnson Houses for
the unveiling of NextGeneration (NextGen) NYCHA.

It was a monumental day, not only because
the de Blasio Administration offered a long-term
solution to stabilize the financial crisis facing New
York City's public housing, but because it was a
promise, a promise by this administration to change
the way NYCHA is funded, managed and how it serves
its residents. We made a serious commitment to
improve the quality of life for more than 400,000
people who call NYCHA home and to preserve public
housing for today and the next generation.

NextGen was then, and continues to be, a
massive turnaround effort to pull NYCHA back from the
brink. As we've mapped out in this strategic plan,
righting the wrongs that have accumulated over
decades will not occur overnight, and even though
NYCHA's turnaround is a marathon, not a sprint, we've
caught a commanding stride in NextGen's first year.

When I testified in March, I outlined the
challenges NYCHA faces, and specifically the external

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factors that most directly impact our cash flow.

Among these factors are the President's budget,
proration rate, Congressional appropriations, the
volatility of utility expenses, and the growing cost
of employee fringe benefits.

I believe this committee understands the
uphill battle NYCHA must climb each year, so while I
won't be reviewing those specific points in my
testimony today, I would like to take a moment to
recognize and thank you, Chair Torres. Since our
preliminary budget hearing, you've championed NYCHA's
funding cause and elevated the national conversation
on public housing. You've helped put public housing
front and center as a priority, making it clear that
it is more than a New York issue, but it is a
national issue and it should not be overlooked. I,
along with the people who live and work in public
housing, thank you for your voice and leadership.

Let me provide you with a budget summary.
We originally projected \$3.32 billion in revenue from
the Public and Leased Housing Program; we now project
that to be down slightly to \$3.3 billion; however, we
originally projected \$3.38 billion in expenses, but

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now expect to close the deficit with lower expenses
of \$3.28 billion.

While NYCHA will continue to pursue every
dollar, especially from the federal and state
governments, the Authority has a promising budget
update followed by a strong first quarter. We
originally projected a \$60 million operating deficit
for 2016, which included a \$38 million shortfall in
the Section 8 program and a \$22 million deficit for
the Public Housing Program. With an encourage first
quarter, I am pleased to report NYCHA now anticipates
a more positive 2016 outlook from NextGen NYCHA
initiative and from a higher than expected Section 8
proration. Let me provide you with some specifics.

Our strong first quarter in public
housing can be attributed in part to higher rent
collection, lower personnel costs from the general
wage increase and central office attrition savings.
This year NYCHA anticipates \$24 million from central
office employee attrition and other staff
integration, which began in 2015.

Separately, we will close the original
projected Section 8 deficit, as we received a higher
proration than budgeted; higher funding levels and

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lower expenses enable us to grow our Section 8
program.

Additionally, we are on track to convert
more unfunded City and State units this year; we have
already converted 202 units this year, compared to
264 for all of 2015.

NextGen isn't a plan frozen in time; it's
a living document guiding NYCHA to financial
solvency; only through experience, implementation,
evaluation and adjustment can we achieve the end
goal; identifying the savings and new streams of
revenue, new streams of funding that stabilize
operations so as to preserve public housing.

Each year we will reforecast NGN
projections based on how initiatives perform; some
may outperform our expectations while other
initiatives may not and will have to be revised.
Projections are a tool we use to help inform
decision-making and guide our program execution.
It's only by putting NextGen strategies into practice
that we can learn, improve and move forward. As FDR
once said, there are many ways of going forward, but
only one way of standing still; NYCHA cannot afford
to stand still.

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It's appropriate that this year's budget
hearing lands on NextGen's one-year anniversary. The
plan sets forth four principal goals: change the way
NYCHA is funded; operate like a more modern,
efficient landlord; rebuild existing public housing
and new affordable housing, and engage residents in
meaningful ways. In just one year we're seeing some
very promising results.

NextGen's funding goals to achieve
financial solvency center on two challenging, yet
basic ideas: NYCHA will manage its expenses and
collect more revenue.

To start, the Authority would be in a
very different place today without the Mayor's major
support and forgiveness from long-standing, untenable
City payments, including NYCHA's Payment in Lieu of
Taxes and NYPD payments. By erasing these debts,
NYCHA can keep more than \$100 million annually in our
operating budget.

Our budget also benefits from greater
than expected central office attrition and employee
integration in the last year. By the end of 2016,
NYCHA will reduce central office costs by \$24 million

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-- 30 percent more than originally anticipated in the
plan.

To meet our funding goals, NYCHA must
also be thoughtful about our ground floor vacancies.
In the last 12 months, NYCHA has leased more than
20,000 square feet of ground-floor space to new
commercial and community space tenants, which bring
in new streams of revenue and benefit the community.
Some new tenants include: a new child care center at
Washington Heights Rehab, which will provide early
education learning and university pre-K; a new
discount store moved into Queensbridge Houses in a
space that had been vacant for over a decade; and an
optometrist, Dr. James Kim, who recently opened his
practice on the ground floor of the Williamsburg
Houses -- a space that had been vacant for three
years, and will offer public housing residents and
the entire community greater access to comprehensive
vision care.

Solving our financial situation is one
piece of the puzzle, which goes hand in hand with
becoming a more modern and efficient landlord. To
meet this goal, we are putting technology on the

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forefront and embedding quality assurance into
everything we do.

New Yorkers are mobile and so is NYCHA.
The Authority has gone digital with the launch of the
MyNYCHA app, which has already been downloaded nearly
23,000 times. Residents can create work orders,
change appointments and receive alerts and much more
from the convenience of their phone. Over 97,000
non-emergency work orders have been created through
the app, with an average response time of with 7
days. Since my preliminary budget testimony, not
only have we launched the MyNYCHA app in Spanish, but
it and other NYCHA tech initiatives were recently
recognized with an innovation award from regional
housing professionals.

At its core, the operational goals in
NextGen are about responsiveness. With OPMOM, our
initiative to increase accountability and to empower
property managers, we're seeing trends in a positive
direction. Since the end of 2015, OPMOM sites on
average had a 17 percent improvement in response
times for routine repairs.

Another way we will change the way we
operate is with Flexible Operations: Expanded

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Services Hours (FlexOps), a joint initiative with our
colleagues at Local 237, which will launch at 12
developments this summer. During a four-month trial
period, NYCHA property staff will start regularly
serving residents at those developments before 8 a.m.
and after 4:30 p.m. Property management offices will
stay open until 8 p.m. one day a week for
appointments. We will have multiple shifts to better
tackle property upkeep, repairs and other critical
issues, while supporting greater flexibility for our
staff to work at different times. Working families
will be able to schedule an appointment for a routine
repair in the evening after work. FlexOps will
improve our residents' quality of life and the
overall safety of these NYCHA communities.

Being a better landlord also means moving
our capital projects forward, putting our money to
work more efficiently to create healthier, safer and
more connected communities.

I'm pleased to announce that, thanks to
our FEMA funding, over the past year we've begun
construction at 21 developments that were severely
damaged by Superstorm Sandy. These funds have
allowed us to make critical repairs to our Sandy-

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impacted developments and are putting us on a path
towards a more resilient NYCHA.

Thanks to Mayor de Blasio's \$100 million
investment for roof replacements, we've been able to
perform repairs on some of the most damaged roofs.
We've completed 19 of the 67 roof replacements and
are on track to finish all of the roof repairs
scheduled for the first \$100 million by spring of
2018. With an additional \$121 million from the
Mayor, 30 of our developments are also receiving much
needed façade work. By incorporating industry best
practices into our procedures and policies, our
Capital Department obligates its funds in eight
months, which is much quicker than HUD's required 24
months.

To make our developments safer and more
secure, we've installed over 12,000 CCTV cameras
across 181 of our developments. As part of the
Mayor's Action Plan, we completed a \$4.8 million
lighting project at the Polo Grounds, installing 341
new energy-efficient exterior lights at that
development. Similar exterior lighting projects are
currently underway at 9 of the 15 MAP developments.
The remaining sites are scheduled to break ground on

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construction this summer. In addition, CCTV is
currently being installed at 7 MAP developments. We
expect all of our exterior lighting projects to be
complete by next summer and all of the CCTV and
layered access installation to be complete by the
following summer.

Additionally, with \$15.7 million in
funding from the City Council and the State, we are
installing CCTV cameras, along with layered access
security measures, at 23 developments this year --
that should be completed on time by the end of the
year.

NYCHA's development program is a lifeline
to achieving financial solvency, preserving public
housing and creating more affordable housing across
the city.

The reality is NYCHA will only survive if
we identify new, uncommitted streams of funding. We
cannot bet NYCHA's future on hypotheticals and other
funds outside of NYCHA's purview. Development on
NYCHA land for both revenue and affording housing is
a balanced approach to solving many of the problems
facing the Authority and the affordable housing
crisis in New York City.

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We are facing the burden of an unmet
capital need of \$17 billion for our aging
developments. We must bring in new sources of
revenue, upgrade buildings and improve the quality of
life for our residents.

One solution to address the major
rehabilitation needs of our aging buildings is
through RAD or the Rental Assistance Demonstration
program, which continues to garner growing support.
We are completing our review of proposals from
potential developers and we hope to announce a
selection by the end of June. Through this program
we plan to upgrade 1400 apartments at Ocean Bay
Apartments (Bayside) in the Far Rockaways, an
investment that will likely total more than \$150
million in capital improvements.

The RAD announcement follows another
important announcement we made earlier this month:
NYCHA and HPD selected the developer teams to build
100 percent affordable housing and community centers
at Ingersoll and Van Dyke Houses in Brooklyn and at
the Mill Brook Houses in the Bronx. NYCHA
incorporated the input of residents and as a result,
the applications include community center

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programming, innovative design and affordable housing
for seniors and families.

A key component of NextGen is engaging
with residents in new ways. We are taking this
approach with the NextGen Neighborhood program at
Wyckoff Gardens and Holmes Towers. Residents have
been at the table as never before. Between the two
developments, more than 600 residents at over 36
meetings have spoken up, contributed and provided
critical feedback to what should be included in the
Request for Proposals (RFP). The RFP, which we hope
to release in the coming weeks, really is a testament
to the good work and conversations that have occurred
at these two developments.

As we continue to bring residents to the
table we will continue to incorporate their input to
help guide our work. NextGen is about doing things
differently to better serve our residents. Through
resident leadership and strategic partnerships, NYCHA
is committed to creating opportunities for meaningful
resident and community input.

NYCHA has learned a lot through NextGen's
first year of implementation. This is a major

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turnaround effort with significant budget

implications. I am committed to getting it right.

As always, we appreciate your partnership
in strengthening New York City's public housing.

Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much Commissioner; thank you for your testimony.
We've been joined by The Speaker of the New York City
Council, Melissa Mark-Viverito, Council Members
Rodriguez, Gibson, Matteo, Miller, Van Bramer, King,
Salamanca, and Richards.

I'm gonna ask a few questions and then
give it over to The Speaker and then the Chair will
follow up and then we'll open it up to our
colleagues.

I want to talk about the operating budget
deficit and closure; I know you made some mention to
this in your opening testimony, but NYCHA was able to
close a 2016 adopted operating budget deficit of \$98
million at the end of the year and achieved a one-
time surplus of \$61 million. A reforecasted 2016
operating budget for NYCHA projects an overall
surplus for the first quarter in 2016 for all three
component funding sources, all funds, public housing

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funds and Section 8 program funds. What actions ore
measures account for these increases and do you
anticipate that the \$60 million deficit originally
projected in 2016 can be closed by the end of the
year?

SHOLA OLATOYE: Thank you for your
question. So as part of our budgeting process, which
we adopt at the end of the calendar year or fiscal,
is really based on projections of a couple of things.
One is the proration rate that we receive from
Congress and other historical projections -- utility
expenses, staffing levels, etc. There are a couple
of important distinctions for 2016. First, we were
projecting a \$61 million deficit for 2016; \$38
million of that was in the Section 8 program and \$22
million of that was in the public housing program.
Within the Section 8 program, we received a higher
than expected proration from Congress, at a full 99.5
percent, as opposed to the 98 percent that was
budgeted, because that's what we had received in
2015, so that resulted in an \$18 million increase.

We also saw lower expenses from the
Section 8 program as it related to contracts and
other personnel costs. So that is allowing us to

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address the \$38 million projected deficit in the
Section 8 program.

On the public housing program we
projected a \$22 million deficit and there are some
specific changes that can be explained. One; we saw
lower utilities, meaning; our utility bill that we...
the utilities from 2015 versus first quarter 2016
utilities were trending lower than projected. We
also saw lower personnel costs; we had estimated a
higher head count and actually were able... through
some very deliberate management decisions within the
central office, were able to keep that number low,
towards our effort of really holding our central
office costs down. And then there was, in 2015, with
the signing of all of our labor agreements, there was
a general wage increase that was included in the
budget based on a higher head count number. Because
of those deliberate management decisions to keep the
central office head count number lower, that general
wage increase estimate was also lower. I'll turn it
over to Karen Caldwell, if there's anything else to
add there.

KAREN CALDWELL: Just... Just to reiterate
again... I'm sorry. First of all, good afternoon; I'm

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Karen Caldwell. Just to reiterate, I think the Chair
explained the \$38 million from Section 8, you know,
due to proration and lower payments on that side,
really creating a break even scenario for them in
2016. As far as public housing goes and the \$22
million deficit that was originally proposed, we are
expecting a lower operating subsidy amount coming in
from HUD, based off of lower utility expenses; those
two go hand in hand because the utility expense is
part of the formula for what we receive in operating
subsidy. In addition to that, it is these lower
personnel costs, again, from the general wage
increase and the lower head count, and so those are
really the factors that make up the difference and
take us to what we believe will be slightly positive
in our public housing program for 2016.

CHAIRPERSON FERRERAS-COPELAND: So is
your lower head count by attrition or is it delayed
hiring?

KAREN CALDWELL: It is attrition, and
last year we had 56 employees move over with our
community centers that did transition over to other
City agencies last year; that was 56 people, and then
the other 145 people were people that moved on from

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NYCHA through attrition that we do not plan to
replace.

CHAIRPERSON FERRERAS-COPELAND: Okay.
I'm gonna pass the mic over to our Speaker and then
I'm gonna come back on rent collection and lead
paint.

SPEAKER MARK-VIVERITO: Thank you,
Chairs, our Finance Chair Julissa Ferreras and to our
Chair Ritchie Torres and thank you, Shola for being
here. So very brief remarks I'll make; I just have a
couple of questions as well.

So as Speaker of the New York City
Council; I know I've said this many, many times to
anyone that will listen, obviously I represent
proudly East Harlem and the South Bronx; that's the
8th Councilmanic District, home to more public
housing residents than any other district, not only
in New York City, but clearly in this country. As
any council member who spends time meeting with NYCHA
residents in his or her district can tell you, we
take the decisions we make about public housing very
seriously and for good reason; with a trend of
federal disinvestment from public housing, the City
Council and the administration are increasingly

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responsible for ensuring that public housing
residents have a public housing system that works for
them.

The New Yorkers in my district and all
across the five boroughs who live in public housing
are directly impacted by our work and the decisions
that are made in part based on hearings such as this.
So NYCHA has operated the largest public housing
program in the nation for over 75 years and providing
housing to many, many residents in our city -- low-
and moderate-income.

Despite budgetary challenges and funding
shortfalls across all levels of government, NYCHA
continues to address the varied physical needs across
its aging buildings, offer community and senior
programming at 255 community centers and pursue
strategies to address structural deficits.

Central to NYCHA's goal of achieving
financial solvency in NextGeneration NYCHA, the plan
outlined 15 targeted strategies to get NYCHA on solid
financial ground and reduce NYCHA's deficit by more
than \$1 billion over the next five years.

You are indicating or it had been
indicated that NextGen strategies are projected to

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generate \$74 million in revenue; today the Council
hopes to gather more details, and I know that has
begun, about the long-term sustainability of these
funds and the impact of NextGen strategies on our
residents within NYCHA. So the Council hopes that
NYCHA will share greater detail about how it intends
to address annual operating deficits in the current
and future years, as well as its plans to obtain
community and Council input, while pursuing revenue-
generating strategies.

I wanna thank both Chairs for their
leadership and work to assemble this hearing. I also
wanna thank you, CEO and Chair, Shola Olatoye and her
staff for joining us today. As I indicated to you in
passing, I was in D.C. recently and I did get to meet
with some representatives of HUD, and speaking about
some of the general concerns we have, not only with
NYCHA, but with other matters that HUD oversees, and
I'll say, just because I think for the public record
it should be said, that the representatives at HUD
spoke well about your leadership and said that they
had a great working relationship and cooperative and
understand the challenges that we have here in the
City; that they had confidence in your leadership;

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just sharing that; I know we have our oversight
hearing, but I think it's important that that be at
least shared... [crosstalk]

SHOLA OLATOYE: Thank you.

SPEAKER MARK-VIVERITO: So I do wanna ask
just a couple of quick... [crosstalk]

SHOLA OLATOYE: Sure.

SPEAKER MARK-VIVERITO: questions.
Considering the 100 percent affordable housing
development program, which is in place right now; one
of the... obviously one of the developments identified
is in my district, the Mill Brook Houses in the
Bronx, and that I think between the three
developments that have been identified, looking to
develop about 489 units of affordable housing. So
what are the next steps in the development process at
these sites? I know that the developers have been
selected; to be honest, at Mill Brook, there were
concerns about ongoing conversations with the
residents as that plan develops, so just to
understand a little bit; now that the selection has
been made... [interpose]

SHOLA OLATOYE: Sure.

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SPEAKER MARK-VIVERITO: in each of these
developments, what are the next steps in particular
with regards to resident engagement, which I think is
something to be looked at, and the time frame, if you
could speak to?

SHOLA OLATOYE: Sure. Sure. Thank you
for your comments, Madame Speaker; appreciate that
support.

We are pleased that this first set of
developments in our 100 percent affordable program I
think really reflect the more than year-long
conversations that we had with our residents at the
respective developments. Specifically at Mill Brook,
one of the things that was central to all of the
conversations about any kind of development was the
increasing concern for senior residents in the
community. It was clear from day one that residents
wanted to see senior housing as something that would
happen, but there would also be services provided for
those seniors as well as the greater community. We
believe that the team that was selected, led by
WSFSSH, the West Side senior housing organization, a
30-plus-year nonprofit organization with whom we
partner with in other parts of our portfolio, really

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met the criteria, not only in the development
capacity, the design, the sustainability, the
program, but really I think putting forth a proposal
that reflected what residents wanted to see.

In terms of the next steps, and I've
shared this with Ms. Jamison, the resident
association who I spoke to right before we made the
announcement, one of the first important things will
be for the developer team and NYCHA to go and sit
with those residents in the next -- imminently --
[background comment] I believe we're actually sched..
Wednesday and actually introduce the resident
leadership and the broader community to the developer
partner; really have them walk them through the
specific components of the program that they put
forward, both the design, how the building would
work, what the construction process would look like,
and really I think, begin what is going to be a long-
term relationship with the development partner. So
that's happening on Wednesday and I think at that
conversation things like how the residents, how often
those sessions will happen, who the on-site contact
will be, what the sort of key milestones will be in
terms of the developers are all still putting

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together their financing from various public forces.

So I think those are sort of the key pieces of this
process as we go. Our expectation is that we close
the financial part of the transaction by the end of
this year so that we can then actually begin the
actual work on the development.

SPEAKER MARK-VIVERITO: So understanding
that those three developments are a 100 percent
affordable... [interpose]

SHOLA OLATOYE: Correct.

SPEAKER MARK-VIVERITO: I'm assuming
there's a projected revenue that you're expecting as
an authority; could you speak to that a little bit,
and is there at least a commitment internally that a
percentage of that would be invested back in those
developments; could you speak to that as well?

NICOLE FERREIRA: Good afternoon, Nicole
Ferreira, Vice President for Development.

So yes, we are right now finalizing the
financials; we will apply for Section 8 vouchers for
the senior housing to get to lower AMI levels; that
all will happen over the next month, and as we
adjust... [interpose]

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SPEAKER MARK-VIVERITO: So just to be
clear; the three developments are all a 100 percent
senior housing...? [crosstalk]

NICOLE FERREIRA: Yes.

SPEAKER MARK-VIVERITO: No?

NICOLE FERREIRA: Two of the three...

[crosstalk]

SPEAKER MARK-VIVERITO: Two of them are.

NICOLE FERREIRA: Two of the three are
senior housing.

SPEAKER MARK-VIVERITO: But all of them,
the idea is to do project-based Section 8, so at
least identify Section 8 to be placed at each of
these developments?

NICOLE FERREIRA: For the senior housing
developments... [interpose]

SPEAKER MARK-VIVERITO: For the senior
housing...

NICOLE FERREIRA: Yes. And as those
financial models get tightened up over the coming
months, then we'll have better projections of the
return. Right now for those three sites the initial
proposals came back between \$5-7 million return to
NYCHA over those three sites.

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SPEAKER MARK-VIVERITO: Combined?

NICOLE FERREIRA: Combined.

SPEAKER MARK-VIVERITO: Starting... what's
the projection, as of when?

NICOLE FERREIRA: So we are projected, if
we close by the end of this year on all three, to get
\$500,000 up front and then after construction
closing, the rest of the monies would come to NYCHA,
so that would probably in two years. If we close
December '16, two years for construction and at
permanent conversion, NYCHA would receive the rest of
the financing.

SPEAKER MARK-VIVERITO: And then you're
saying the \$5-7 million per year or kept over the
period of time...? [crosstalk]

NICOLE FERREIRA: **[inaudible]** It's an
upfront...

SPEAKER MARK-VIVERITO: It's an upfront?

NICOLE FERREIRA: Yes. So after
construction closing, that would be an upfront lump
sum payment.

SHOLA OLATOYE: And I think it's
important to note; I think we've spoken about this;
the affordable, 100 percent affordable program's

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really focused on providing affordable housing and
trying to get at affordability levels. The revenue
associated with that is deliberately... we presumed we
would not see a ton of revenue here because of our
desire and commitment to get to lower AMI levels
within the three communities. So you know, the
conversation with residents has been more about what
are the housing needs of your community; as in all of
our development, there is a 25 percent set-aside for
NYCHA residents who choose to leave the public
housing program and move into these developments, but
it's really been about affordable housing in the
neighborhoods as opposed to a strictly revenue-
generating strategy.

SPEAKER MARK-VIVERITO: So now although
that amount, understood, is kind of a one-time
amount; is there any commitment as to where that
money would be invested or is there a commitment to
these particular developments to apply any directly
to it; what's your vision on that? I know that
you've been adverse to dedicating a 100 percent of
the revenue back into those developments, 'cause
there's an overall need that the Authority has, but

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could you talk a little bit about how you've
envisioned that?

SHOLA OLATOYE: Sure. I mean again,
within the 100 percent affordable program, at this
point, because we are still sort of working through
the finances, I don't think we've made any
commitments on the very minimal amount of revenue
that's coming from these projects; we've assumed that
that would actually go back into the Authority to
help with our overall budget stabilization efforts,
you know broadly. Clearly I think some of
conversations, there will need to be some
conversations with residents; I think there's a
really great... there are several examples of us doing
affordable housing projects in the past where we have
identified sort of minor things that are not as sort
of capitally intense, like roofs or elevators, but
with resident input have identified, whether it be
lighting or playgrounds or sort of things that are of
lower cost that could be part of the development as
well. So those are conversations that we very much
expect the selected developers and residents to have,
and at Mill Brook, that begins on Wednesday.

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SPEAKER MARK-VIVERITO: And then I'm
gonna pass it back, but on this issue of identifying
developments for development, what... I know there's
been this question about the next round and other
areas; the first set has been 100 percent affordable,
great; there's been discussion obviously about Isaac
Homes and others, but when will communities get a
greater sense of the long-term vision here for other
developments that are being identified?

SHOLA OLATOYE: So we have made
commitments, and I think the Mayor; not I think; I
know the Mayor has charged me with really doing this
in a different way. So starting so residents don't
read that they're subject for development; we go and
we have conversations with them. So it is our
expectation that this summer we'll begin the next
round of conversations in affordable housing, and for
the 100 percent affordable program we've not yet had
those conversations with residents and resident
leaders and elected officials, etc., so that is... we
really wanted to get through the selection of this
first three, get the RFP out for our two 50/50 and
then begin the next round. So we will have more to
say about that imminently.

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SPEAKER MARK-VIVERITO: And then I know

there's a lot of questions; I'll pass it back;

[inaudible] I can ask in the next round, but in terms
of a lot of stuff that we were starting to delve into
on the NextGeneration NYCHA and the projected savings
that you would generate there. I'll pass it back to
the Chair, to both Chairs and then come back.

SHOLA OLATOYE: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Madame Speaker. We will hear now from Chair
Torres.

CO-CHAIR TORRES: How are you, Madame
Chairwoman?

SHOLA OLATOYE: Well; thank you.

CO-CHAIR TORRES: Thank you for the kind
words earlier and the feeling is mutual; I enjoy the
partnership, the complicated marriage that I have
with the Housing Authority, but... and I can be an
especially demanding person, but I think your staff
is as cooperative as I could hope for, you know
particularly Brian and Jennifer and I enjoy my
dealings with David Farber and Nicole, and I just
wanna say I lament the loss of Michael Rosen; he was
a first-rate public servant...

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SHOLA OLATOYE: Absolutely.

CO-CHAIR TORRES: not only did he have
technical expertise on capital projects, but he just
had a real talent for and a real commitment to
community engagement and it' people like Michael
Rosen who make NYCHA what it is, so I just wanted...
and the general manager and our monthly check-in, so
I appreciate your commitment to transparency.

I wanna speak about Section 8. As you
know, HUD is proposing a rule, I suppose a well-
intentioned, but what I would say dangerously
misguided rule that would radically reshape the
administration of Section 8. So currently under
Section 8, the government makes your rent 30 percent
of your income up to a certain point, up to a certain
percentage of fair market value, known as the Payment
Standard, and under the existing Section 8 program
there is one payment standard for everyone, 105
percent of fair market value. If the proposed HUD
rule were to go into effect, the Section 8 program
would go from one payment standard to 146 payment
standards; one for each ZIP code, and so most Section
vouchers who tend to cluster in lower-income
neighborhoods would likely see a decrease in their

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payment standard and therefore an increase in their
rent. And so not only is the new rule effectively
attacks on poverty; not only will it punish most
Section 8 voucher holders simply for living in lower-
income neighborhoods, but the new rule, I believe,
would undermine the stability of the whole program;
it would create confusion for landlords, tenants,
agencies; everyone loses. I'm genuinely concerned
about this rule and so I wanna know what is NYCHA's
position on it...

SHOLA OLATOYE: Sure.

CO-CHAIR TORRES: and what do you see is
the impact that it will have on our constituents...

SHOLA OLATOYE: Sure.

CO-CHAIR TORRES: and many of us have
huge concentrations...

SHOLA OLATOYE: Sure.

CO-CHAIR TORRES: of Section 8 voucher...
I actually have the largest concentration of voucher
holders in the city, my district, so this concerns me
just as a local council member.

SHOLA OLATOYE: Sure. Well first of all,
thank you for your comments as well, Chair Torres. I
think that you are absolutely right in terms of the

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potential devastating impact that this rule change
could have on New York and particularly on the
communities with whom we care about here at the New
York City Housing Authority. So we were so concerned
about this proposed rule that we, in concert with our
colleagues at HPD, drafted a letter that Deputy Mayor
Alicia Glen ultimately sent to the division of HUD
that deals with these types of rule changes, and we
outlined a couple of major concerns; I think you
touched on a few of them; one was the overall impact
on budget and the number of vouchers available. So
if one -- just for the knowledge -- if the payment
standard of a 105 percent of the fair market value
allows the government, via NYCHA, to pay that amount
and then the resident pays up to the 30 percent of
their income for whatever the balance is; if that
changes -- first of all, from an administrative
perspective it would quite challenging just for our
sort of program administration, but then it does mean
that families will have a significant impact; can see
a decrease in the amount of their voucher; meaning
that their tenant portion would increase; thus really
making homes that were once affordable for them
unaffordable. So we share this concern, HPD shares

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this concern; we run the largest Section 8 program in
the country; combined, you know, more than a 120,000
families, you know, households rely on this
incredibly important asset. So that's the number one
impact. The second impact is on frankly those folks
who are seeking apartments, and there's been a lot of
discussion about this as well; Section 8 has for many
landlords and for many years been a gold standard in
terms of the consistency of its payment to landlords;
if that were to be undermined, I think it would have
significant impact on not only families who are
trying to find apartments in the market right now,
but certainly the many families who are leaving
shelter who have this voucher and are already
experiencing challenges in getting landlords to take
a voucher.

I think the other issue, and I think this
goes to the broader affordable housing ecosystem that
is New York City, there is a... it really operates,
'cause as you said, you have a significant... you have
the largest percentage of Section 8 voucher holders
in the city; what the decrease would mean for the
owners of these properties in their ability to
maintain their properties in terms of high-quality

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standards, etc., we would certainly see a decrease in
that. Again, a consistent cash flow is what
landlords and property managers seek, whether you run
luxury housing or affordable housing; the loss of
that consistency would have a significant impact on
the quality of housing.

And I think the other concern for us was
our ability -- NYCHA has used project-based vouchers
very successfully to support the City's affordable
housing program; with the loss of that consistency as
well, our ability to have set-asides for homeless
families, disabled supportive housing... I mean this is
very serious and I think we have -- as you can tell
by the letter that is public that the Deputy Mayor
sent and our regular conversations with our
colleagues at HUD, we continue to raise and sound the
alarm and look forward to partnering with you in
other ways that you might see fit to continue to keep
this issue on the front burner.

CO-CHAIR TORRES: Yeah, I believe it
would have catastrophic consequences and you could
have an exodus of landlords from the Section 8
program... [interpose]

SHOLA OLATOYE: Absolutely.

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CO-CHAIR TORRES: I think we all share
the goal of mobility, of giving low-income people
greater access to higher-income neighborhoods, but
there's a right way to do it and there's a wrong way
to do it and the notion of using the threat of a rent
increase to coerce people out of lower-income
neighborhoods and have them abandon their community
ties and then have tens of thousands of people
abandon their neighborhoods en masse and go to
higher-income neighborhoods where you have probably
more source of income discrimination, fewer
vacancies; I can't say enough bad things about the
rule, but... [crosstalk]

SHOLA OLATOYE: Well and I think the
other thing here, and there is a workgroup that
several high-cost cities, large PHAs have been sort
of focused on this issue, because I think for certain
parts of the country this has a different impact. In
places like in high, sort of dense areas, this will
prove to be, as we said, I think quite detrimental to
families and to neighborhoods.

CO-CHAIR TORRES: And all I would say is,
if there is a rule that HUD is proposing that would
have a substantial effect on NYCHA residents, our

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constituents, please let us know. You know when The
Speaker is going to HUD or when I'm meeting with HUD
in Washington, I think we should communicate very
clearly that this would be destructive to our
constituents and we're strongly opposed to it.

I wanna just ask a few questions about
revenue projections.

SHOLA OLATOYE: Sure.

CO-CHAIR TORRES: I've been particularly
critical of NYCHA on the integration initiative, but
I wanna leave that aside for a moment and just start
with the construction of the 17,000 new units; you
originally projected \$151 million in revenue over the
next five years; it's now 173; what's driving that
increase or that revision?

SHOLA OLATOYE: So this year we are... and
we've spoken to you a lot about this, Chair Torres,
we are pleased that our work with HCR is moving
forward and so we expect to close on our RAD
transaction at the end of this year, which is an
additional \$22 million in the budget. So we have
sort of pulled that estimate forward for 2016 and as
we also noted, the first three 100 percent affordable
deals are also expected to close at the end of this

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year. Are there any [background comments]... okay. So
that explains the increase in projected development
revenues that we are... [crosstalk]

CO-CHAIR TORRES: I thought the... 'cause I
have... one category is leverage HUD programs; I know...
[interpose]

SHOLA OLATOYE: Yes.

CO-CHAIR TORRES: RAD is part of the
leverage HUD programs... [crosstalk]

SHOLA OLATOYE: That is correct. That is
correct. And so we did not anticipate initially that
we were going to close that this year, close our
first RAD transaction this year, but we will and we
are on pace to do that, so we actually are bringing
forward the estimated \$22 million in our revised
projections. But let me just state, the first... the
original projections in leverage HUD programs was \$8
million; we're now projecting that to be 29.

CO-CHAIR TORRES: So the increase from
\$174 million to the new revised projection of \$250
million; is that solely explained by RAD?

[background comments] And I'm adding up the totals
[inaudible]... [crosstalk]

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SHOLA OLATOYE: Yeah, you're adding them,
okay. So you're adding up our new construction,
which originally was at 27 and we've actually
downgraded that a bit, given some of the timing
issues, our leverage HUD program, we've now increased
that, and our continued... this year we will get the
last of the three-year payments in our Section 8
Recapitalization Project as well, which is this year,
which explains that number.

CO-CHAIR TORRES: From 174 to 250...

[interpose]

SHOLA OLATOYE: That's correct.

CO-CHAIR TORRES: pretty huge increase
[sic]. And then the central office. So it seems to
me, when I was first reading NextGen NYCHA, the
central office was supposed to be, as far as I can
tell, the single largest ongoing source of revenue
for the Housing Authority. You originally projected
about \$90 million from cost savings from integrating
the central office with the agencies, and from
FY 2016 to FY 2020, NYCHA originally projected \$320
million in revenues from integration; that projection
has been revised radically from \$320 million to \$111
million; 169 percent reduction. So specifically on

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the subject of integration; what accounts for the
dramatic revision **[inaudible]**... [crosstalk]

SHOLA OLATOYE: Sure, I'll provide some
high level and then I'll ask Karen Caldwell to
provide you with some more specifics.

So actually, per our first year
projections with regard to integration, and
integration for us really is sort of twofold; one was
a deep dive into our central office functions to see
where there were opportunities to integrate
potentially duplicative functions with other City
agencies; that's one. The second piece was to manage
our head count at the central office, so as
[inaudible] earlier, 145 people who in another era we
may have replaced, we chose, through some very
disciplined management practices, to not replace
those positions and therefore saw some additional
savings from that lower head count. So in our
original projections around the central office
integration effort, we only projected a savings of
about \$11 million in this first year of 2016; we are
actually ahead and now project that \$24 million in
savings.

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So what we have been engaged in is a very
intensive set of conversations, both across our
business lines, but also with other City agencies
about where we can seek to be more efficient and seek
to integrate our functions with other parts of the
City; we have done that, we did it last year; we're
continuing it this year, and we are still in serious
conversations about other parts of our business.

So according to my numbers and according
to the plan as released last year, we're actually
ahead and we are working towards, I believe, you know
a real understanding of what that will look like each
year.

CO-CHAIR TORRES: We're both correct. So
yes, it is true this year, you are ahead of your
projections, but over the next five years there's
been a collapse of your revenue projections
specifically on the subject of integration, and so I
wanna know what is the reason behind that collapse?

KAREN CALDWELL: Okay, so two things; our
integration number really was comprised of two
things, both attrition and not backfilling, as well
as the integration that you talk about, so I'll start
with the attrition.

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Because of the amount of people that we
are down in head count from last year, it was way
ahead of schedule, in fact, from what we had
projected; that means that going forward, as we
assessed our business, we are not going to be able to
not backfill many of those positions if we lose
people; that 145 people really did tax us as an
agency in terms of running our central office. So do
we still expect to have some attrition that's not
replaced? Yes we do, but at the level that was in
the budget, no; I don't believe that that's the case,
and that's really just through the experience that
we've had.

The second thing on the integration; one
of the things that this budget does; it really
reflects what we can tangibly see today, where we
know we are able to find positions for some of our
people, and one of the tenets that we were given was,
you know not to interrupt service to our residents;
make sure that we were able to perform and serve our
residents at the same levels that we had in the past.
And so with that we have to be able to identify
positions in other City agencies where we can
continue to receive that same level of service and

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there also have to be openings there for us to be
able to do that. And so those conversations continue
and we do hope, you know, it is our hope to obviously
do better than the numbers that are presented on this
page, but what this page reflects is what we know
today and you know, in an effort to be transparent,
in an effort to put down the things that we really
know that we can achieve today, that's what this
represents. To the extent that we continue with our
efforts and we are able to find those synergies and
we are able to make those transitions and keep the
level of service that we have, we will continue to do
so, and then this budget will be revised as we are
able to achieve that and can show that.

CO-CHAIR TORRES: But which category of
employees did you think that you could integrate into
the rest of City government that it turned out you
couldn't?

SHOLA OLATOYE: So I think that we are
still I think doing our analysis; there are large
parts of our capital program that we are in-depth
conversations with our colleagues at CCC about
whether or not that's something that could happen.
There are large swaths of our customers contact

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center that we're in conversations with the Mayor's
Office of Operations who oversees 311. Now I think
that there are... this is not a question of can these
things be done; there is a cost benefit and we are
still in the process of them now, 'cause we've been
working very closely with both of those agencies to
understand what integration would actually look like;
what are the workflows that would need to happen;
there are also, and as the CFO mentioned, we also
have to take into account that agency's ability to
receive people and work. So I think what we have
here is what I know we can get done right today; we
are still in the midst of those conversations, and
look, I also think that there's the ability for us to
do things in phases; one of the things that came out
of our conversations with the Mayor's Office of
Operations was their recommendation to improve or IVR
system; a little too detailed, but it's our ability
to appropriately route residents who call the
Customer Contact Center electronically and really
update that; that was not something that we had
envisioned at the beginning of NextGen; through these
conversations we've realized that's something that we
can do and we have the capacity to do. So I think

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that we are learning as we seek to try and make
pieces of this work and we will reflect what we are
able to do in our budget going forward.

CO-CHAIR TORRES: Did you assume that you
could integrate CCC into DoITT or with some of the
City agencies, the CCC employees?

SHOLA OLATOYE: So that is one of the
functions that we are looking at and it's actually
the Mayor's Office of Operations that runs 311 and we
are... Ms. Tarlow and I are in very close
conversations. DoITT actually runs the contract for
what is 311 and they are actually in the midst of a
comprehensive plan to redo 311 as we speak; you
probably talked about that in earlier hearings, and
so one of our sort of... one of the things that we have
sort of come to a point of how do we sort of move
forward is; that scoping, that process, it's out
there; how do we add, if we add a NYCHA component to
that; how does that change their costs, their time,
etc.? So we've not said no; we are truly trying to
see if this is something that is compatible...

[interpose]

CO-CHAIR TORRES: Well I get none of
these numbers are carved in stone; right and there

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could be an upward revision in the future; right?

But I'm wondering; what was the assumption built into
the original revision and what led to the dramatic
revision downward? Did you originally assume that
you could integrate CCC into 311 and then came to
realize it was more complicated than originally
thought; like what was the assumption that was wrong?

SHOLA OLATOYE: I think that we... So one,
I think we made some estimates around our capital
program, which is actually bigger than CCC and
actually has ability for projected savings that are
greater than the CCC in integration. I think that
that has proven to be I think more challenging than
we initially knew and those are... that's conversations
that we are having and an analysis that's being done
about workflows and contracting procurement issues
that NYCHA is required to do that the City isn't; the
Customer Contact Centers, the 150 or so employees
that are there, you know that was also something that
we looked at; again, something that we are still
analyzing and still working with our colleagues at
the Mayor's Office of Operations. We are not at the
point today to say that that is something that we can
do tomorrow; it is a question of, you know I think

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the broader City's ability to absorb what is a
significant operation at the New York City Housing
Authority and our ability to do the back office work
that would need to happen, like changing our workflow
system to be consistent with the City. It is not a
simple task; there are smart people in the world;
there are engineers who can do this, so it is not a
question about it can't be done; it is a question of
cost benefit analysis and our ability to actually
ultimately improve the services and save money for
the Housing Authority.

CO-CHAIR TORRES: But it seems to me
NYCHA was more optimistic that it could be done in
the beginning than it is now, so what... what...
[crosstalk]

SHOLA OLATOYE: I think that we have more
information. I think that we have more information,
Chair.

CO-CHAIR TORRES: I'm curious to know
what that information is; what are the stumbling
blocks to integration of CCC into 311 that you came
to discover...? [crosstalk]

SHOLA OLATOYE: Well so I just... As I
mentioned, I think the Mayor's Office of Operations

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is currently working to do a complete overhaul of 311
broadly and so there's a question of whether or not
that process can stop or be augmented to include the
Housing Authority. So that's an important piece in
sort of what are the workflows that kind of... that
flow from that; that is information, as we've begun
to dig further and do additional analysis about call
volume, about response time; that is something that
we are continuing to learn more.

CO-CHAIR TORRES: Yeah. I think my
colleagues wanna ask questions, so I will end my
questioning for now.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Chair. And I'm gonna leave some of my questions
for the second round. But we've been joined by
Council Members Mendez and Cumbo. We will hear from
Council Member Rodriguez; followed by Council Member
Miller; followed by Council Member Gibson.

COUNCIL MEMBER RODRIGUEZ: Thank you,
Chair.

Great job and you know the City is so
lucky to have you leading an agency that we know you
inherited a lot of trouble, an agency that
unfortunately, when it comes to federal funding, the

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money has not continued coming to NYCHA; hopefully
the next leaders in the White House, they should be
more responsible. You know, like my parents, they've
been living in NYCHA since the 1990s and still my
mother, she lives in one of those NYCHA, the Diamond
Houses, and one of the issues that I have seen,
experienced it directly, is the issue of elevators,
and sometimes you try to fix, but you're dealing with
reality, because the question is; how much money does
NYCHA have to fix, to upgrade the electricity
capacity for those **[inaudible]** [background cough] and
how can you describe, you know the condition of
elevators and how can you describe, you know, the
condition of elevators and if you grade those
elevators; can you say that some of them are
completely safe; do we have some challenges on
keeping all elevators safe?

SHOLA OLATOYE: Thank you for your
question, Council Member. So first, you know, our
elevators perform about a billion trips a year, so we
have, by virtue of scale, the largest elevator, sort
of residential elevator program in the city. We take
the safety of our residents incredibly seriously and
I think because of some unfortunate events that

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happened at the end of last year, it has required a
fresh take and look at how we run our elevator
division. I think it's also important to note that
our annual budget for our elevator program is about
\$100 million and that's a significant increase from
decades past, so there has been a very targeted
investment in elevators. We have done a couple of
things in the last several months; one, we took some
pretty very strong disciplinary actions against staff
at the time; we've appointed an interim elevator
director; we revised our policies and procedures
around escalation issues; we now call the FDNY for
hazardous conditions at all times of the day; not
just after hours; we've improved our escalation
policies; we also, starting next week, have a
specialized group of staff within our Customer
Contact Center who specifically focus on elevators.
So I think from a capital perspective there's no
question that we have elevators that are dated; when
we utilize our capital dollars and do major
modernization efforts, elevators are sometimes the
things that we certainly include in that scope.

COUNCIL MEMBER RODRIGUEZ: And for me, I
think it is important to see how... what is the quality

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of those repairs for those... whoever it is like does
the maintenance, and because of the time, you know
that... I'm sorry; I have to move... I'm gonna put it
more as a suggestion, because I... [interpose]

SHOLA OLATOYE: Sure.

COUNCIL MEMBER RODRIGUEZ: I would like
to ask another question. I think it is important to
look on the quality of those repairs, because I can
say, you know what, I have lived through; I'm pretty
sure that that... or my parents did the same thing that
everything that happened in many buildings; it's not
just about the use of those elevators; it's that
elevator that is repaired today and two weeks after
are out of service, so no doubt that that doesn't
respond only because of the higher demand of people
using those elevators is the [inaudible] issue has to
be there about the electrical power; it has to be
about are the repairs done properly; [inaudible] have
all the tools to do the repair? So what I hope is
you know that that's something that we should look
at.

SHOLA OLATOYE: Okay.

COUNCIL MEMBER RODRIGUEZ: My second
concern is, you know when you look about the

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population, or based on your information, 40,000
people living in NYCHA, 46 percent black; 44 percent
Latino, 4 percent white, you know that society has
put... it's like putting... poor people live in one place
and I think that under your leadership I hope to see
more investment, trying to take as many people who
live in poor conditions in those public housing
projects move into a high level. So how are we doing
the job training [bell] for **[inaudible]**?

SHOLA OLATOYE: Okay; that's for you; not
me. Okay. So it's a great question and it's
something that this administration's been very
focused on, which is how to better integrate; how to
better connect NYCHA residents to opportunity. So
first, one, we are led by Maya Wiley, the Mayor's
counsel; we're actually working to really take an
agency-wide look at all of the capital workforce
opportunities to make sure that NYCHA residents have
in-roads into them. Pleased to say; a lot of that is
happening, but how do we scale it; how do we really
get to significant numbers? So that's the first
thing, so there's an agency-wide effort to look at
all of the different jobs and workforce development

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opportunities and better connect NYCHA residents to
them.

The second thing is, through our own
efforts, last year we placed over 3,000 people in
permanent full-time jobs; we did this through a
variety of ways, through our Resident Training
Academy, and those are folks who actually come and
work for NYCHA, with our REES program, actually
connecting them to either work that's happening
throughout our development or in other opportunities;
in an emerging effort, which we're very excited
about, which is our Food Entrepreneurs program, we're
graduating 36 NYCHA residents every 12 weeks who
already have businesses and we're connecting them
with business planning training and actually
connecting them to jobs, and actually last week, one
of our residents has opened up his first restaurant
in Crown Heights.

So I think that this is a really
important issue; it's one that's central to the
de Blasio Administration; it's something that he has
tasked Maya and myself to focus on across the
agencies. And then through our own efforts, we are
placing on average about 3,000 people into job

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opportunities. Look, I think underlying your
question is; how do we get people to have greater
economic opportunity. I think for many people,
having greater economic opportunity starts with
having a stable home and that's what the New York
City Housing Authority provides, which is an
affordable place for people to live so that they can
then go and deal with the other important parts of
their life. So our primary focus has to be on how do
we make sure that these homes are safe and decent for
the 400,000 people who call it home.

COUNCIL MEMBER RODRIGUEZ: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. We will now hear from Council
Member Miller; followed by Council Member Gibson;
followed by Council Member Richards.

COUNCIL MEMBER MILLER: Thank you, Madame
Chair; Mr. Chair, thank you. Good afternoon, Madame
Chair... [crosstalk]

SHOLA OLATOYE: Good afternoon.

COUNCIL MEMBER MILLER: So I do wanna
kinda stay on the human capital side just a little
bit and that 3,000 is an impressive number; was it
keeping up with attrition; is there a reason why...

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first of all, the 3,000 folks that were hired you
said last year, and...

SHOLA OLATOYE: That we found jobs for in
other... not for NYCHA... [crosstalk]

COUNCIL MEMBER MILLER: in uhm out... not
in NYCHA?

SHOLA OLATOYE: No, not in NYCHA, just uh
in... [crosstalk]

COUNCIL MEMBER MILLER: How many... well
did the workforce increase at all in NYCHA last year?

SHOLA OLATOYE: No.

COUNCIL MEMBER MILLER: Okay. So I think
this is a question that we talked... we talked about it
last year and we need to just figure out how we can
deal with it **[inaudible]**; maintenance is... you know,
it has its ebbs and flows and I talked to you; when I
go by and the grass is two-feet-high and I find that
really disturbing and I'm beginning to see it again;
not in that location, but just throughout the city
and so do we have a workforce that can keep up with
the demand of maintenance, interior and exterior?

The second part of that was certainly to
talk about the Flex maintenance program, if in fact
that is up and running; if not, what are the

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impediments; where are the savings and so forth in
there, but I do certainly wanna talk about... you know,
stay on the human capital, if it is sufficient to
serve the NYCHA residents throughout the city.

SHOLA OLATOYE: Sure. So you know, thank
you for your question, Council Member. I think
embedded in your question is what's happening at our
developments; what's the quality of maintenance;
what's the state of our grounds; what's happening in
and outside of our buildings? I do unannounced
visits every Friday and I'm pleasantly surprised at
some developments and I'm distressed at others. I
think there are a couple things that we have made,
that I've made a priority, which is, while we are
lowering the number of people who are at the central
office, so your question of did your workforce grow,
the answer is no; we have kept our central office
costs lower and we expect that to go even lower, but
we are redirecting those resources to the frontline;
meaning, so we are looking at our borough offices and
really looking at how those offices are structured;
how can we push good people back to the developments
to provide support to what's happening there; how do
we ensure that our developments are properly staffed;

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this is something that Council Member Gibson and I
have talked a lot about as well, something that I see
for ourselves. So it is a question of money, but
it's also a question of priorities; how do we
redirect resources better to support what's happening
at the developments. Your question about FlexOps,
our joint initiative with our colleagues at 237; it
is expected to get underway this summer; we have had
very positive conversations with our new Labor
Management Committee that meets every two weeks and
is really married to the commitment of providing a
longer term of service at the developments so that we
can deal with grounds, trash, cleaning floors; these
are the basic functions of being a property manager
and that is ultimately what the goal of FlexOps seeks
to do to improve that... [crosstalk]

COUNCIL MEMBER MILLER: Okay, so I have
confidence that you'll work it out and it'll get up
and running and I'm looking forward to that...

[crosstalk]

SHOLA OLATOYE: Absolutely.

COUNCIL MEMBER MILLER: In my district we
have two senior buildings; I do wanna talk about. We
wanted to do some capital improvements over there and

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I was really disturbed too see some of the markups on
the costs of installing cameras and some other small
things that we wanted to do, so I'd love to offline
talk about that, 'cause we're short on time.

Also, we have a number of single-family
homes that NYCHA still has and some of them are in
real disrepair and we kind of wanna figure out what
we'll do with that, as well as those that have been
sold as affordable housing opportunities; how many
are still available; how many have been sold and
where we are on that project there?

Also, on the NextGeneration development
and the RFPs that have gone out; what are the MWBE
opportunities and if you wanna talk about not just
the MWBE opportunities there, but others that exist
within the Authority?

[background comments]

SHOLA OLATOYE: Okay. So a couple
pieces; let me start where you ended, which is our
commitment to minority-owned, women-owned small
businesses. We just three weeks ago held [bell] our
annual MBE/WBE fair; we had over 30 companies; more
than 600 people come out to learn not only how to do
business with NYCHA, but what are the requirements;

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what are the bonding and insurance requirements; we
had specific breakout groups talking about these
issues. So I think the first thing for us is making
sure that people know how to access and do business
with us; we've improved how people can do that online
in terms of registering through our business portal
and then having this event. So I think that's the
first piece.

In terms of our overall capital program;
happy to talk to you more offline about our CCTV and
layered access program with Chief Nelson, who I know
you know and we'd be happy to talk to you more about
our ability to do that.

In terms of developments, you know we
have, and I think the first three sites that we just
selected, there were many things that we looked at in
terms of criteria and something that we've heard from
communities and something that I take very seriously
is; how do we make sure, going forward, that we are
able to include local knowledge MBE/WBE as an
important component. So one thing that we're going
to be doing later this year is actually an RFQ like
exercise that will allow us to have a broader pool of
developers, nonprofit developers, etc., minority-

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owned developers to select from. Now again, there
will be some minimum thresholds, but we think it will
be one way in which people can self-select what types
of projects they want to be a part of -- larger
projects, rehabs, new construction, etc. So that's
some of the things that we're doing to make sure that
we are focused on making sure that we're attracting
MBE/WBE businesses not only in our business, but in
the development. I'll ask Nicole to speak
specifically about our single-family portfolio.

NICOLE FERREIRA: So on the single-family
home portfolio, so we are working with the NYCHA
residents that are in those single-family homes on a
homeownership program; we've closed about 15 of those
homes where we've sold them to the NYCHA resident
that's living in the home and this year we continue
to close more and more of those homes.

On the vacant homes, we're happy to
report that by the end of this year we'll have closed
with two nonprofit organizations on 30 homes,
approximately 30 homes, and they will be
rehabilitating those homes and offering those
homeownership opportunities to low-income residents
in those communities, and we'll release an RFP later

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this year for an additional 20 single-family homes
that have become vacant. As NYCHA receives
vacancies, we're pulling them together and then
selling them off to nonprofits so that they can do
the capital repairs and do homeownership programs for
low-income residents.

SHOLA OLATOYE: And I would just add that
we would love to work with your office in particular,
since some of these are in your district, to not only
identify potential developers, but also to ensure
that when the homes are ready for sale that residents
in the community can actually participate; that they
are mortgage-ready, that they have the information
that they need in order to purchase the home, so we'd
love to work with you more closely on that.

[background comment]

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member; we will now hear from Council
Member Gibson; followed by Council Member Salamanca;
followed by Council Member Cumbo.

COUNCIL MEMBER GIBSON: Thank you very
much, Madame Chair and Mr. Chair, thank you so much
and good afternoon; it's good to see you and the
team, and first and foremost, I certainly wanna thank

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you and your executive team for joining us at the
town hall we had two weeks ago in the Bronx; for me
it was a great opportunity for many residents of
Butler, Morris and Webster Houses to really hear
directly from you and a lot of the information on
future capital investment, staff changing and other
things that are happening they were very glad to
hear, so I'm thankful for that and also, working with
all of you; we had a horrific fire in Butler Houses
with two children that were left unattended and so
we're dealing with that; we're working with the Fire
Department as well as NYCHA to focus on fire
education; fire safety, so I wanna thank you for that
too. We have a lot of work that we've done and I
really appreciate that whenever I call you answer;
whenever I text you answer, which is good, because we
do have a lot of work to do just on behalf of both of
our constituencies.

I wanted to ask very quickly about the
NYCHA senior centers; there are 15 senior centers
that remain under NYCHA's authority; I represent two
of them, High Bridge Gardens and Sedgwick Houses;
this year's budget we have \$3 million to carry us for
another year; wanted to find out what we're planning

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to do during the year; are we engaging DFTA or other
agencies; are we going to do an RFP, because my two
centers are very, very much underutilized and they
don't have a lot of services other than what I
provide through local funding and what we're able to
get, so I wanted to find out what the plan is that we
have for these 15 senior centers.

SHOLA OLATOYE: Thank you for your
comments and for your questions. Council Member, I
enjoyed being with you at the Claremont Neighborhood
Center and we've since I think set up a meeting with
the director there, just so you know...

COUNCIL MEMBER GIBSON: Yes, absolutely.

SHOLA OLATOYE: to talk a little bit more
about his basketball court and floor.

So it was really important that we do a
couple things when it came to our senior centers,
that there be no interruption of service for the
residents who do use them, so for the two people who
do go, they should still be able to go or they should
not see an interruption in service and that the
employees, the NYCHA employees that staff these
centers also would not see an interruption in
employment. We work very closely with our colleagues

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at the Department for the Aging to determine kind of
what makes a sort of I think good senior center --
space, kitchen or cooking facilities, access the
ability to do diverse programming, and these 15
centers I think remain some of our most challenged..
[crosstalk]

COUNCIL MEMBER GIBSON: Okay.

SHOLA OLATOYE: 'cause some of them don't
have... I think most of them don't have... [crosstalk]

COUNCIL MEMBER GIBSON: Right. Right.

SHOLA OLATOYE: cooking facilities. So
we will keep them for another year; we are working
with DFTA and a number of neighborhood-based partners
to actually bring in services to them.

COUNCIL MEMBER GIBSON: Right.

SHOLA OLATOYE: We ultimately believe
that the residents in these centers will be best
served by professionals who deal with issues that are
characterized by folks who are aging in place and
folks who do this type of programming, but until we
can ensure that there's no interruption in service
and people aren't losing their jobs, we will continue
to operate them... [crosstalk]

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COUNCIL MEMBER GIBSON: Okay, great. And
I'm happy to work with you; I work with both
directors; I know every senior that comes to both, so
I'm happy to work with you, 'cause I have really good
providers at some of my other senior centers...

[interpose]

SHOLA OLATOYE: Great.

COUNCIL MEMBER GIBSON: and what I can
do, I will make sure that there are programs there,
so... [crosstalk]

SHOLA OLATOYE: That would be great
[inaudible].

COUNCIL MEMBER GIBSON: I'm glad to work
with you.

FlexOps, I know one of the Council
Members talked about it, but it's rolling out in
June; I represent one of the developments, McKinley
Houses, and I wanted to find out; are we using
existing staff for this four-month pilot that we're
launching, and then moving forward, are we going to
talk about hiring more staff? I think I can say with
confidence from all of my TA leaders that we do not
have enough caretakers; if I don't hear that every
day, then I hear it no times [sic], because we just

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simply don't have enough staff. Most of my
developments, I'm lucky if I have between two and
three caretakers full-time and that's really not a
lot when you think about some of my developments,
like Forest Houses, where I have 15 buildings. So I
wanted to find out with FlexOps, are we using
existing staff and overtime and if we're going to
expand beyond the several months, are we going to
talk about hiring more staff?

SHOLA OLATOYE: So again, thank you for
your question. So you are absolutely right and this
is something that I also hear when I visit
developments about sort of the lack of staff and it
is both a function of resources, meaning, you know
people cost money and as we are reporting a more
positive outlook, we are looking to see how we can
redirect resources to the frontline, so we're holding
central office steady and making it go lower and
redirecting those resources to the frontline.

One of the tenets of our FlexOps
Initiative is to make sure that those developments
are fully staffed; that's the commitment that I've
personally made; that's the commitment that we have
made to the leadership of those developments; they're

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not gonna start this initiative without being fully
staffed, so that's the first thing.

And then I think one of the key things is
going to be, in this four months, is evaluating our
successes and that is what we've committed to do at
the end of the four months with our colleagues [bell]
at 237.

The other piece is, as we are continuing
to drive resources to the frontline, we hope that we
plan for that to result in more resources at the
development. I can't say that I'm hiring new bodies,
but can I redirect existing resources to support more
staff at the development; that is something that we
are investigating.

COUNCIL MEMBER GIBSON: Okay, and as I
close; my time is up, I hope that you're engaging
with the RA leaders at the developments and if you
have not already, I would love to work with you on
McKinley Houses...

SHOLA OLATOYE: Okay.

COUNCIL MEMBER GIBSON: and our TA
leader, Mr. Diamond [sic]... [crosstalk]

SHOLA OLATOYE: Absolutely.

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COUNCIL MEMBER GIBSON: to make sure that
residents understand what's coming to them and they
can provide some input on the performance, the
evaluation so that you can use McKinley as a model of
input on whether it's successful or not.

SHOLA OLATOYE: That's great. Actually,
one of the metrics for this program is gonna be
resident satisfaction, so we'd love to do that with
you **[inaudible]**... [crosstalk]

COUNCIL MEMBER GIBSON: Okay, great.
Thank you. Thank you, Madame Chair... [crosstalk]

CHAIRPERSON FERRERAS-COPELAND: Thank...
Thank you, Council Member; Council Member Salamanca;
followed by Council Member Cumbo.

COUNCIL MEMBER SALAMANCA: Thank you,
Madame Chair. How are you, Madame Chair?

SHOLA OLATOYE: Good afternoon.

COUNCIL MEMBER SALAMANCA: So first I
wanna thank you for taking my call a few weeks ago in
terms of listening to some of my concerns in terms of
the Morrisania Air Rights walkthrough. As you know,
Council District 17 has the third largest NYCHA
development in the City of New York and when I
performed my walkthrough with Miss Allen, the Bronx

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Borough Director, about two-and-a-half, three weeks
ago, I was horrified by what I saw in terms of the
lack of basic maintenance not being performed in this
development. We went floor by floor, started on the
19th floor, and to see that light bulbs were out;
they were being replaced on the spot because a
council member was there, was unacceptable to me; to
see that the hallways were dirty, the stairwells were
dark; they were spot mopping on the spot because a
council member was there; that too was unacceptable,
and to see that on an emergency exit there was a hole
on the wall and they covered it up with a cardboard
box and drilled it; that too was totally
unacceptable, and I know that we shared those
concerns when we spoke.

I've also been doing my own walkthroughs
and meeting with tenant associations and speaking to
the caretakers and just to, you know, express the
same sentiments as Council Member Miller and Council
Member Gibson, the caretakers feel that they are
overwhelmed. In Adam Houses, for example, two days
ago, they only have three caretakers at that entire
development and you know their outcry is that they
have to choose whether they have to spot mop; not

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even mop an entire floor, but just mop where they see
that there's spots, take out the garbage, clean the
grounds or change any light bulbs that are not
working. So my question, Madame Chair is; what
exactly is the ratio in terms of caretakers per
building in NYCHA?

SHOLA OLATOYE: So we have a caretaker
ratio of one... I believe it's one to [background
comments]... I believe it's one to 87 units, one
caretaker to 87 units; that is actually, in terms of
industry best practices, actually very low; it's
actually very high, I'm sorry, because our caretakers
do very specific duties. I think outside of NYCHA,
where you have employees who do a more range of
responsibilities you are able to do more, but because
of the way that we're structured, our collective
bargaining agreements, we have, you know folks who
can do very specific things. So I am not disputing
your statements about the lack of staffing, and as I
shared with you when we spoke, very concerned about
just accountability and that has been something that
through our efforts, our OPMOM efforts and certainly
now FlexOps, we are very focused on trying to ensure
that leaders at the development are not only being

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held accountable, but given resources to actually
support what's happening there. Morrisania
certainly, one of the things that I was very
concerned about since I met with the Bronx leadership
to understand what types of support do those people
need in order to be more successful, to understand
how to do this work; it's really important in terms
of training and this is something that we see in our
FlexOps work; that we have to change the way we do
work so we are not just doing things the way that
we've done them for 50 years, and that is something
that we hope to see more of in our FlexOps work.

COUNCIL MEMBER SALAMANCA: Well what
disturbs me the most is the lack of supervision that
I saw at Morrisania Air Rights. Now my question is;
local management that is there, how often do they
have to do walkthroughs of the building?

SHOLA OLATOYE: They're supposed to do
walkthroughs every day, sir. So you know one of the...
and again, you and I are not disagreeing, which is
accountability, local accountability is critical, our
ability to see what's happening at the development.
So there are a number of things that we're doing to
increase that; happy to share that with you.

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COUNCIL MEMBER SALAMANCA: Okay. My
other question is; when a caretaker is out on leave
or calls out, is there coverage to assist that
development?

SHOLA OLATOYE: Not typically.

COUNCIL MEMBER SALAMANCA: Okay.
Alright. I have a little bit more time; I just have
to ask another question in terms of layered access.
You mentioned in your statement that there's 21
developments that are on the list for layered access,
so in [sic]... [crosstalk]

SHOLA OLATOYE: That are currently in
construction for...

COUNCIL MEMBER SALAMANCA: Oh are current
in construction.

SHOLA OLATOYE: Yeah, we have layered
access at a number of our developments; I can get you
the specific number if you'd like.

COUNCIL MEMBER SALAMANCA: That would be
great.

SHOLA OLATOYE: Okay.

COUNCIL MEMBER SALAMANCA: And my other
question is; recently [bell] there's been gang-
related arrests in our NYCHA developments; does NYCHA

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have any anti-gang programs put in place or are there
any plans to assist in terms of anti-gang programs in
our NYCHA developments?

SHOLA OLATOYE: So the... thank you for
your question. I think it's really important that
our work be done in collaboration with our colleagues
at NYCD, the District Attorney's office, with service
providers in the affected communities; we are not a
law enforcement agency and in terms of our ability to
provide direct service programming, that has also
really decreased in years past because of the lack of
funding.

What we can do, and this is something
that is currently underway, is actually redeploy our
staff to better make connections for our residents.
So making sure, in particular, your neighborhood, who
are the local community providers and NYCHA should
serve and can serve as a convener and as a broker to
make sure that those people are talking to each other
and ultimately providing services to NYCHA.

We are working very closely with the
Manhattan District Attorney's Office on things like
lights and cameras and better doors and really
supporting the efforts that his office is working

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towards and we look forward to partnering with you if
there are other programs that we should be
identifying and bringing into our purview.

COUNCIL MEMBER SALAMANCA: Alright.

Thank you, Madame Chair. Will there be a second
round? I'll **[inaudible]**.

COUNCIL MEMBER CUMBO: Thank you, Chair
Ferrerias-Copeland; thank you Commissioner for being
here.

Wanted to talk specifically about the
NextGen process. So I understand that in my
district, where I represent Ingersoll and throughout
there have been awards made in that process to local
development teams. Can you talk to me about what the
RFP process actually looked like and who were on the
selection panel or committee and how was that
decided?

SHOLA OLATOYE: Thank you for your
question. First of all, it's important to know that
we issued this RFP with our colleagues at HPD..
[interpose]

COUNCIL MEMBER CUMBO: I'm sorry; with
whom?

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SHOLA OLATOYE: at HPD, so this is a
joint-issued RFP and it's a relationship that we've
long worked with; also, the criteria for selection
really centers on four things. One is the financial
capacity of the team; do they have the appropriate
bonding, insurance, financial wherewithal to take on
a project of the size and scale; that's the first
thing. The second criteria was the program; did the
program reflect not only what we heard from our
residents, but the other policy objectives that we
are seeking to meet. The third was development
expertise; what was this team's ability to do new
construction, work with other issues as related to
affordable housing development in New York City. And
then the fourth was urban design and sustainability,
so what was the proposed program; how did it meet the
City's design guidelines; how did it meet the
sustainability objective of the program; did it meet
Enterprise Green Communities criteria, etc. So those
really are the four criteria and there's a waiting
process that looks at the teams to see who is the
highest score [sic] based on those four criteria...
[crosstalk]

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COUNCIL MEMBER CUMBO: Let me just ask,
just because I know I have limited time. So that's
decided amongst NYCHA and HPD is setting the
criteria?

SHOLA OLATOYE: We are required to act
according to federal HUD guidelines; we have
procurement rules that we operate under. Those four
criteria is how we actually go about choosing a
developer partner.

COUNCIL MEMBER CUMBO: So there's no
preference in there for a local development team; do
you have any preference to say experience working
with this particular community or experience in
having a relationship with the individuals in that
area? Is there anything that would allow a local
development corporation that has extensive roots,
fits this criteria to give any sort of weight in
their application in that way, because... [interpose]

SHOLA OLATOYE: There's... Yeah, I
understand your question. There's no specif... I'm
sorry I cut you off...

COUNCIL MEMBER CUMBO: Uhm-hm. No, it
just seems that there are certain developers that
have continuously won the process and in my district

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there were local development teams that did respond;
were there local development teams in the other
districts where there is going to be a NextGen; did
any local developers win or is it still the same
larger development firms that have won?

NICOLE FERREIRA: Well in the South
Bronx, WSFSSH is a local service provider of senior
services in Mott Haven; they have a long history in
that community, and they were one of the developers
selected through the process, yes.

COUNCIL MEMBER CUMBO: Were there any
development teams of color that won?

SHOLA OLATOYE: So there certainly are
people on the teams who are of color; we'd have to go
back and look at the actual development teams to see
if that was...

COUNCIL MEMBER CUMBO: Because the way
that I look at this; this is NYCHA, so it's
predominantly serving people of color, so I feel that
this would be a great opportunity... [interpose]

SHOLA OLATOYE: Yeah.

COUNCIL MEMBER CUMBO: for development
teams of color to be able to have an opportunity to
win the RFP, to work in the communities that they've

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help build and development, and as best as I can see,
there were organizations that did apply that would
have fit the criteria in many ways, but weren't even
given an opportunity for an interview or to move
forward in that way, so... [interpose]

SHOLA OLATOYE: Well so I think it's
important to note, and I know you would agree with
us, that... Our goal is to make sure that we get the
best development team to do and execute on this
program. There are federal laws that prohibit us
from being, I think as **[inaudible]** as you are
suggesting, and we'd be happy to share with you
offline the City law, as well as the Federal law that
prohibits us from actually making very specific
[bell] requirements within our solicitations.

And then I think the second thing is;
yes, there were a number of... we were very pleased by
the response that we saw to this development
proposal; we had 25 very strong proposals, but I
think it's really important to note that in order to
be considered, you have to at least meet minimum
thresholds and if you don't meet a minimum threshold
like being able to demonstration financial capacity,
experience, innovative sustainability design, and the

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program; those are the sort of minimum thresholds
that we need to start with. So I think going
forward, and we've sat down I think specifically with
some of the groups that you in particular know and
work with; we've talked through with them about what
were some of the gaps in their application; we are
very committed to doing that; we, as I mentioned
earlier, that we will be working on an RFQ, or
Request for Proposals, later this year to really
encourage a diversity of applicants, so that maybe
people can also self-select, people who have more
experience with rehab, new construction, maybe
borough-specific. So while we understand I think
your overall concern, and certainly share it, we know
we need to make sure that we get the best developers
and we hope that that also includes local knowledge
and preference and we will continue to work at that.

COUNCIL MEMBER CUMBO: Just wanna
conclude by saying I am very disappointed that in
this process we did not have more individuals that
are reflective of the very communities that the work
is going to be completed in; I also wanna say that I
would also hope, which I've seen this is not
necessarily the case, that those numerous meetings

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that the constituents come out for as part of NextGen
would greatly inform the developers in terms of what
process or application that they put forward so that
what all the residents have been saying is reflective
in the end product, and from what I understand,
there's a disconnect from the information that the
residents put forward and what actually comes out on
the end, and it's very important that they match up
so that people recognize that their time is valuable.
I do hope that in the process moving forward, and I
don't know why at 2016 we're still trying to get
groups together in that way; that you do assist them
with their application so that in the next round we
start to see some new faces as part of the
development process and that some new people are
empowered to work within the communities. So those
are my main and also recognizing that we have to make
sure that security and upgrades are happening in all
of the buildings and developments where NextGen is
going to be located, so that way everyone in a
community feels safe, recognizes that there is safety
and equality throughout the entire development, not
just for the new development or the building that
will be existing, that there are security

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enhancements all across the board so that everybody
in the development feels safe.

CO-CHAIR TORRES: Thank you, Council
Member Cumbo. I have a few more questions. As you
know, I've been an enthusiastic supporter of the use
of public-private partnerships, because I think
Triborough is an example of how leveraging public-
private partnerships can fundamentally transform the
living conditions of tenants, and by all accounts,
the tenants are fundamentally happier with their
developments now, compared to a few years ago, even
though there was originally some anxiety, and my
understanding is that Triborough was recapitalized,
about 1,000 units, and so I have a few questions
about... I guess first; how is Triborough going and
then I wanna ask how these public-private
partnerships fit into the Mayor's Housing Plan, but...
[interpose]

SHOLA OLATOYE: Sure.

CO-CHAIR TORRES: if you wanna make a few
remarks about Triborough.

SHOLA OLATOYE: Sure. So thank you for
your query; I think you were on the tour where we got
to see some of the... [interpose]

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CO-CHAIR TORRES: I was not, no.

SHOLA OLATOYE: Oh, well some folks from
your office, where we took folks to see one of the 10
buildings that were recapitalized. So as a recap,
these were 10 buildings that were Section 8
properties, meaning that there was no other federal
dollars coming to them except the Section 8 contract
in rent and they were in terrible condition and there
were huge numbers of vacancies because we literally
could not house people in the units because of the
significant deteriorating roof repairs and other
things. Through this public-private partnership we
were able to recapitalize those buildings, deliver
more than \$80 million in capital improvements to
those buildings and I think, as you said, you know
there was a fair amount of anxiety about what this
meant; I think a couple of things; one, we have made
a commitment to doing things differently in New York
and protecting the rights of tenants; making sure
that people's rent does not go up, doesn't go above
the 30 percent of household income threshold; making
sure that people can live in their homes as
construction is happening; choosing high-quality
developers who can effectuate that, and so just

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anecdotally, I will tell you; I can see one of the
buildings from my window and it has totally
transformed not only the street character, because
they've begun the commercial work; they've repointed
these buildings; residents have new kitchens and
bathrooms; one resident said for the first time in 20
years she's not embarrassed to invite her family over
to her home. So again, just fundamentally changing
what's happening in those people's lives, while also
protecting affordable housing.

Going forward, we expect... our development
work will be through public-private partnerships,
whether that's through the Rental Assistance
Demonstrations program; whether that's through
conventional Low-Income Housing Tax Credit financed
projects; whether that's through tenant protection
vouchers, etc.; we know that we have to work with
developer partners of all levels and persuasions and
we are committed to doing that going forward.

CO-CHAIR TORRES: Yeah. There are
developments that have not seen investments in
decades and you know typically when we speak of
preservation in a public housing context, it means
piecemeal improvements, you know maybe a few bricks,

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boilers. You know under these public-private
partnerships, not only do you have real renovations
in the exterior, but you have extensive rehab..

SHOLA OLATOYE: Right.

CO-CHAIR TORRES: within the apartments
themselves, so it's a level of investment that these
developments would not have seen before.

SHOLA OLATOYE: That's right.

CO-CHAIR TORRES: As we had with... Now the
1,000 units in Triborough; did that count toward the
Mayor's plan to preserve 120,000 units over the next
10 years?

NICOLE FERREIRA: Yeah. So the
Triborough transaction did... those were Section 8
properties that NYCHA had owned already, so the
recapitalization was counted towards the housing
plan, yes.

CO-CHAIR TORRES: And it counts toward
the Mayor's plan because it's preservation in the
full **[inaudible]**...

NICOLE FERREIRA: That's right.

CO-CHAIR TORRES: and you're accessing
the same financing tools, tax credits, it gets tax
exempt bond financing..

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NICOLE FERREIRA: Right.

CO-CHAIR TORRES: and you're gonna use
those same tools with respect to RAD conversions;
right? Will the units that you convert through RAD
count toward the Mayor's preservation efforts?

NICOLE FERREIRA: So the RAD program is a
little bit different because they are public housing
converting to Section 8, so it's a separate
preservation program.

CO-CHAIR TORRES: So is that a no?

SHOLA OLATOYE: They will not count...

NICOLE FERREIRA: Right.

SHOLA OLATOYE: towards the Mayor's
120,000 units.

CO-CHAIR TORRES: But that sounds
ridiculous, because you're using the same exact tools
as you did with Triborough and then when you
recapitalize these properties 15 years, it's gonna be
project-based Section 8...

SHOLA OLATOYE: Correct.

CO-CHAIR TORRES: so I'm not clear... I
mean I guess you don't make that decision, but I
think it's ridiculous that the Mayor's Office, that
the Mayor's Office is not counting these units

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towards the 120,000 goal; I think it sends a message
that NYCHA receives second-class treatment.

Triborough, how much did Triborough
receive in terms of bond financing?

NICOLE FERREIRA: It was... I don't know
the exact number off the top of my head, but a couple
\$100 million in bond financing [inaudible]...

[crosstalk]

CO-CHAIR TORRES: And bond financing was
critical to make the transaction work; could it have
worked without the bond financing?

NICOLE FERREIRA: No.

CO-CHAIR TORRES: So for these public-
private partnerships to work effectively, you need
the buy-in and the cooperation of the City,
particularly HDC?

NICOLE FERREIRA: Correct.

CO-CHAIR TORRES: Do you have a
commitment of bond financing from HDC for these RAD
conversions?

SHOLA OLATOYE: So I would just add; it's
either the City or the State and we're working with
the State on our first RAD project right now. What
we do have is a commitment by the City to help do our

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new construction deals; we are working through the
broader issues -- this bond cap is a limited resource
and I know that this is something that the Deputy
Mayor and my fellow commissioners were all focused
on, particularly given the current context, so while
we don't have a specific commitment around our RAD
portfolio, we are confident that we will be able to
work with our city and our state colleagues to help
execute on this. RAD was featured prominently in the
Governor's budget; we know that this is something
that is very important to that policy agenda as well,
so we look forward to really working with our city
and state colleagues to make it a reality.

CO-CHAIR TORRES: But my understanding is
that NextGen NYCHA and these RAD conversions are part
of the Mayor's Housing Plan, right; that NYCHA is
every bit as part of the Mayor's Housing Plan as HPD...
[interpose]

SHOLA OLATOYE: Yes.

CO-CHAIR TORRES: is that... that was my
understanding; you were... he announced his housing
team all at the same time.

SHOLA OLATOYE: That's right; I was
there.

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CO-CHAIR TORRES: So it just puzzles... So
if the State does not provide you with the bond
financing that you need; do you have a commitment
from the City that it will fill that gap with its own
bond financing?

SHOLA OLATOYE: We have a commitment that
the City is going to work with us to get this
pipeline done. I think that there a lot of pieces
that are still in play; depending on what happens in
Washington, right; that's why we have been so I think
aggressive trying to get some real commitments from
HUD, because you know we need Section 8 vouchers, we
need tenant protection vouchers... [interpose]

CO-CHAIR TORRES: But assuming you have
everything, all the approvals, all the voucher, but
the one thing you need is bond financing and the
State is not willing to provide it to you; is the
Mayor's Office; is HDC willing to provide you with
the bond financing that you need to make these
public-private partnerships work?

SHOLA OLATOYE: I'm confident that the
City is gonna work with us so that we can meet our
commitments and the Mayor's commitment.

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CO-CHAIR TORRES: Right. And I just
wanna say; I think it's insulting that the extensive
rehab and preservation of RAD units does not count
toward the Mayor's plan, so I think it's outrageous
and I hope the administration rethinks its position
on it. Yes, Council Member Salamanca.

COUNCIL MEMBER SALAMANCA: Thank you,
Mr. Chair.

Madame Chair, I have questions in terms
of the Summer Meals, the Summer Meals... [crosstalk]

SHOLA OLATOYE: Summer Meals.

COUNCIL MEMBER SALAMANCA: Yes. It's my
understanding that as of late, NYCHA has agreed to
host Summer Meals this year... [crosstalk]

SHOLA OLATOYE: That is correct.

COUNCIL MEMBER SALAMANCA: So my question
is; where in the City budget does the funding to host
the NYCHA Summer Meals come from?

SHOLA OLATOYE: It will be something that
is funded by NYCHA; it is not in the City budget.

COUNCIL MEMBER SALAMANCA: Alright. So
how do we ensure that these Summer Meals are not at
risk every year in terms of being cut; how can we
keep these programs on every year?

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SHOLA OLATOYE: So one of the things that
we had been working towards actually, is working with
our colleagues at the Department of Youth and
Community Development, because they are actually
equipped to run and they run the City's Summer Meals
Program. We were working very closely; they actually
asked us to continue to run these, 'cause they
weren't quite... their ability for their contracting
process had not begun. We are working very closely
with them so that there isn't an interruption in
services, that there isn't an interruption in the
provision of meals to young people, etc. We will
operate these programs for another year; in the
interim, DYCD is going to move forward its
contracting process to make sure that it can augment
it to receive the current NYCHA program and we expect
that next year DYCD will probably be running this
program.

COUNCIL MEMBER SALAMANCA: Okay.
Alright. My other question is; I wanna go back to
the gang rates. So the DA's office, when they
arrested these individuals, charged them; what
happens post pleas; are they allowed to come back to
these NYCHA developments?

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SHOLA OLATOYE: So the NYPD arrests them,
they are charged with whatever, you know, and we
should just... I mean, we are not privy to all of the
inner workings of these law enforcement agencies, and
as I understand it, the number of people who were
arrested who actually reside in NYCHA was very small,
so a couple of things; and I think you're referring,
really, underlying your question is the issue of
permanent exclusion. So we've been working really
closely with advocates and others around a review of
our permanent exclusion policy; the first thing is,
it's important to note that we've completely revamped
the process of actually getting information from
NYPD; do we know who those people are, so now we know
within a week, we are prioritizing that we know the
most serious alleged offender, so we're talking about
gun violence, sex crimes, murders, etc., and then our
process is now very concise in our ability to
approach the tenant or record to gather the amount of
evidence that we need to demonstrate that there may
be an issue with regard to tenancy; that's full stop.
So we now have improved that process over the last
six months. And then we work with the family to
determine; is this someone who we want to be in this

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apartment versus... [bell] and if we have information
and evidence to suggest that they shouldn't, we are
able to move much more quickly through our process to
determine... to protect the tenancy of the family and
keep the potential offender out of the home.

COUNCIL MEMBER SALAMANCA: Alright. Can
I ask one more question? My last question has to do
with dog, Pit Bulls. Speaking to my constituents,
there's concerns about NYCHA residents, they have Pit
Bulls in their apartments, which it's my
understanding it's illegal... it's against NYCHA
guidelines to have Pit Bulls in these apartments.
How does NYCHA enforce this?

SHOLA OLATOYE: This is a really hard
issue; I'm just gonna be totally candid. We cannot
seize people's personal property even though they may
be a banned breed and then NYPD is not responsible
for enforcing NYCHA house rule and there is an Animal
Control Center that has no enforcement capacity. I
was on the phone this morning in fact with the
Director of the Animal Control Center to talk about
this very issue, because it is one not only because
of the horrible attack that two of my employees
suffered recently, but it's something that in

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addition to caretaker vacancies that I hear
constantly when I'm visiting developments.

So the process is that residents are
required to register their animal under 25 pounds;
that is permissible; there is a small fee I believe
of \$25, and there are some developments where they
have high registration numbers and they have people
who pay fees and it works. If by visual inspection
our staff find that someone has a dog that is over
that weight limit -- which visually you already can
tell this gets a little complicated; how can you tell
if someone is 25 pounds versus 30 -- if there is a
visual inspection that there is a dog that is over
the weight limit or that there is a banned breed in
the home, the resident is called into the management
office and told that they have to remove the dog;
they're in violation of their tenancy; they're given
a period of time to cure that, remove the dog in some
form or fashion, or we then begin tenancy action and
in our parlance, tenancy action actually means
beginning the process towards eviction; the lease is
the only tool that we have to enforce the rules that
we set forth.

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I will tell you, we have not been
terribly successful in evicting people because of a
dog; it is horrible that this is oftentimes a post
issue, when something terrible has happened. So it
is something that we are working with and really
seeking to find a better solution, both with other
agencies, NYPD, as well as our residents and I think
part of our effort is going to be around broad public
education, around what the rules are, around safety;
we're looking at in some of our developments actually
having more sort of segregated sort of areas where
animals can be. So this is a very fluid issue; we
enforce them when we are able to visually see that
someone is in violation and then ultimately that is
then left up to the discretion of the administrative
hearing judge as to whether or not a tenancy action
is **[inaudible]**.

COUNCIL MEMBER SALAMANCA: Alright, thank
you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. And I just want to acknowledge
that we've been joined by the Girl Scouts of Greater
New York City, Troop 3484. Hello. [background

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comments] Welcome to City Hall. [clapping] Welcome
to City Hall, ladies. [background comments]

[clapping, background comments]

So we thank you for doing all that you do
for New York City and we are doing an oversight
hearing now of our City's budget, which is \$82
billion. So thank you for coming today.

We will now pass it over to the co-chair
before we end the hearing.

CO-CHAIR TORRES: I have no questions,
but I do wanna just reiterate my frustration...

SHOLA OLATOYE: Okay.

CO-CHAIR TORRES: which is; I resent what
I see as the marginalization of NYCHA within the
Mayor's Housing Plan, the treatment of NYCHA as a
second-class partner, right; the City is coming to
you and saying we will use your land for our units,
but we will guarantee you no bond financing for your
units, right; you know we're not gonna count your
units toward our preservation effort; I think that's
nonsense and the relationship between NYCHA and the
City should be a mutually beneficial relationship;
not a parasitic relationship and so I just wanted to
make my opinions known on that subject. With that

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said, this hearing is adjourned -- [background
comments] oh wait...

CHAIRPERSON FERRERAS-COPELAND: Wait,
wait... [laugh] Thank you, Chair. This concludes our
hearing for today; we are going to be getting
additional questions to you from both of our
committees...

SHOLA OLATOYE: Okay.

CHAIRPERSON FERRERAS-COPELAND: we need
you to get them back to us, the responses back as
soon as possible, 'cause we're... [interpose]

SHOLA OLATOYE: You'll get those to us
when?

CHAIRPERSON FERRERAS-COPELAND: We're
gonna get it to you within the next two days...

SHOLA OLATOYE: Okay.

CHAIRPERSON FERRERAS-COPELAND: and if
you can get 'em back to us within that time, we'll be
using it for negotiating purposes for the budget...

SHOLA OLATOYE: Okay.

CHAIRPERSON FERRERAS-COPELAND: okay?

SHOLA OLATOYE: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Alright.
This concludes our hearing for today; the Finance

COMMITTEE ON FINANCE, JOINTLY WITH THE COMMITTEE ON
LAND USE, COMMITTEE ON TECHNOLOGY, COMMITTEE ON
CULTURAL AFFAIRS, LIBRARIES & INTERNATIONAL
INTERGROUP RELATIONS, THE SUBCOMMITTEE ON LIBRARIES,
AND THE COMMITTEE ON PUBLIC HOUSING 316

Committee will resume Executive Budget Hearings for
Fiscal 2017 tomorrow, May 20th at 10 a.m. in this
room. Tomorrow the Finance Committee will hear from
the Department of Parks and Recreation, City
University of New York and the Department of Veteran
Affairs. As a reminder, the public will be invited
to testify on Tuesday, May 24th, the last day of
budget hearings, at approximately 3 p.m. in this
room. For any member of the public who wishes to
testify but cannot make it to the hearing, you can
e-mail your testimony to the Finance Division at
financetestimony@council.nyc.gov and the staff will
make it a part of the official record.

Thank you and this hearing is now
adjourned.

[gavel]

C E R T I F I C A T E

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



Date June 19, 2016